

All eyes are on Treasury Metals combined Goliath & Goldlund gold project as PEA expected in Q1, 2021

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The Preliminary Economic Assessment (PEA) is an important time for a junior miner when investors get a feel for the economics of a project. If the result is good it helps advance the project and the company's stock price, which helps to raise further equity capital to continue drilling and onto the Feasibility Study (FS). A successful PEA can also serve to de-risk the project a step further and increases investor attention and confidence in the project.

[Treasury Metals Inc.](#) (TSX: TML | OTCQX: TSRMF) is at this important stage with their combined Goliath & Goldlund Project PEA due out anytime soon in [early Q1 2021](#). The PEA will also incorporate updates to the NI 43-101 Resource which will be another important part of the news release.

Looking at Treasury Metals' Goliath & Goldlund Project in Ontario there are multiple synergies and cost advantages that can potentially help give a strong PEA result. These synergies include the project boundaries being just 2km apart (planned mill at the Goliath site and Goldlund located 25 km away) and having similar metallurgical properties, which means both projects can feed a single mill at Goliath. Cost advantages include the initial plan for an open pit and excellent local infrastructure in an existing mining district in Ontario, Canada. This includes excellent nearby road access via the Trans-Canada Highway, rail infrastructure, power, and nearby

towns for labor. All of this helps lower costs.

Bill Fisher, Chairman of Treasury recently [stated](#): “We are pleased to announce the rapid progression of the PEA on the 100% owned Goliath and Goldlund projects, including the selection of Ausenco as the principal consultant for the report. With around 2 million ounces of gold in Measured & Indicated Resources, we see the combined projects as having the potential to be a significant gold mine. **Our goal is to demonstrate the potential for a gold mine which can produce more than 100,000 ounces per year over a 12+ year mine life, at attractive all-in sustaining and cash costs.**”

Note: Bold emphasis by the author.

The combined Goliath & Goldlund Project now has a total combined property size of 320 km² with a [65km](#) potential strike zone. The chart below highlights the very close proximity (2km apart) between the Goliath & Goldlund Projects which is expected to create cost savings via synergies.



[Source](#): Company presentation

Chairman Fisher comments further [stating](#): “...The site is within 3,000 metres of the Trans-Canada Highway and rail corridors, 200 metres from a 115/230 kVa power line and 20 kilometres from the town of Dryden. The recently acquired Goldlund project is approximately 35 kilometres from Goliath by road, with 27 kms being a paved provincial highway. **We look forward to demonstrating the benefit of our first-class infrastructure on mine development costs and timelines.** In addition, with the region consolidated for the first time in its history, **we are excited to see the results of potential efficiencies between the two projects.**”

Note: Bold emphasis by the author.

Low costs + reasonable mine life + strong gold prices = A solid PEA. It really is that simple. Of course we will have to wait and see the results very soon.

We do have an earlier updated PEA just for the Goliath Project with the results shown below and based on a gold price of [US\\$1,250/oz](#) and silver price of US\$17.00/oz. It is now out of date and not be relied upon, but nonetheless adds to the picture. I would expect with the addition of Goldlund and higher gold prices today, we can expect an even better result in the upcoming PEA, but there are no guarantees until we see the result. I will let you make your own assessment.

Treasury Metals March 2017 updated PEA for the Goliath Project (historic)



[Source](#): Treasury Metals Inc. website

Treasury Metals' 100% owned Goliath-Goldlund Project in Ontario, Canada (Resource estimate)

Goliath is a 50 km² tenement suitable to open pit and underground mining, with an M&I [Resource](#) of 1.23 Moz @ 2.36 g/t AuEq and an Inferred Resource of 0.23 Moz @ 3.51 g/t AuEq. The Goliath Gold Project has received environmental assessment approval by the Government of Canada and provincial permits are advancing.

Goldlund is a 280 km² tenement with open pit potential with an Indicated [Resource](#) of 0.81 million oz @ 1.96 g/t Au and an Inferred resource of 0.88 million oz @ 1.49 g/t Au.

Reasons to invest in Treasury Metals Inc.



[Source](#): Company presentation

Closing remarks

Treasury Metals currently trades on a market cap of C\$143 million. I cannot pre-empt what the Goliath & Goldlund Project PEA will be as that is purely speculation. What I can say is that I expect, based on a larger combined resource with multiple synergies and today's higher gold price, a potentially very pleasing PEA when released very soon in early Q1 2021. Stay tuned.

Treasury Metals' Greg Ferron on the gold market and the Goliath-Goldlund gold projects

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InvestorIntel's Tracy Weslosky spoke with Greg Ferron, CEO of [Treasury Metals Inc.](#) (TSX: TML | OTCQX: TSRMF), about Treasury Metals' Goliath gold project and their recent acquisition of the Goldlund project. "We are next to a very prolific camp – Red Lake," Greg said. He added that after Treasury Metals' Goldlund acquisition, "we are now one of the largest undeveloped gold projects in Canada with more than a 3 million ounce deposit."

