

# Time to look at Gold...Troilus Gold

Earlier in March, Gold (the commodity) tested and held an important technical support level at approximately \$1,680/oz. Since then Gold has based and started to move higher, not dramatically, but with yesterday's close at \$1,733/oz it's now headed in the right direction again after a great run from \$1,450/oz in November 2019 to well over \$2,000/oz in August 2020. This is important, as with most commodity stocks, it's a lot easier for the underlying producers of these commodities to go up when they aren't swimming against the current.



So let's look at Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF). The company has had a busy start to 2021, reporting several new drill results, and then a tuck-in acquisition of UrbanGold Minerals on March 23<sup>rd</sup>. In fact, the company has been busy since it acquired the former producing Troilus Mine in December 2017. Since then, the company has added over 100,000 ha to its land position in and around the existing Mine (pro-forma the UrbanGold purchase), drilled over 100,000 metres including a new discovery zone (SouthWest Zone) and completed a positive PEA in August 2020. And those are just the highlights for this Toronto based miner focused in the Frotêt-

Evans Greenstone Belt in Quebec (NE of the better known Val-d'Or Gold region).

Several companies around the world have found success revisiting former producing mines/regions and applying new techniques and technologies or just plain old due diligence and this is no exception. Troilus began by expanding the drilling around the existing Z87 and J Zone pits that were successfully mined from 1996-2010. Based on that work the Troilus technical team analyzed the historical and new data that was being collected and formulated a new geological interpretation of the Troilus property, which led to a new discovery in the Southwest Zone that they began drilling in late 2019.

Results from the Southwest Zone (roughly 3 kilometres southwest of the former mine and main mineral resource area) represent one of the most important near-term mineral growth targets on the Troilus property. Troilus will include all the recently announced Southwest results from late 2020 and ongoing 2021 results into an updated mineral resource estimate and Pre-Feasibility Study, targeted for completion in the second half of 2021.

To summarize, Troilus already has a mineable resource based in a low-risk jurisdiction with excellent accessibility. There is existing infrastructure that came with the original mine acquisition that will significantly reduce the overall cost to bring a new mine into production, thus helping to lower the AISC (All-In Sustaining Cost, which is a standardized Gold Industry comparison metric) to the lowest quartile in Canada. Three existing strike zones (Z87, J, Southwest) are all open on strike and at depth – which means they haven't found the limit of mineralization yet. Plus over 142,000 ha of property (pro forma UrbanGold purchase) to continue exploring. This all adds up to an exciting opportunity for investors.

Even if Gold moves in a sideways, consolidation pattern for

the next little while, miners with the right story have a chance to excel. The trend is your friend, so let's hope gold continues along the same trend as Troilus Gold's drilling results.

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## **Justin Reid on increasing the Troilus Gold resource by 6.5M ounces over the last 2 years**

In a recent InvestorIntel interview, Peter Clausi speaks with Justin Reid, CEO and Director of Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF) about the new assay results from the Fall/Winter 2020 drill program. Highlighting the addition of 6.5 million ounces to the Troilus resource in less than 2 years, Justin walks Peter through their record growth last year and shares how Troilus has secured and "unheard of" volume of institutional investors (51).

Want to find out more? [Click here](#)

### **About Troilus Gold Corp.**

Troilus is a Toronto-based, Quebec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine. The 107,326 hectare Troilus property is located northeast of Chibougamau, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. From 1996 to 2010, Inmet Mining Corporation operated the Troilus project as an open pit mine, producing more than 2,000,000 ounces of gold and nearly 70,000 tonnes of copper.

To learn more about Troilus Gold Corp., click [here](#)

*Disclaimer: Troilus Gold Corp. is an advertorial member of InvestorIntel Corp.*

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## Will 2021 be the year of M&A in the gold industry?

2021 looks like being a record year for monetary stimulus, and this should mean a strong year for gold prices. Given the difficulty and cost in finding new gold discoveries and the potential for higher gold prices a year from now, it looks likely that 2021 will see plenty of action in the mergers and acquisition (M&A) space for gold companies.

Flush with cash and while interest rates remain low, mid-tier and large-tier gold miners will be looking to boost their gold reserves/resources by acquiring promising junior gold miners. Today I look at some of the junior gold miners that have significant gold resources that would be ripe for takeover.

