

**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:**

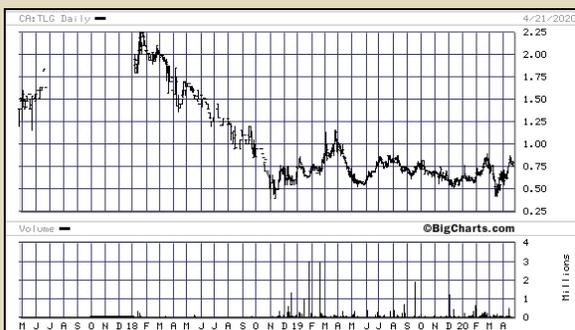
Troilus released results from a further two holes of a 17-hole 6,000 m drill program from the Southwest Zone at its 100%-owned Troilus property in Quebec (the first three holes were released last week). Recall that the Southwest Zone was just discovered in December 2019, is located 3.5 km from the Z87 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.

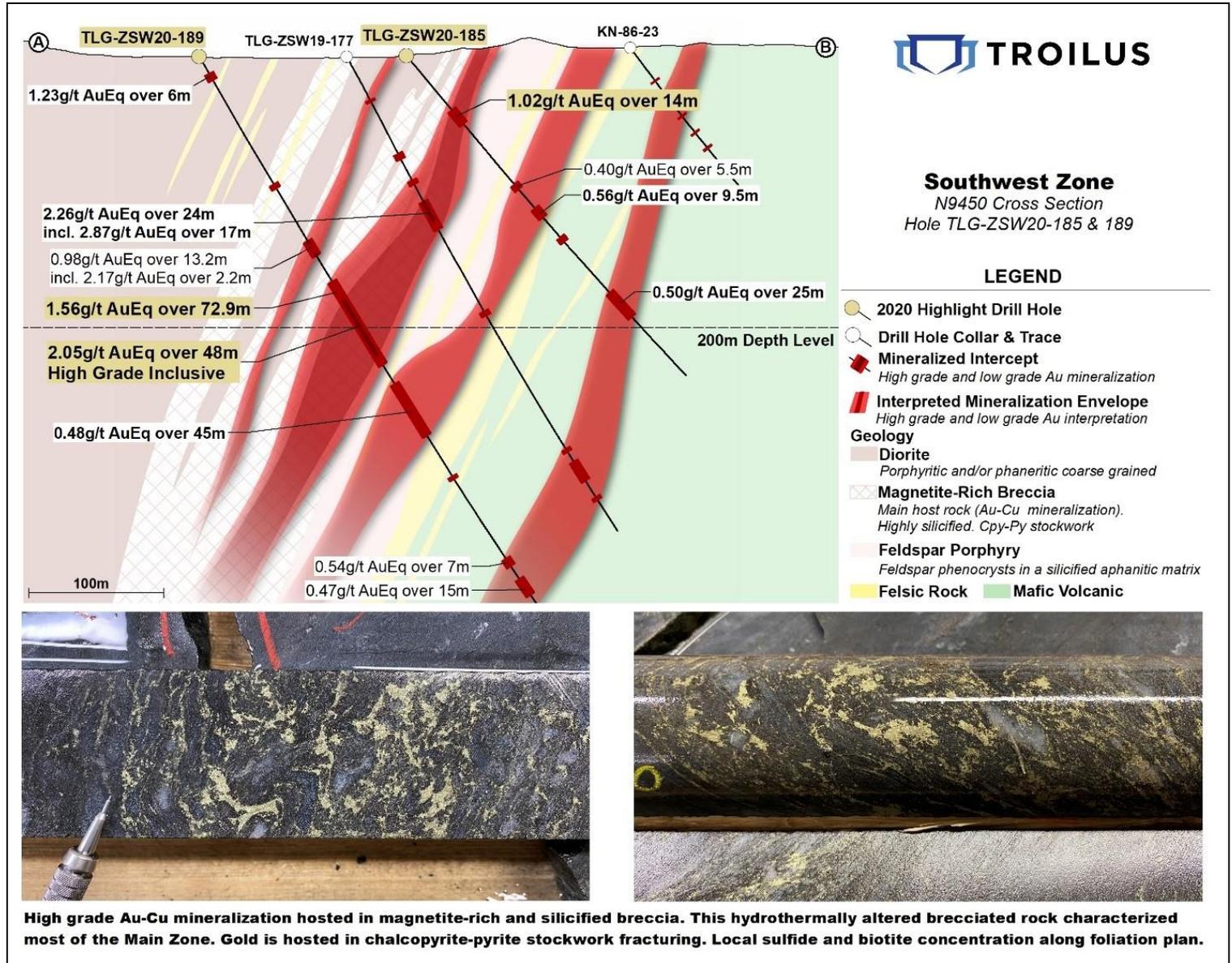


Source: BigCharts.com, April 21, 2020 (Chart C\$)

◆During the past twelve months, Cormark Securities Inc., either on its own or as a syndicate member, participated in the underwriting of securities and received a fee for the non-brokered placement of securities for Troilus Gold Corp.

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.



