# TRU Precious Metals, (Gold), is leveraged for drilling success

written by InvestorNews | October 21, 2021

Anyone who has read my previous articles knows that when it comes to junior mining companies I'm a big fan of the catalyst provided by the drill bit. Another thing I like is closeology, so I get even more interested when a company is drilling holes on a trend between two existing deposits. Not that there is anything scientific about this, nor does it guarantee there will be any success. Nevertheless, you have to start somewhere, so these are some of the screening tools I use to narrow down the field of mining companies I want to have a look at.

Based on that, it should come as no surprise that today we are going to look at a company that is about to do exactly what I've described above. TRU Precious Metals Corp. (TSXV: TRU |OTCQB: TRUIF) has assembled a portfolio of gold exploration properties in the Central Newfoundland Gold Belt, in Newfoundland and Labrador, Canada. InvestorIntel readers may be scratching their heads thinking that I just wrote about a Newfoundland gold play, and you'd be correct. This is one of the most exciting gold exploration districts in the world right now, so why not double down on the fun. I look particularly at smaller cap names that have a lot more leverage from good news, both theirs and anyone's else in the neighborhood.

TRU spent the first half of 2021 focused on drilling its Twilite Gold Project, completing 12 holes for a total of 2,577 meters at the Fort Knox Gold Zone. All assays have been completed and highlights include 11.5 metres (m) with 1.03 grams per tonne (g/t) of gold (Au) in hole TL-21-17, 10.5 m with 1.07 g/t Au in

hole TL-21-16, 6.0 m grading 1.06 g/t Au in drill hole TL-21-18, 3.0 m grading 0.85 g/t Au in drill hole TL-21-20, and the intersection of 1.00 g/t au over 2 m in borehole TL-21-27. The drill program successfully extended the known Fort Knox gold zone along strike and down dip and provided valuable geological information to help vector future drill programs in extending the zone. The gold zone remains open to the northwest beyond hole TL-21-17, where the zone is widening, and the gold grades are improving both at depth and along trend in the northwest direction.

The reason TRU drilled Twilite first was because the option agreement to purchase the flagship Golden Rose project closed on May 11th of this year. The Company has done three subsequent transactions to further consolidate the area, adding 62 $km^2$ of contiguous mineral claims in June, another 45 claim covering 1,125 hectares located along trend from the 550m long South Wood Lake Gold Zone in early July, and another deal for 51 contiguous claims adding 12.75 $km^2$ in mid July. Not surprisingly they needed a little time to figure out where to prioritize the 5,000m drill program announced on Tuesday.

Source: TRU Precious Metals Corp. website

As you can partially see from the illustration above Golden Rose is a regional-scale land package covering 215 $km^2$, including approximately 45 km of strike length along the deposit-bearing Cape Ray -Valentine Lake structural corridor between Marathon Gold Corp.’s Valentine Gold Project to the northeast, and Matador Mining Ltd.’s Cape Ray Gold Project to the southwest. Historical drill intercepts on TRU’s property include 1.37 g/t Au over 26.3 m, 2.15 g/t Au over 12.6 m, and 19.8 g/t Au over

1.5 m, with visible gold observed. New drilling will focus primarily on target delineation and expansion of known gold mineralization at the Woods Lake Gold Zone and will include a mix of confirmatory/twin holes, infill/delineation holes, and scout holes. The program will also see drilling carried out at the King George IV claims, on which the Company has panned visible gold at the surface, and which has never been previously drilled.

But perhaps the most compelling thing about TRU Precious Metals, right now, is the valuation. At the end of June (their Q2 results), the Company had $6.5 million in cash and no debt. All the properties that were added at Golden Rose cost them approximately $25,000 in cash with the rest of the transactions consisting of shares or future expenditures and the Twilite drilling program was basically complete, so most of that cash should still be available. There are currently 67 million shares outstanding making the market cap $10 million based on yesterday's closing price of $0.15. That means the market is currently valuing TRU's 34,000+ hectares (84,000 acres) of land at roughly $3.5 million (after you deduct the value of the cash). Seems to me there is some pretty good leverage here, if there is a good drill result or two.