### **Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF)**

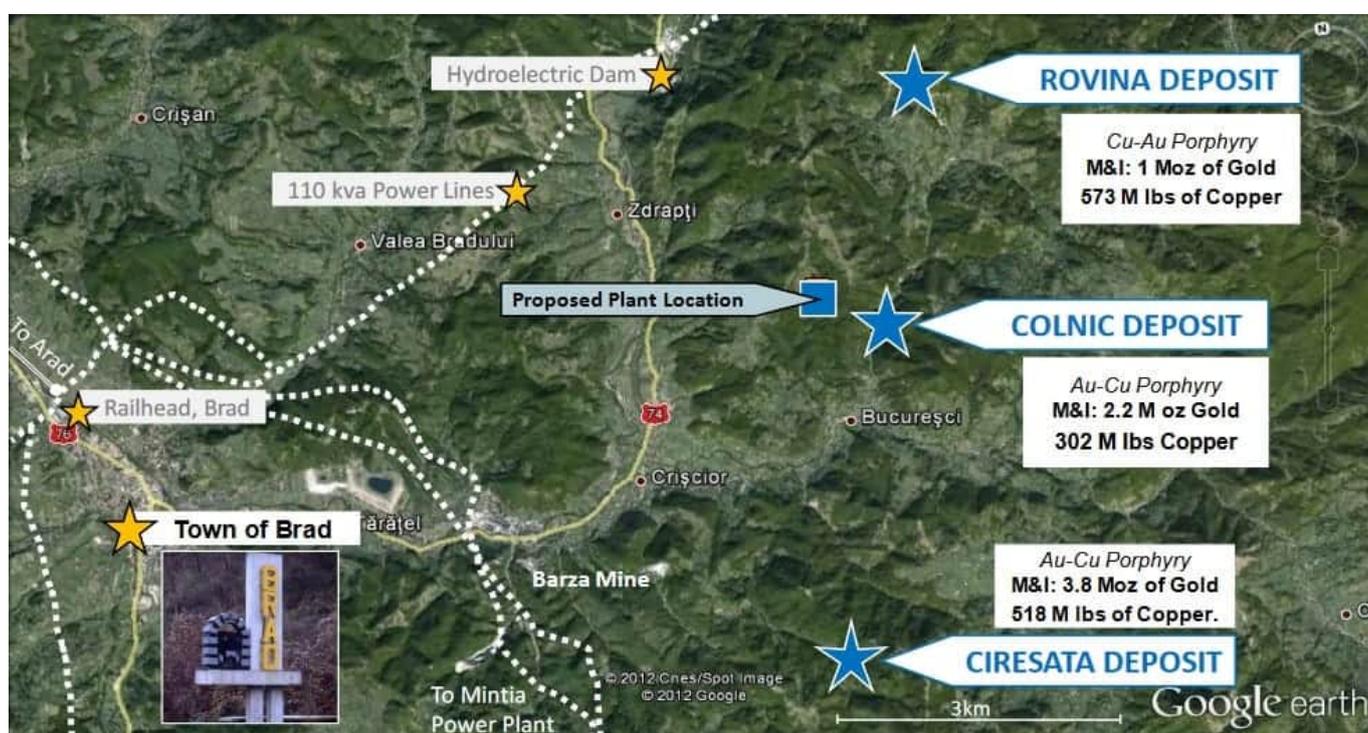
Troilus Gold has a market cap of just C\$163 million (US\$128 million) and has one of the largest undeveloped gold resources in Canada. The Troilus Project, located in Quebec Canada, has an Indicated Resource of **4.96 million** ounces of contained AuEq @ 0.87g/t AuEq and an Inferred Resource of **3.15 million** ounces of contained AuEq @0.84g/t. Valuable by-products include copper and silver. At gold US\$1,950 the PEA post-tax NPV5% is US\$1.156 billion and the Project has US\$350 million worth of existing infrastructure in place. I could definitely see some gold companies taking a look at Troilus Gold in 2021. You can

read more here.

