

Troilus is going for its own Gold this summer

written by InvestorNews | July 6, 2021

When a company that, at the time, has a market cap of roughly \$180 M announces it's raising \$45 M or roughly 25% of its existing value, one has to take notice. Especially when the deal was originally announced at \$35 M and got upsized by a massive 28%. The takeaways are two fold, impressive that they could get a deal done of that magnitude relative to their size and what fun and exciting things are they going to do with all that cash. Let's explore this further shall we.

The company setting themselves up for at least a year of operations is [Troilus Gold Corp.](#) (TSX: TLG | OTCQX: CHXMF). As a quick refresher, Troilus is a Canadian-based junior mining company focused on the advancement and de-risking of the former gold and copper Troilus Mine towards production. From 1996 to 2010, the Troilus Mine produced +2 million ounces of gold and nearly 70,000 tonnes of copper. Troilus is located in the top-rated mining jurisdiction of Quebec, Canada, where it holds a strategic land position of 1,420 km² in the Frôtet-Evans Greenstone Belt. A robust PEA in 2020 demonstrated the potential for the Troilus project to become a top-ranked gold and copper producing asset in Canada.

On Jun 9th, Troilus [first announced they were raising funds](#) for the next year's worth of drilling activity and other working capital purposes. This came off the heels of the latest [drill results on Jun 8th](#), which we'll look at a little closer below. The bought deal financing was subsequently [upsized to \\$42.5 M](#) and ultimately [closed with a total raise of \\$45 M](#). I'm not an investment banker, but I'm going to go out on a limb and say

this speaks volumes to the excitement and demand for shares of Troilus Gold.

So what's causing all this interest? The drill holes announced June 8th had some pretty solid results, focusing on the J Zone, which is the area surrounding the original open pit mine. More importantly these results continued to expand the footprint of the new western extension [initially identified in May, 2021](#) from 200 metres to 700 metres in strike length while also confirming down dip mineralization of the main ore body by up to 100 metres with above average grades and thicknesses.



Source: [Troilus Gold Corp. June 8, 2021 Press Release](#)

However, what I find interesting is what comes next. Troilus has \$45 M of new capital available to them of which at least \$34 M is budgeted for the exploration and drilling planned to continue the expansion and definition of the Troilus Project. You'll note from the upper right of the above graphic that there are numerous zones that are being delineated. Focus of the drilling program going forward is as follows:

- New discoveries of extensions at SW Zone at depth, to the east (footwall), and near surface to the north and south have increased the need for additional drilling to expand the resource potential at SW Zone. The SW Zone remains open and will need continued drilling to define full extent along strike and at depth. The cost of such additional drilling is estimated to be approximately \$8 million.
- Definition drilling at the J Zone has revealed a new zone of mineralization in the west wall, parallel to the main mineralized zone that requires additional drilling to define full extent, estimated to cost approximately \$3.2

million.

- Z87 to the north and south remains open where initially considered to be discontinuous and requires additional drilling to further explore and confirm potential, estimated to cost approximately \$3.2 million.
- Z87S moving southwest and SW Zone moving north represent an area referred to as the “Gap Zone”, which extends over 2.5km and is difficult to drill in summer conditions. Step out drilling is showing the potential for this zone to fill with mineralization and will require additional drilling to define potential ore zones, to which approximately \$12.8 million is being allocated.
- In addition, property scale and [newly acquired properties resulting from the Urban Acquisition](#) will be explored as early phase exploration. Estimated cost of such activities is approximately \$6.8 million

Troilus intends to continue drilling at a rate of approximately 10,000 metres per month throughout the Summer meaning results should continue to come fast and furious. Net proceeds of the latest capital raise should be sufficient to fund the Corporation’s operations and planned exploration and development program expenditures to the end of July, 2022.

In summary, Troilus is cashed up and drilling full speed ahead. The ultimate goal is to bring the mine back into production, which includes working towards publishing a PFS for the Troilus Project targeted before the end of 2021. Keep your eyes peeled for plenty of news in the weeks and months ahead.

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