Troilus Gold: 2021 Year-In-Review & Outlook for 2022; an Open Letter to Shareholders From the CEO

written by Raj Shah | January 27, 2022

January 27, 2022 (Source) – Troilus Gold Corp. ("Troilus" or the "Company", TSX: TLG; OTCQX: CHXMF) today releases an open letter to shareholders from the Company's President and Chief Executive Officer, Justin Reid. While a copy of the letter is presented in this press release, the original document can be found on our website HERE.

Dear Shareholders,

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. On all fronts, our project and our team have never been in a stronger position. First and foremost, we had great success with the drill bit and in the field, while our expanded engineering team has been busy calculating trade-offs and analyzing options to achieve the optimal design plan for the Troilus mine. At a local level, our environment and community relations team has been working with local communities and First Nations to set the stage for the start of our permitting process. Along the way, we have shared these positive developments using a myriad of new outreach programs and platforms which has greatly expanded our communications reach. Environmental, social and governance (ESG) continues to be a top priority, with the knowledge that the decisions we make today have the potential for long term

positive impact across the entire lifespan of the Troilus mine and beyond for our employees, our shareholders, and our communities. I am pleased to elaborate on some of our major accomplishments of 2021, below:

Exploration Success: ~100,000 metres drilled

At the start of 2021 we targeted 7,000 metres of drilling per month over the winter with the goal of releasing an updated mineral resource estimate to support a Pre-Feasibility Study (PFS) by the end of 2021. 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. We expect this new zone to have a meaningful impact on the economic modelling of the mine project given that it is located within the PEA pit shell in areas that were previously considered waste rock due to lack of data.

As a result of our continued exploration success, the PFS is now targeted for release in mid-2022 and will include an updated mineral resource estimate that will reflect the 2021 drill campaign.

Engineering: Well-Positioned for Upcoming PFS

Our engineering team is well advanced on the Pre-Feasibility Study, which is targeted for release in mid-2022. In August

2021, we were pleased to announce that mining industry veteran Richard Harrisson had joined Troilus as our Chief Operating Officer. Richard's extensive and successful track record as a mine builder, operator and team leader in the Canadian mining sector speaks for itself. He has a proven engineering pedigree that has included mine design, construction, permitting, operations, and challenging turnarounds for mining companies including Agnico, Premier Gold, Xstrata, Cambior and Aur Resources. His experience and leadership capabilities will be a key factor in our ability to deliver a successful mine restart at Troilus. We see his confidence in the Troilus project as a hugely positive indicator for the future of the operation.

Ongoing Consolidation and Exploration of the Frôtet-Evans Greenstone Belt

In May 2021, the shareholders of UrbanGold Minerals voted overwhelmingly in favour of an amalgamation with Troilus in an all-share transaction, expanding our land package by another 35,000 hectares. This added several highly prospective new targets to our regional exploration portfolio and solidified our strategic land position in the region with a contiguous property of 142,000 hectares. Although regional exploration will continue to be a secondary focus for the Troilus geological team, it provides shareholders with longer-term blue-sky potential across the property.

Sustainable Development: A Continued Priority

ESG continued to be a major focus for Troilus in 2021, building on the four corners of the Sustainability Policy we launched in 2020: People, Environment, Health & Safety and Communities. We are in the unique position of building on a positive legacy from the previous operation when the Troilus mine operated from 1996 to 2010 and taking advantage of new technology and initiatives

to design a mine and operation that will be sustainable throughout its lifespan and beyond.

In 2021, we developed our first ESG scorecard which we used as a basis to publish our first Annual Sustainability Report. We are committed to creating a mining project and a workplace that values diversity, respects the local environment, minimizes its carbon footprint using renewable energy, supports and enhances communities and protects the health and wellbeing of our employees.

We are the first mining company in Quebec to obtain the ECOLOGO Certification for the Responsible Development of Mineral Exploration Companies and remain committed to operating in accordance with the ECOLOGO standards.

Financings & Corporate Visibility

Strong support from new and existing shareholders in 2021 allowed us to continue our development progress and end the year with a strong balance sheet. In June, we announced a bought deal financing of $35 million which was subsequently upsized and closed at $42.5 million. In July, we announced a $11.5 million private placement on the same terms from the government of Québec, through Investissement Québec (“IQ”) and Fonds Capital Ressources Naturelles et Énergie and Fonds de solidarité des travailleurs du Québec (“FTQ”). Eric Girard, Minister of Finance and Minister of Economy and Innovation commented at the time of the investment, “The mining potential of Nord-du-Québec and our mining industry are key to the sustainable recovery of Québec’s economy. That’s why we are helping Troilus carry out its gold project, which is expected to generate significant economic benefits and create good jobs in the region.”