## **Euro Sun Mining Inc. (TSX: ESM)**

Euro Sun Mining is developing their large 100% owned gold-copper porphyry Rovina Valley Project in Romania. The Project has a M&I Resource of 7.05 million gold ounces and 1.39 billion copper pounds, a completed positive 2019 PEA, and a 20 year renewable Romanian Mining Licence. The Rovina Valley Project intends to be a large-scale bulk tonnage open pit mine for gold and copper production. On a market cap of C\$55 million (US\$42 million) Euro Sun Mining could attract considerable interest from larger gold miners comfortable with the Romanian sovereign risk. You can read more here.

**The Rovina Valley Project is comprised of three main deposits less than 3kms apart – Rovina, Colnic, & Ciresata (combined M&I 7M ozs gold & 1.39B lbs copper)**



Source

## **Ascot Resources Ltd. (TSX: AOT | OTCQX: AOTVF)**

Ascot Resources has a market cap of C\$401 million (US\$316

million) and a M&I Resource of 7.3Mt @ 7.85g/t & Inferred 5.5Mt @ 7.11g/t (containing ~ 3.1 Mozs of gold & 11.6 Mozs of silver), noting this includes only 48% of the resource that was included in the 2020 Feasibility Study (FS). The FS post-tax NPV 5% is C\$341 million (at US\$1,400/oz Au), with a post tax 51% IRR. An initial low CapEx of C\$147 million is also favorable, as is the low forecast All In Sustaining Cost (AISC) of US\$769/oz. Assuming a spot gold price of US\$1,710 per ounce and spot CAD to US exchange rate of 0.71, the project economics increase to an post-tax NPV5% of C\$602 million and IRR of 78%.

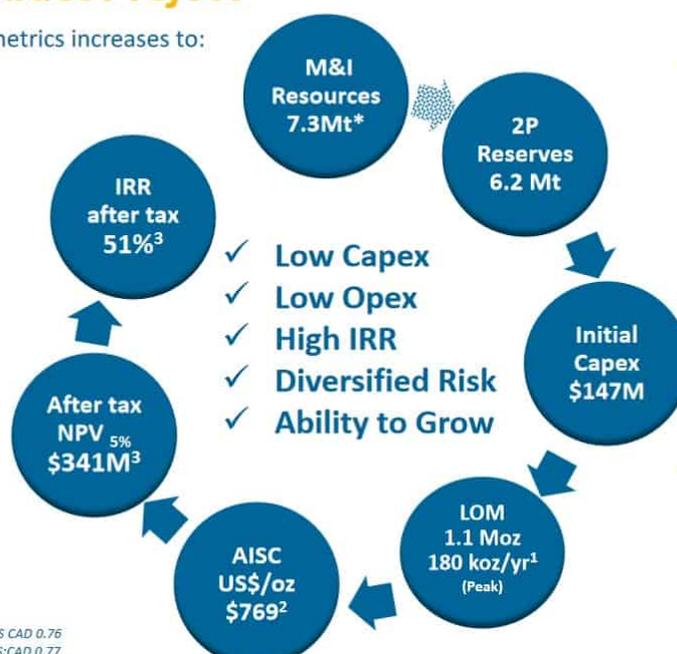
## SUMMARY OF THE FEASIBILITY STUDY

### Economically Robust Project



At spot prices<sup>4</sup> after tax metrics increases to:

- NPV<sub>5%</sub> \$578M
- IRR 76%
- 1.4 year payback



Total Resources **12.8 Mt**  
 ~48% in the mine plan  
**M&I 7.3Mt @ 7.85g/t & Inferred 5.5Mt @ 7.11g/t**  
 (containing ~ **3.1 Mozs of gold & 11.6 Mozs of silver**)

Converted **85% of M&I** to reserves with additional **2.2 Mt** of inferred within 100m of mining infrastructure

One of the lowest capital intensities (**US\$94/oz**) of North American Developers

**Notes**

1. Fully ramped up yrs. @ 2500 tpd in year 3
2. All in Sustaining Cost (non GAAP)
3. Base Case US\$1400/oz, Gold: US\$ 17 Silver US CAD 0.76
4. Spot US\$1800/oz Gold, Silver US\$23.00/oz :US:CAD 0.77

Source

### Closing remarks

It is looking very likely we will have a stronger gold price in 2021 as the Biden administration looks to boost stimulus monies into the US economy. The COVID-19 stimulus checks and a possible 2 trillion green infrastructure plan will likely be just the beginning of stimulus in the Biden era. For investors this means well valued gold junior miners can do very well in 2021. Those that become takeover targets can do even better.

