

Coffee, gold and copper – the Triumph triple play

New exploration at Freegold Mountain looks to add discoveries to existing resource

Digital is the new normal and the 10th annual Beaver Creek Precious Metals Summit is on next week – virtually, of course. It is a huge conference with more than 200 companies from around the world, more than half of them being gold explorers or producers.

It will be a busy three days for investors looking at the space, and it will be difficult to get investor attention with so many presenting companies. However, one of the presenters has been deservedly attracting market attention this year after successfully raising equity capital in July 2020.

Triumph Gold Corp. (TSXV: TIG | OTC: TIGCF) is a Yukon (Canada) focused exploration company. Their primary exploration assets are located in the Dawson Range gold-copper belt, host to the **Casino Copper** deposit, the **Coffee gold deposit** and the **Klaza** gold prospect among others, in a road-accessible, mining friendly jurisdiction.

Location, location, location.



Source: Triumph Gold Corp.

Why should you care? The company's core asset is the 100%-owned Freegold Mountain Project. This is a 200 square kilometer block along the mineralized trend of the Big Creek Fault, only about 200 km by paved, year-round highway from

Whitehorse YT. This road connects with the (partially completed) Resource Gateway Road and Mount Freegold Road, which runs through Triumph's block. And finally, Whitehorse is only about 170 km from deepwater ports in Alaska, so access and egress to this prolific resource area is not an issue.

The company has **three NI 43-101 compliant resource estimates** on this block. Driven by the regional and local fault systems, the porphyry and epithermal sourced gold (plus associated minerals) potential would make any geologist drool with excitement. Discoveries at Nucleus, Revenue and Tinta have Indicated and Inferred Resources in both open pit and underground mining evaluations with the Resources being pit constrained. The NI 43-1010 evaluations are dated as of February 11, 2020 and complete results are best reviewed on the company's website, but they are very impressive.

At the end of July, the company announced plans for the 2020 exploration program on the Freegold Mountain Project. This will be a continuation of the exploration which began in 2016 that has yielded tremendous results. The program was expected to commence the first week of August, with the appropriate coronavirus risk mitigation programs in place.



Source: Triumph Gold Corp.

New exploration will include epithermal gold targets of the Mount Freegold block to the southeast of the Nucleus and Revenue deposits, as well as shallow gold targets related to the gold-rich porphyry copper mineralization surrounding Revenue. Triumph has a new drillhole-constrained 3D magnetic inversion geophysical model for the area that will partially guide the program around Revenue.

Highlights of the 2020 program include:

- Testing the Irene-Goldstar Epithermal Au-Ag Corridor

with well-spaced step-out drillholes from the successful 2018 drill campaign at the Irene Zone, through the Vindicator Zone, culminating at the Goldstar Au-Ag Vein on top of Freegold Mountain

- Trenching and inaugural drill testing of the highly prospective Melissa Epithermal Zone: a massive multi-element soil anomaly with similarities to the Nucleus Au-Ag-Cu Resource
- Drill testing a shallow, underexplored, geophysical and geochemical porphyry copper-gold target south of the phyllic-altered Keirsten Zone, as well as a geophysical target identified by the recent drillhole-constrained 3D magnetic inversion model
- Trenching and drill testing coincident geochemical and geophysical anomalies situated along structural trends immediately east of the high-grade gold and copper porphyry-related Blue Sky and WAu Breccias of the Au-Ag-Cu-Mo-W Revenue Resource

The company is well-funded for this exploration program and has a strong shareholder base with approximately 18% of the company owned by Newmont Mining Corporation and a 46.5% institutional shareholder base. The company closed two successful non-brokered private placement equity financings in July 2020 for a total of \$6.3 million.

With these successful private placements, the company is very well-funded for an important exploration program on Freehold Mountain. With three evaluated resource discoveries and significant potential in a highly prospective and prolific mineralized area, this is definitely a company that has market attention and is important to watch.

See also: *Drolet Stock Note: Triumph Gold Corp. – Developing another Yanacocha mineral type deposit in North America*
<https://bit.ly/31n2U70>

Will 2019 be the year of mining mergers and acquisitions?