Greg also discussed how investors looking to diversify are increasingly turning to gold, especially in stable, mining-friendly jurisdictions. He says that Treasury Metals' appeal

lies in several factors: “We are right on the Trans-Canada Highway. That keeps our cost down. We have all the infrastructure, we have skilled labor, we have a very high-grade open pit and attractive underground grades.”

Greg also provided an update on Treasury Metals’ recent \$11.5 million financing.

To access the complete interview, [click here](#)

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The power of two – Treasury Metals harnessing gold project synergies

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Combined district-scale Goliath-Goldlund Gold Project

There is an old saying that the best place to put a gold mine is next to another gold mine. When miners can consolidate adjacent or nearby gold assets, it can present co-development opportunities which typically reduce costs of production due to synergies. With the gold price still hovering near a record high (currently at [USD 1,946/oz](#)) any gold mining junior that can advance to production rapidly is likely to do well. Today I look at one company that is doing just that – combining two gold

projects for rapid co-development towards production.

[Treasury Metals Inc.](#) (TSX: TML | OTCQX: TSRMD/TSRMF) is focused on gold and is developing their Goliath and Goldlund Projects in Ontario, Canada. The company recently acquired the Goldlund Gold Project and is moving towards the development phase of an integrated Goliath-Goldlund Project. Treasury Metals has two other early stage gold exploration stage projects named Weebigee and Gold Rock, both in Ontario, and an early exploration stage Lara Polymetallic Project (Au, Ni-Cu-(PGE), Cu-Zn-Pb-Ag) located in British Columbia.

Treasury Metals Inc.'s gold projects in Ontario Canada



[Source](#)

Treasury Metals say that they have “[one of the largest undeveloped gold assets](#) in Canada”, so let's take a look at their flagship, newly combined, development stage asset, the Goliath-Goldlund Project.

The Goliath-Goldlund Project

Located only about 25 km apart with a 2 km distance between the boundaries, there is significant opportunity for operational synergies with the Goliath-Goldlund deposits.

With an M&I [Resource](#) of 1.23 Moz @ 2.36 g/t AuEq and an Inferred Resource of 0.23 Moz @ 3.51 g/t AuEq, Goliath is a 50 km² tenement suitable to open pit and underground mining. The Goliath Gold Project has received environmental assessment approval by the Government of Canada and provincial permits are advancing.

Goldlund is a 280 km² tenement with open pit potential with an

Indicated [Resource](#) of 0.81 million oz @ 1.96 g/t Au and an Inferred resource of 0.88 million oz @ 1.49 g/t Au. The newly acquired Goldlund Project gives Treasury Metals exposure to a large and highly prospective land package with further resource expansion potential.

As shown below this region of Ontario has already proven successful for other companies with multi-million ounce gold discoveries.

Together the projects have ~2.0 Moz Au in the M&I resource categories, and ~1.1 Moz Au in the Inferred resource category



[Source](#)

The combined Goliath-Goldlund Project now has a total combined property size of 320 km² with a [65km](#) potential strike zone. Goliath and Goldlund are reported to have similar metallurgical properties creating the potential for shared processing infrastructure, as Goldlund is within trucking distance of a potential operation at Goliath. Treasury Metals is expecting to achieve other synergies such as unit operating cost reductions and optimizations anticipated as a result of greater open pit mining focus.

Local infrastructure is excellent being in the middle of an existing mining district in Ontario. There is excellent access to the Trans-Canada Highway, related power and rail infrastructure, and nearby towns for labor.

Next steps

Treasury Metals is now working on a PEA for co-development opportunities for the Goliath-Goldlund Project. This will include optimization of the mining sequence for processing

throughput and envisions initial production from Goliath Open Pit, followed by integrated production from underground and Goldlund Open Pit once fully permitted (a 2-3 year time frame expected). Meanwhile the company expects to continue exploration to grow and better define the resource and progress the construction permitting process. In particular, the company plans to drill the promising Miller Prospect.

Strategy

Treasury Metals strategy is to implement the successful 'Hub & Spoke' model. This means having an initial mining 'hub' at the Goliath Open Pit (1st phase production) and Underground (2nd phase) location, then later followed by adding the 'spoke' at Goldlund Main Open Pit (3rd phase), with the potential of subsequent satellite deposits such as the Miller Prospect (4th phase).

Closing remarks

The new larger Treasury Metals looks well equipped to rapidly advance towards production. With a healthy current market cap of C\$163m (and C\$8m of cash) Treasury Metals has already attracted much attention, with investors anticipating the company progressing rapidly towards a strong PEA, potential resource growth, and becoming a mid-term 'open-pit' (and hopefully low cost) producer. We will know a lot more on the economics after the PEA is released.

Investors should also keep in mind that Treasury Metals has two other gold projects in Ontario and what looks to be a promising poly-metallic project in BC. Certainly analysts see further possible upside with a price target of [C\\$2.27](#) from the current stock price of C\$1.50.