All three gold juniors discussed above are strong takeover candidates in 2021, or at the very least should benefit if gold price rises in 2021. This is because they all have very significant amounts of gold but their market caps are still not too high.

InvestorIntel would be happy to hear from any gold juniors that think they are undervalued and possible takeover targets in 2021, as well as investor's thoughts on any attractive gold juniors.

### **Further reading**

- Will 2021 be a golden year for gold investors?

*Disclosure: The author is long Troilus Gold Corp. (TSX: TLG)*

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## **The good news continues for one of Canada's largest undeveloped gold resources**

Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF) ('Troilus') has been having success in recent months discovering very high grade gold, silver and copper samples; suggesting that the increased market valuation has yet to be translated into comparable share value. It seems the market has not been paying attention. Or perhaps the recent capital raise of C\$22.1 million has slowed the price gains. At least for now this is indeed more good news for the Company...

**Speaking of good news, Troilus Gold Corp. had three strong news releases in H2 2020:**

On December 9, 2020 Troilus reported: "Troilus expands high grade Testard Zone with **outcrop samples up to 80 g/t gold and 1,060 g/t silver** and **channel samples up to 19.5 g/t gold**; Beyan Zone expanded with **12 g/t gold outcrop sample** located 600 metres north of main discovery." This is good news, yet the market has hardly reacted.

On October 19, 2020 Troilus reported: "Troilus reports up to **203 g/t (6.53 Oz/tonne) gold, 2,440 g/t (78.45 Oz/tonne) silver and 4.37% copper** from insitu sample located 10km south of current mineral resource." Again very high grades, albeit just small samples.

It should be noted these are only sample findings at this stage; however high grade gold is considered to be above 5 g/t, high grade silver above 50 g/t, and high grade copper above 1.5%. What this means is that these excellent sample results are potentially good early indicators towards future drill results, but no guarantee.

In further good news, in December 2020 Troilus Gold announced that they had entered into an agreement "pursuant to which it has repurchased and cancelled the sliding 2.5% Net Smelter Royalty ("NSR") from First Quantum Minerals Ltd. ("FQML") attached to the 81 mineral claims and one surveyed mining lease known as the Troilus Mine, for cash consideration of C\$20 million." My take on this news is that Troilus Corp. must be very confident in their Project that they were prepared to pay C\$20 million to extinguish the royalty.

**The Troilus Gold Project and Mine aerial view and location map**



Source: Troilus Gold Corp. Corporate presentation

### **More about Troilus Gold Corp.**

Troilus is focused on exploration and a potential mine re-start of the former gold and copper Troilus Mine. The Troilus Property (includes the past producing mine) encompasses 107,326 hectares and is located within the Frotêt-Evans Greenstone Belt in Quebec, Canada. This is a highly prospective gold region and the Troilus Property is still largely unexplored, leaving excellent exploration upside. From 1996 to 2010, Inmet Mining Corporation operated the Troilus Project as an open pit mine, producing more than 2 million ounces of gold and nearly 70,000 tonnes of copper. In 2017 Troilus acquired the Project and has drilled over 80,000 metres and grown the resource significantly. It is also good to note that back in 2010 when the old Troilus Mine closed gold was trading at about US\$1,000/oz; almost half today's gold price.

The Troilus Project has an Indicated Resource of 4.96 million ounces of contained AuEq @ 0.87g/t AuEq and an Inferred Resource of 3.15 million ounces of contained AuEq @0.84g/t. This is a considerable size resource for a gold junior on a huge and mostly unexplored property. In fact it is one of the largest undeveloped gold resources in Canada. The Project looks likely to be a combination of open pit and underground mining.

