With coming PFS Troilus Gold sees potential to be a cornerstone gold mine for decades to come

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Many small gold mining stocks fail to deliver. This is the nature of mining, especially gold, given gold is so hard to find. Today's company is an exception as it continues to deliver solid results at their gold-copper project in Quebec Canada.

Troilus Gold Corp. (TSX: TLG | OTCQX: CHXMF) (Troilus) is a junior gold mining success story potentially in the making. The Company bought the former gold and copper Troilus Mine in 2017 and has successfully grown the resource since then to the point where Troilus now has one of the largest undeveloped gold resources in Canada. The Troilus Gold Project now 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. The Project consists of a 142,000 hectares (1,420 km²) land package in north central Quebec, Canada and lies within the prospective Frôtet-Evans Greenstone Belt.

The Troilus Gold Project in Quebec, Canada is a former gold-copper mine with plans to restart and produce 220-250,000 Au oz pa

Source: Troilus Gold Corp. company presentation

A recap of 2021 for Troilus

Troilus CEO, Justin Reid, summed up 2021 nicely stating: "2021 was an intensive year of work by the Troilus team as it continued to solidify the foundations and advance our mining project, which we believe has the potential to be a cornerstone Canadian mine for decades to come……First and foremost, we had great success with the drill bit and in the field… **As it turned out, the more we drilled, the more mineralization we found**. Our understanding of the geology at Troilus continues to improve and evolve. In 2021, we drilled ~100,000 metres, over 50% of which were drilled in the newly discovered Southwest Zone, where we identified some of the best grades ever at Troilus. This zone continues to be a priority growth target, with results suggesting a much broader system well beyond the existing mineral envelope which remains open at depth and in all directions. 2021's drill program also identified a new hanging wall in the J Zone, demonstrating mineral continuity over a 700m strike length parallel to the main ore body."

Note: Bold emphasis by the author.

The Troilus Gold Project showing the various gold discovery zones as well as the 2020 PEA pit shell designs

Source: Troilus Gold company presentation

Recent success has seen the stock price move higher in 2022

Recent drilling has continued this success with further high grade results notably at the Southwest zone, but also making a new discovery at Testard. Troilus has also had some very good gold (92.9%) and copper (90.4%) recovery results from their pilot test program.

- May 4, 2022 – "Troilus drills 13.64 g/t AuEq over 3m,

Incl. 29.81 g/t over 1m, 2.42 g/t AuEq over 6m, 2.11 g/t AuEq over 10m in the Southwest Zone; New mineral extension identified 300m below PEA pit shell… All the results reported today will be included in the mineral resource update and Pre-Feasibility Study, expected in mid-2022."

- April 21, 2022 – "Troilus drills record high-grade in Southwest Zone: 92 g/t and 68 g/t gold over 1m, and 3.07 g/t AuEq over 15m, Zone extended +200m; Initial gap Zone drilling returns 4.2 g/t AuEq over 7m."
- March 31, 2022 – "Troilus announces new discovery at Testard: Drills 4.6 g/t gold over 7.6m, Incl. 20.2 g/t over 1.2m; 6.7 g/t gold over 3.2m, 10km from main mine site."

Regarding the new Testard discovery, Troilus CEO Justin Reid, stated: "Testard has returned the highest insitu gold and silver grades identified to date within the entire Frôtet-Evans Greenstone Belt; these initial drill results are hugely motivating to our team as we continue to assess results and further develop our models in preparation for an expanded drill program."

Next steps

In mid-2022 Troilus expects to release an updated mineral resource estimate (will include results from the successful 2021 drill campaign) and a Preliminary Feasibility Study (PFS). The 2020 Preliminary Economic Assessment (PEA) resulted in a post-tax NPV5% of US$915 million, post-tax IRR of 32.2%, based on a US$1,750/oz gold price.

Closing remarks

Troilus continues to grow their resource and potentially move towards becoming a Canadian mid-tier gold producer.

The PEA mentioned above forecasts Troilus to be a low-cost producer with cash operating costs of US$719/oz AuEq. Given the rise in copper prices the past year this is likely to drop even lower in the upcoming PFS. Combine this with a larger resource and the potential for a low-cost, long life, mine only grows further. The 2020 PEA concluded that the "projected payable gold is 3.8 million ounces, payable copper 265 million lbs and payable silver 1.5 million ounces over the 22-year mine life."

This makes Troilus a potential future mid tier gold producer in Canada, with gold production forecast at around 220-250,000 oz pa. Certainly, the initial CapEx (net of US$350 million of existing infrastructure) of US$333 million looks to be achievable. Sustaining CapEx over the life of the mine is estimated at an additional US$506 million.

Troilus Gold trades on a market cap of C$160 million. Looking good, especially if gold prices stay strong. Stay tuned for the upcoming updated resource estimate and PFS in the coming months.