

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.