# Troilus Gold Corp. Preliminary Economic Assessment (PEA) (Aug. 2020) and reasons to invest

## Preliminary Economic Assessment

Troilus Shows Potential to Rank Among the Top

<b>Production</b>	Mine Life:	22 years
	Avg. Annual Gold Production:	220,000 oz (first 5 years) 246,000 oz (first 14 years)
	Total Production:	3.8Moz Gold 265Mlb Copper 1.5Moz Silver
<b>Costs</b>	Initial Capital:	\$333M
	Value of existing infrastructure:	\$350M
	Operating costs:	\$919/oz Au
	Avg. All in Sustaining Costs:	\$1,051/oz Au
<b>Valuation</b>	Pre-Tax NPV(5%)/IRR	\$971M/29.6%
	Post-Tax NPV(5%)/IRR	\$576M/22.9%
	Payback:	4 years
	Cumulative cashflow:	\$1.27B
	Gold Price:	\$1,475/oz

Gold Price (per oz)	\$1,350 (low case)	\$1,475 (base case)	\$1,750 (consensus)	\$1,950 (spot)
Pre-Tax NPV <sub>5%</sub>	\$ 713 million	\$ 971 million	\$ 1,538 million	\$ 1,951 million
Pre-Tax IRR	23.7%	29.6%	41.8%	50.1%
Post-Tax NPV <sub>5%</sub>	\$ 419 million	\$ 576 million	\$ 915 million	\$ 1,156 million
Post-Tax IRR	18.2%	22.9%	32.2%	38.3%
Post-Tax Payback	4.4 years	4.0 years	3.0 years	2.5 years

## Why Invest in Troilus Gold?

- 
**Ideal Location**  
 Low-risk jurisdiction of Quebec, Canada; Prolific mining district
- 
**Long Life**  
 Positive PEA results show potential for Troilus to rank among the top gold producing assets in Canada
- 
**Scale**  
 One of the largest undeveloped gold resources in Canada; Property remains significantly under explored
- 
**Well Capitalized**  
 Strong cash position and straightforward development plan
- 
**Proven Team**  
 Proven management team looking to repeat past successes



Source: Troilus Gold Corp. Corporate presentation

## Closing remarks

Troilus trades on a market cap of C\$167 million (~US\$132 million), which appears to be good value given where the current gold price is today, hovering around US\$1,945/oz. As shown above at gold US\$1,950 the PEA post-tax NPV5% is US\$1.156 billion. Perhaps the low market cap (11% of the gold US\$1,950 NPV) is because Troilus is still in the relatively early stages of proving up their resource and is yet to fund

their Project. The Quebec jurisdiction is excellent and the Project has US\$350 million worth of existing infrastructure in place. Finally Troilus has very high institutional equity ownership (+ Eric Sprott) and high insider ownership with a strong management team with a proven track record. We will know more after the PFS is released at some stage in 2021.

All of this gives long term investors that are bullish on gold plenty of reasons to consider Troilus Gold Corp. as your next junior gold play. You can read more here in my previous article.

*Disclosure: The author is long Troilus Gold Corp. (TSX: TLG)*

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## **Fast-tracking the Troilus Gold Mine towards Production**

**Latest insitu results released today by Troilus Gold include 'highest grade gold occurrence' on property to date**

Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF) ('Troilus') is focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus Mine, located within the Frotêt-Evans Greenstone Belt in Quebec, Canada. The Troilus Property encompasses 107,326 hectare and is largely unexplored.

From 1996 to 2010, Inmet Mining Corporation operated the Troilus Project as an open pit mine, producing more than 2 million ounces of gold and nearly 70,000 tonnes of copper.

Then in 2017 Troilus acquired the Project and has drilled over 80,000 metres and grown the resource significantly.

The Troilus Project now has an Indicated Resource of 4.96m ounces of contained AuEq @ 0.87g/t AuEq and an Inferred Resource of 3.15m ounces of contained AuEq @0.84g/t AuEq.

### Troilus Project Resource Estimate

	Tonnes	Grade AuEq	Contained AuEq
<b>Indicated</b>	177.3 Mt	0.87 g/t	4.96 Moz
<b>Inferred</b>	116.7 Mt	0.84 g/t	3.15 Moz

Source

The August 2020 PEA was very impressive, with a 22 year mine life, 220,000-246,000 gold ounces produced pa, resulting in a **post-tax NPV5% of US\$576m (22% IRR)**, based on a gold price of US\$1,475/0z.

Initial CapEx was estimated to be US\$333m and AISCs of US\$1,051/0z Au. Looking at the sensitivity analysis **the post-tax NPV5% rises to US\$1.156b (38.3% IRR) at a gold price of US\$1,950**. Today's gold price is US\$1,901/0z.

The Company state that based on the PEA the Troilus Project, once in full production, would be Canada's 5th largest gold producer and have the 4th lowest AISC of production among Canada's top gold producers. Another huge plus for the Project is that there is already US\$350m of infrastructure in place from the past operators.



