

Recommendation: Buy
Target Price: C\$3.65

◆Troilus Gold Corp. (TLG-TSX)

Southwest Zone Starting To Bring The Heat

Current Price	C\$0.75	Shares Outstanding (MM)	
52 Wk High	C\$0.90	Basic	88.6
52 Wk Low	C\$0.42	Diluted	105.8
Est. Cash (MM)	C\$15.4	Mgmt. & Dir.	8.9
Debt (MM)	C\$0.0		
NAVPS	C\$3.65	Market Cap.	C\$66.4
P/NAV	0.21x	EV	C\$51.1
NAV (spot)*	C\$4.00		
P/NAV (spot)*	0.19x	Reserves	0.00 MMoz
Target Return	386.7%	Total Resource	6.47 MMoz
EV/Reserve			n/a
EV/Resource			\$6/oz

* Cormark deck is \$1,600/oz; spot gold is \$1,681/oz

Unless otherwise denoted, all figures shown in US\$

Event:

Drilling at Southwest Zone yields one of the best holes ever drilled on the property

Impact:

Positive

Commentary:

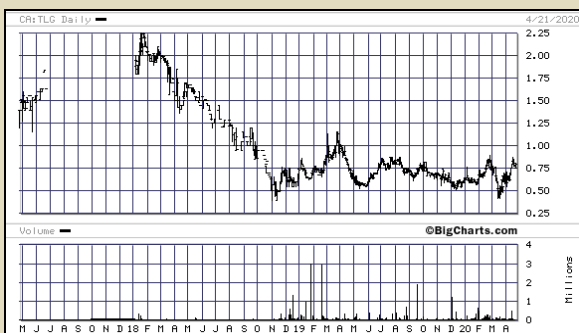
Troilus released results from a further two holes of a 17-hole 6,000 m drill program from the Southwest Zone at its 100%-owned Troilus property in Quebec (the first three holes were released last week). Recall that the Southwest Zone was just discovered in December 2019, is located 3.5 km from the Z87 deposit and has demonstrated geology similar to the main mineralized zone at Z87. The highlight intercepts from the two holes released are below:

- TLG-ZSW20-189: 2.05 g/t AuEq over 48 m within a larger intercept of 1.56 g/t AuEq over 73 m (see Figure 1). This is one of the best holes ever drilled on the property and we note that this wide intercept is of a grade that is more than two times the average resource grade of 0.95 g/t AuEq.
- TLG-ZSW20-185: 1.02 g/t AuEq over 15 m

The Southwest Zone extends for 1 km along strike, varies from 10-70 m in width and is defined by two key mineralized zones: the Main Zone and the West Zone that are predominantly differentiated by gold content. These drill results further demonstrate the potential of the Southwest Zone to add to the current mineral inventory of 6.47 MMoz AuEq at the Troilus project. The company plans to provide an initial resource estimate for Southwest Zone later this year.

Investment Conclusion:

While Troilus has outperformed so far in 2020, up 17% vs the GDXJ down 12%, the shares remain exceptionally undervalued on an EV/oz basis (\$6/oz) and a fully-funded, fully-diluted P/NAV basis (0.21x). With the legacy shareholder overhang out of the way, a strong balance sheet (company raised C\$13 MM in February 2020 that has them fully funded for 2020) and a consistent news flow expected (more drill results expected over coming weeks), we believe Troilus could be a breakout explorer name in 2020. The project has the size and scope to garner a significant re-rating as the company achieves further de-risking catalysts over the next 12-18 months, or become an attractive acquisition target for senior and mid-tier producers looking for large and undervalued resources in what is one of the safest jurisdictions in the world.