Meeting investors and stakeholders in person continued to be a challenge in 2021, but our management team maintained an active

marketing calendar participating in virtual conferences, hosting guests at site when public health regulations allowed and taking advantage of a myriad of creative new outreach platforms to share ongoing developments in the Troilus story.

We also upgraded to the OTCQX, the top market tier on the OTC platform in the US, and significantly increased our trading volumes in Europe.

Priority on Health & Safety

Rather than fading away in 2021, COVID-19 became an ongoing fixture in our lives. The health and well-being of everyone who works for us or visits our site continues to be a top priority. Our team navigated this new reality without missing a beat, keeping employees and communities safe and constantly monitoring the guidance from public health authorities. Employees with corporate office roles have continued to work productively from home while diligent screening and physical measures at site kept our staff in the field safe and healthy during a very busy year.

Looking Ahead to 2022

We are looking forward to some significant milestones on the horizon for 2022 that will be the result of all the hard work our team has put in over the last year. Our planned milestones include:

- An updated mineral resource estimate and inaugural reserve estimate which will capture the excellent results from our 2021 drilling;
- Completion of Pre-Feasibility Study;
- Start of the federal and provincial Environmental and Social Impact Assessment process which will include extensive community consultations;
- Regional exploration activities, compiling results from

last year’s surface work program and expanding on them to identify initial scout drilling locations on some of the highly prospective targets across our land bank;
- Ongoing monitoring and evaluation of the rapidly advancing ESG landscape to ensure the Troilus project is developed in a responsible and sustainable manner for the benefit of all stakeholders;
- Strategic analysis of any new opportunities that demonstrate potential to create value for Troilus shareholders.

We want to extend our heartfelt thanks to the institutional and individual shareholders who have continued to support us through 2021. We strongly believe that there is significant value still to be unlocked in Troilus and that the major de-risking events that will occur this year have the potential to re-rate our valuation to better reflect the outstanding outlook for the Troilus project.

Kind Regards,

Justin Reid
President, CEO and Director
Troilus Gold Corp.

About Troilus Gold Corp.

Troilus Gold Corp. is a Canadian-based junior mining company focused on the systematic 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 is holds a strategic land position of 1,420 km² in the Frôtet-Evans Greenstone Belt. Since acquiring the project in 2017, ongoing exploration success has demonstrated the tremendous scale

potential of the gold system on the property with significant mineral resource growth. The Company is advancing engineering studies following the completion of a robust PEA in 2020, which demonstrated the potential for the Troilus project to become a top-ranked gold and copper producing asset in Canada. Led by an experienced team with a track-record of successful mine development, Troilus is positioned to become a cornerstone project in North America.

For more information:

Caroline Arsenault
VP Corporate Communications
+1 (647) 407-7123
info@troilusgold.com

Cautionary Note Regarding Forward-Looking Statements and Information

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability; the estimate of Mineral Resources in the updated Mineral Resource statement may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that the Indicated Mineral Resources will be converted to the Probable Mineral Reserve category, and there is no certainty that the updated Mineral Resource statement will be realized.

The PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA is subject to a number of risks and

uncertainties. See below and the Company's latest technical report available on SEDAR for more information with respect to the key assumptions, parameters, methods and risks of determination associated with the foregoing.

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements regarding the impact of the ongoing drill program and results on the Company, the possible economics of the project and the Company's understanding of the project; the development potential and timetable of the project; the estimation of mineral resources; realization of mineral resource estimates; the timing and amount of estimated future exploration; the anticipated results of the Company's ongoing 2022 drill program and their possible impact on the potential size of the mineral resource estimate; costs of future activities; capital and operating expenditures; success of exploration activities; the anticipated ability of investors to continue benefiting from the Company's low discovery costs, technical expertise and support from local communities. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "continue", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "will", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are made based upon certain assumptions and other important facts that, if untrue, could cause the actual results, performances or achievements of Troilus to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on

numerous assumptions regarding present and future business strategies and the environment in which Troilus will operate in the future. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, currency fluctuations, the global economic climate, dilution, share price volatility and competition. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Troilus to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: there being no assurance that the exploration program will result in expanded mineral resources; risks and uncertainties inherent to mineral resource estimates; the impact the COVID 19 pandemic may have on the Company's activities (including without limitation on its employees and suppliers) and the economy in general; the impact of the recovery post COVID 19 pandemic and its impact on gold and other metals; the receipt of necessary approvals; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages; environmental and other risks of the mining industry, including without limitation, risks and uncertainties discussed in the most recent Technical Report and in other continuous disclosure documents of the Company available under the Company's profile at www.sedar.com. Although Troilus has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-

looking statements. Troilus does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.