Source

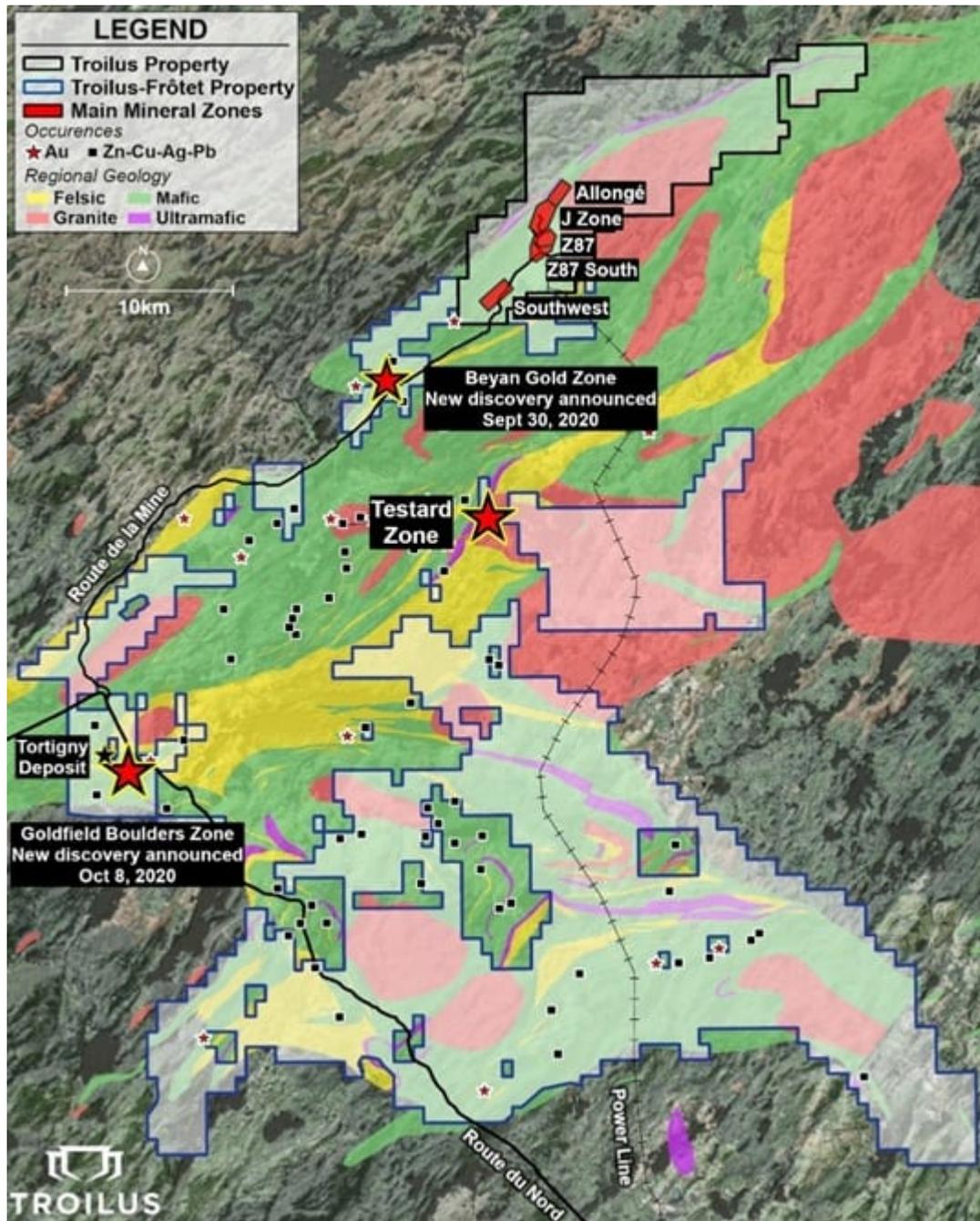
## New discoveries on the Troilus Property

The very large Troilus Property has very significant exploration potential. Some recent examples include discovering the new **Beyan Gold Zone** 8km Southwest of the main Resource. Samples returned up to 9.7 g/t gold and 32.5 g/t silver. Another recently discovery at the **Goldfield Boulder Zone** included grab samples that returned up to 26.2 g/t gold and 27.8 g/t silver in outcrop. Also announced today an exciting discovery at the **Testard Zone**, 10 kilometres south of the main mineral resource area. An in situ sample returned 203 g/t (6.53oz/t) gold, 2,440 g/t (78.45oz/t) silver and 4.37% copper from outcrop.