*Cormark has this percentage of its universe assigned as the following:		*Over the past 12 months, the following percentage of issuers whose securities received a "Top Pick" or "Buy", a "Market Perform", or a "Reduce" rating from Cormark Securities Inc., have engaged Cormark to provide investment-banking services during this period.	
Buy or Top Pick	62%	Buy or Top Pick	25%
Market Perform	14%	Market Perform	11%
Reduce or Tender	2%	Reduce or Tender	0%
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)	

During the last 12 months, has CSI provided financial advice to and/or, either on its own or as a syndicate member, participated in a public offering, or private placement of securities of the subject issuer?  Yes  No

During the last 12 months, has the analyst of this company received compensation from a pool that included investment banking revenues from the subject issuer earned by CSI?  Yes  No

During the last 12 months, has CSI received compensation for having provided investment banking services to the subject issuer?  Yes  No

Does CSI expect to receive compensation for investment banking services from the subject issuer in the next three months?  Yes  No

Does the analyst or any individual responsible for the preparation of this research, or a member of that person's household, have a financial interest in the debt or equity securities of the subject issuer?  Yes  No

If YES

1) Is it a long and/or short position?

2) What type of security is it?

Does CSI beneficially own 1% or more of any class of the subject issuer's equity securities?  Yes  No

Has the analyst viewed the material operations of the subject issuer?  Yes  No

Does the analyst or CSI have any other material conflict of interest with the subject issuer?  Yes  No

If YES

During the last 12 months, has any partner, director or officer of CSI or any analyst involved in the preparation of this report provided services to the subject issuer for compensation or other remuneration?  Yes  No

If YES, name of person(s) who provided services:

Does CSI have any employee or agent who serves as an officer, director or employee, or who serves in any advisory capacity to the subject issuer?  Yes  No

If YES, name of person(s) who provided services:

The Investment Industry Regulatory Organization of Canada Rule 3400 and the Financial Industry Regulatory Authority Rule 2241 (US) require certain disclosure and compliance in research reports. Cormark Securities Inc. and Cormark Securities (USA) Limited (collectively "CSI") are in compliance with the above-noted recommendations, rules, and regulations where they apply. The firm does not receive compensation for any non-securities or non-investment banking related services. Neither the analyst nor the associate (if any), or any member of his/her household, serve as an officer, director or employee or serves in any advisory capacity of the subject company (ies) under their coverage. CSI and its affiliates actively solicit investment banking business, including underwriting and advisory services, from its research coverage list. As a result, although uncertain, revenue from these activities may be received at any time. CSI's research dissemination policies and procedures are available on its website at [www.cormark.com](http://www.cormark.com).

We, Richard Gray and Nicolas Dion, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company(ies) and its (their) securities. We also certify that we have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

### RECOMMENDATION TERMINOLOGY

Cormark's recommendation terminology is as follows:

<b>Top Pick</b>	our best investment ideas, the greatest potential value appreciation
<b>Buy</b>	expected to outperform its peer group
<b>Market Perform</b>	expected to perform with its peer group
<b>Reduce</b>	expected to underperform its peer group
<b>Tender</b>	clients are advised to tender their shares to a takeover bid
<b>Not Rated</b>	currently restricted from publishing, or our recommendation is under review

Our ratings may be followed by "(S)" which denotes that the investment is *speculative* and has a higher degree of risk associated with it.

Additionally, our target prices are set based on a 12-month investment horizon.

**For Canadian Residents:** This report has been approved by Cormark Securities Inc. ("CSI"), member IIROC and CIPF, which takes responsibility for this report and its dissemination in Canada. Canadian clients wishing to effect transactions in any security discussed should do so through a qualified salesperson of CSI. **For US Residents:** Cormark Securities (USA) Limited ("CUSA"), member FINRA and SIPC, accepts responsibility for this report and its dissemination in the United States. This report is intended for distribution in the United States only to certain institutional investors. US clients wishing to effect transactions in any security discussed should do so through a qualified salesperson of CUSA.

Every province in Canada, state in the US, and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, some of the securities discussed in this report may not be available to every interested investor. This report is not, and under no circumstances, should be construed as, a solicitation to act as securities broker or dealer in any jurisdiction by any person or company that is not legally permitted to carry on the business of a securities broker or dealer in that jurisdiction. This material is prepared for general circulation to all clients and does not have regard to the particular circumstances or needs of any specific person who may read it. This report is provided for information purposes only and does not constitute an offer or solicitation to buy or sell any securities discussed herein.

The information and any statistical data contained herein have been obtained from sources believed to be reliable as of the date of publication, but the accuracy or completeness of the information is not guaranteed, nor in providing it does CSI or CUSA assume any responsibility or liability. All opinions expressed and data provided herein are subject to change without notice. The inventories of CSI or CUSA, its affiliated companies and the holdings of their respective directors, officers and companies with which they are associated may have a long or short position or deal as principal in the securities discussed herein. A CSI or CUSA company may have acted as underwriter or initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial advisory, or other services for such company. The securities mentioned in this report may not be suitable for all types of investors; their prices, value and/or the income they produce may fluctuate and/or be adversely affected by exchange rates.

No part of any report may be reproduced in any manner without prior written permission of CSI or CUSA.

A full list of our disclosure statements as well as our research dissemination policies and procedures can be found on our web-site at: [www.cormark.com](http://www.cormark.com)