At the beginning of every new year there is always speculation on what the year is going to bring. Given the current low valuations across the mining sector, will 2019 be the year of mining mergers and acquisitions (M&As)?

Newmont buys Goldcorp

Even though we are just one month into 2019 the biggest news for January has to be Newmont Mining Corp. buying rival Goldcorp Inc. in a deal valued at \$10 billion. This will create the world's largest gold miner and cements a return of M&A to the gold industry.

Barrick Gold buys Randgold Resources

The biggest deal in the gold mining industry's history comes just three months after Barrick Gold Corp's move to buy Randgold Resources Ltd. in a \$5.4 billion transaction.

These two huge gold deals have the potential to spark investor interest after the industry lost favor following recent years of lackluster gold prices, bad investments, poor deals, and in some cases poor management. Are gold mining companies now turning to M&A as a way to kick-start growth and secure mine reserves after a decade of cutting back on exploration spending? It's not just huge gold mines but even the junior miners that could make 2019 the year of M&A.

Smaller mining M&A deals will be very common in 2019

The following companies are also already a part of the 2019 M&A trend.

CBLT Inc. (TSXV: CBLT) announced on January 21, 2019 it was the winning bidder for a portfolio of mining assets. The assets are all located in Canada and all have been explored to some degree. One of the assets, Northshore Gold is in the world famous Hemlo Gold Camp that boasts an indicated resource of 391,000 ounces gold in 12,360,000 tonnes at a grade of 0.99 g/t gold. CBLT has been advised by GTA Resources and Mining Inc. (TSXV: GTA) that GTA has not been able to reach acceptable terms with any other bidder for GTA's portfolio of mining assets and as a result GTA intends to close on the CBLT agreement.

It's just not gold that's got M&A fever – How about lithium, cobalt, and nickel?

Just last month Tianqi Lithium bought into SQM outlaying US\$4.1 billion, while Albemarle (ALB) paid US\$1.15 billion for half of Mineral Resources (ASX: MIN) Wodonga Lithium Mine. Prior to that POSCO paid US\$280 million for Galaxy Resources Limited (ASX:GXY) northern lithium tenements in Sale De Vida Argentina. In yet another recent lithium deal partners Ganfeng Lithium and Mineral Resources agreed to buy out Neometals Ltd. (ASX:NMT) share of the Mt Marion Lithium Mine. Also in January PlusPetrol announced it has entered into a definitive arranged agreement to acquire LSC Lithium. PlusPetrol is a private, independent, international company in the exploration and production of oil and gas. Here is another fossil fuel company looking to join the green energy trend. Bangchak Petroleum was another when they bought into Lithium Americas (LAC) in 2017.

In January Cobalt 27 announced a friendly acquisition of Highlands Pacific to create a leading high-growth, diversified battery-metals streaming company. The acquisition of Highlands will allow Cobalt 27 to gain a direct interest in the Ramu nickel-cobalt mine and materially increase its attributable

exposure to the mine's nickel production from 27.5% to 100% and cobalt production from 55% to 100%. Under the terms of the Scheme, Cobalt 27 will acquire all of the issued ordinary shares of Highlands that it does not already own.

Although only one month has passed in 2019, it has been a rapid fire month for mining M&A's. Who might be next? Certainly there are a number of very cheap junior miners, and the mining sector is ripe for consolidation. A few names come to mind as being very well valued such as Eastmain Resources Inc. (TSX:ER | OTCQX:EANRF), Getchell Gold Corp. (CSE: GTCH), and most of the lithium/cobalt/nickel/copper juniors with a good size and grade resource, and safe location.

Bigger miners know it is often easier to purchase, acquire, or merge with existing projects to build a portfolio as it is much cheaper and quicker, especially if timed correctly. We have already seen two massive deals done recently in the gold industry, so it looks a good bet we will see a lot more M&A action in 2019.