Justin Reid, CEO of Troilus, comments: "We are thrilled with the latest insitu results including, the highest grade gold occurrence on our property to date and the highest ever reported in outcrop within the Frotêt-Evans Belt, located only 10 kilometres from our resource and mine site.....What's particularly exciting about these results is that the

geological characteristics of the Testard Zone and host rock are not only the same as our main mineral resource zones, including the newest Southwest Zone discovered earlier this year, but also hold many geological similarities to the recently announced BeyanGold Zone Discovery (see press release dated September 30, 2020) and the Goldfield Boulder Zone discovery (see press release dated October 8, 2020), located 8 kilometres and 36 kilometres away from the Troilus mine site....”

### **Troilus Property, regional geology and location of the Testard Zone**



Next catalysts for Troilus include further exploration results, and a PFS in 2021.

Troilus Gold looks to be somewhat under the radar for investors. Troilus has a very good size estimated gold resource with copper and silver by-products, an impressive PEA, potential to be a significant Canadian low cost gold producer, excellent established infrastructure, a strong management team with a good track record, and a top tier location in Canada with significant potential exploration upside.

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# MI3 Tech Note on Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF)

Mario Drolet President of MI3 Communications Financières Inc. (MI3) released a technical note at market open yesterday on Troilus Gold Corp. (TSX: TLG | OTCQB: CHXMF) for exclusive distribution on InvestorIntel. In this note, MI3 highlighted the following points on Troilus Gold Corp.:

- Past-producing gold and copper mine located northeast of the Val-d'Or district in Quebec, Canada.
- Production infrastructure in place, includes an extensive network of roads, sub-station and power lines, permitted tailings facility and an operational water treatment facility.
- April 28, 2020 News Release: Troilus Becomes Largest Claim Holder in Frôtet-Evans Greenstone Belt; Expands Land Position by More than 67,000 Hectares – [click here](#)
- April 21, 2020 News Release: Troilus Intersects 1.56g/t AuEq over 73 Metres in Southwest Zone Representing One of the Best Results Ever on the Troilus Property – [click here](#)
- Great rebound from \$0.415 to almost the high of the year (last July at \$0.90)
- TLG traded over 17 Million shares over the last three months between \$0.57 & \$0.88
- Support: S2; \$0.75      S1; \$0.80      Resistance:      R1; \$0.90      R2; \$0.97 next target!

TLG.TO Troilus Gold Corp. TSE

27-Apr-2020 10:57 am

Open 0.850 High 0.850 Low 0.830 Last 0.830 Volume 92.3K Chg +0.010 (+1.22%) ▲

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▲ RSI(14) 62.47



## About Troilus Gold Corp.

Troilus is a Toronto-based, Quebec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine. The 16,000-hectare Troilus property is located northeast of Chibougamau, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. From 1996 to 2010, Inmet Mining Corporation operated the Troilus project as an open pit mine, producing more than 2,000,000 ounces of gold and nearly 70,000 tonnes of copper.

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## **MI3 Market Alert: A new life for a former Gold and Copper Operation**

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- Troilus is a Toronto-based, Quebec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine. The 16,000-hectare Troilus property is located Northeast of the Val-d'Or district, within the Frotêt-Evans Greenstone Belt in Quebec, Canada.
- Several million ounces of gold defined on the property; Excellent mineral expansion potential with incremental

dollars.

- Strong institutional shareholder base, including major global resource funds.
- Close 7.0 Million Bought Deal with Canaccord Genuity, GMP, Cormark, Desjardins securities, Haywood, National Bank and PI financial
- Drilled 136 Meters of 1.1 g/t AuEq at Troilus Gold
- TLG traded 24 Million shares over the last six months between \$0.50 & \$1.15
- Support: S2; \$0.45 – S1; \$ 0.53      Resistance:      R1; \$0.66      R2; \$0.81



## About Troilus Gold Corp.

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