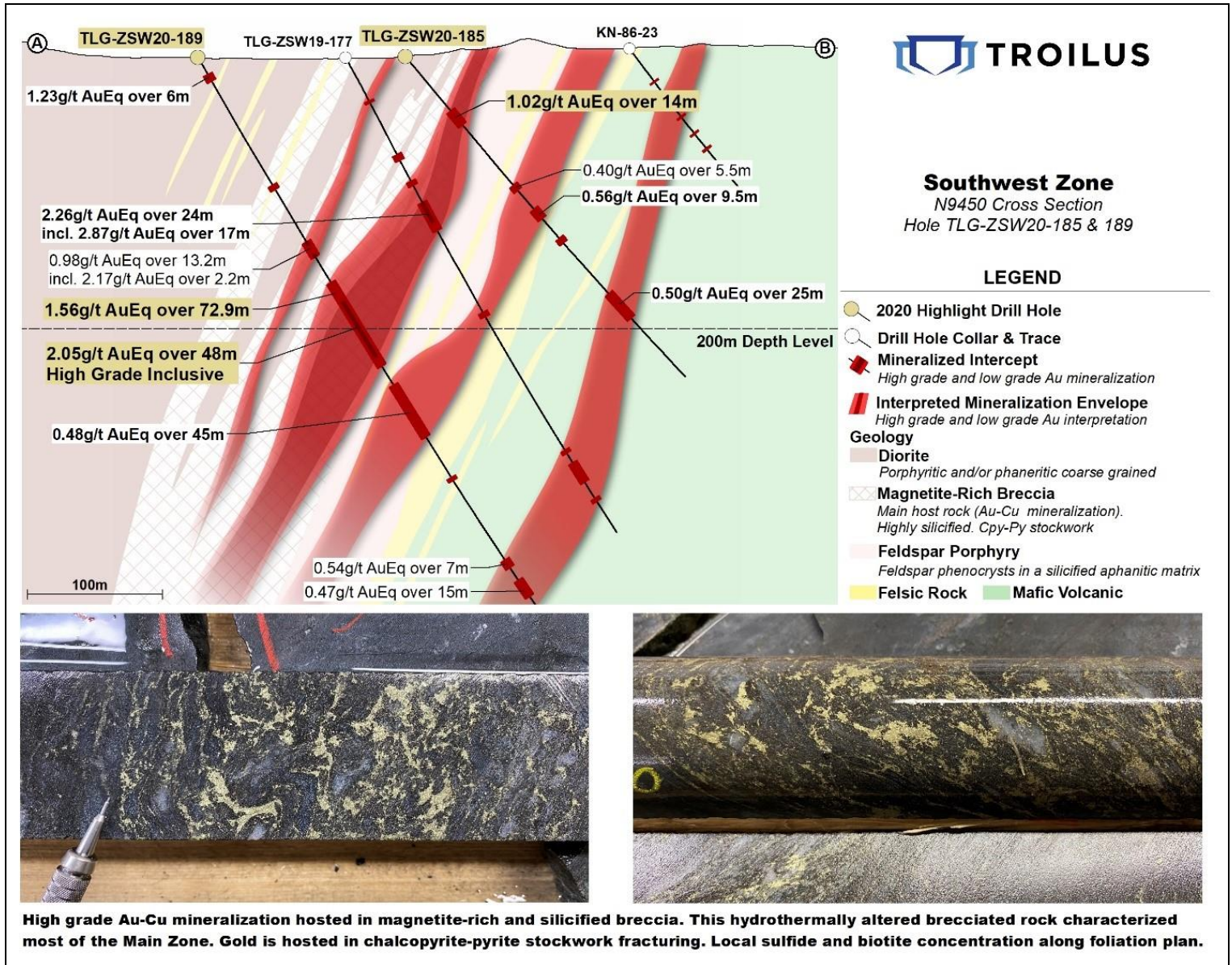


Source: BigCharts.com, April 21, 2020 (Chart C\$)

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Our disclosure statements are located on the second last page of this report

Figure 1: Section view of drill holes TLG-ZSW20-185 and TLG-ZSW20-189



Source: Troilus Gold Corp.

Troilus Gold Corp.

Updated April 21, 2020

Price Chart and Disclosure Statement

*Information updated monthly on or about the 5th of each month.



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Not Rated	22%		

Recommendation / Target Chg	Date	C\$
	20-Apr-20	3.65 (B)
	13-Nov-19	2.90 (B)
	18-Oct-19	2.85 (B)
	22-Jul-19	2.30 (B)
	08-May-19	1.75 (B)
	27-Mar-19	2.15 (B)
	21-Feb-19	1.55 (B)

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Market Perform	expected to perform with its peer group
Reduce	expected to underperform its peer group
Tender	clients are advised to tender their shares to a takeover bid
Not Rated	currently restricted from publishing, or our recommendation is under review

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