Agnico Eagle working towards increasing Homestake Resources gold and silver grade

❌ Homestake Resource Corp ('Homestake', TSXV: HSR) is developing the gold and silver in northwestern British Columbia. It is part of the same stratigraphic assemblage of rocks as the Brucejack gold project, which was shown to contain several million ounces of gold (13 million ounces of

gold and 62 million ounces of silver) and other gold-silver deposits hosted in lower Hazelton Group rocks. The possibility of increasing the current gold resource on the property is very optimistic. Homestake has two projects: Homestake Ridge and Kinskuch.

Homestake has full ownership of the Homestake Ridge property (3,600 Ha.) which features an NI 43-1010 estimated Inferred Resource of 911,000 oz. gold and 20,366,000 ounces of silver and an estimated Indicated Resource of 124,000 oz. gold and 939,000 oz. silver. Agnico Eagle (TSX: AEM), a leading Canadian gold extraction and processing company, is a partner in the Project and it has already started working on increasing the grade of the resource. The gold deposits lie below the silver rich caps which are host to over 20 million ounces of silver. Homestake has identified three significant deposits at the property making Homestake Ridge one of the leading undeveloped precious metals projects in Canada. Last July Agnico has set out to expand the mineralization through a 7,500 meter drilling program, which is expected to deliver over 1,000 meters of surface mineralization.

Homestake also has a 100% option on the Kinksuch Property, which is one of the largest in Canada with its 62,500 hectares. It surrounds the Homestake Ridge and other properties. The size is such that the Company has considered breaking it up into smaller fragments for other junior or majors to develop. The timing of these developments is ideal in what has been a very active gold sector in Canada from a purely strategic point of view in 2014. The collapse of merger talks between Barrick Gold (TSX: ABX) and Newmont Mining (NYSE: NEM) and the failure of Goldcorp (TSX: G | NYSE: GG) to take over Quebec's prized gold producer Osisko (TSX: OSK) – bought by a rival – has left these North American mining sharks hungry. Surely, both will be looking for new gold and silver prey, facing competition from smaller predators on the hunt for promising juniors left exposed by the price of gold,

which have failed to reach the highs that current global economic indicators would have suggested.

Barrick Gold may continue hunting for Newmont; however, the next effort will likely replace the friendly merger talks with more aggressive hostile takeover fangs. While these two gold giants fight it out, the smaller – but still substantial players – Goldcorp, Canada's second largest producer, has certainly retained its appetite for expansion. Rather than Quebec, Goldcorp may look west to British Columbia where there are large gold mine bargains to be had. Pretium Resources with its aforementioned Brucejack mine (seven million ounces) is a tempting dish, that would allow Goldcorp enough capital to both buy it outright and still have plenty of cash left over to expand and develop the project – given that it was ready to spend CAD\$ 3 billion for Osisko. Agnico Eagle, which defeated Goldcorp in a joint bid with Yamana Gold (TSX: YRI) to purchase Osisko last June has already started expanding the Homestake project and may yet have some appetite left for a 'fuller' involvement. Certainly, it would be the prime candidate for a takeover. Ultimately, this suggests that gold mining has been resilient in 2014 despite the lower than expected prices.

Geopolitical tensions and uncertainty are good for gold, because of its quality and in July, when the threat from ISIS became clearer and louder on the world scene, gold got close to its year high topping USD\$ 1345/ounce. Investors, however, appear to have short memories, forgetting 'the problem of the week' from the aggravation of East/West relations over Ukraine, or problems in the East or South China seas and questions about the recovery in the European Union. Rising equity markets have made investors less risk averse but this doesn't mean that the risks have gone away. Footage of the brutal murder of American journalist James Foley by an ISIS self appointed executioner has resonated around the world and it will be difficult for the United States and other powers to

avoid returning to Iraq in a larger capacity or even of targeting ISIS in Syria – siding with Assad! Possible interest rate hikes by the Fed aside – which makes dollar based assets such gold more expensive for investors using other currencies – the risk for geopolitical ‘black swans’ capable of triggering gold rallies (i.e. the shooting down of a Malaysian Airlines jet in Ukraine) remains very high.