

Recommendation: Buy
Target Price: C\$3.65

◆Troilus Gold Corp. (TLG-TSX)
High Grades At SW Zone; Resource Up Next

Current Price	C\$1.15	Shares Outstanding (MM)	
52 Wk High	C\$1.18	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\$101.9
P/NAV	0.32x	EV	C\$86.5
NAV (spot)*	C\$4.15		
P/NAV (spot)*	0.28x	Reserves	0.00 MMoz
Target Return	217.4%	Total Resource	6.47 MMoz
EV/Reserve			n/a
EV/Resource			\$10/oz

* Cormark deck is \$1,600/oz; spot gold is \$1,728/oz

Unless otherwise denoted, all figures shown in US\$

Event:

Drilling at Southwest Zone yields narrow high-grade intercepts

Impact:

Positive

Commentary:

Troilus released results from the last six holes of an 18-hole 6,000 m drill program from the Southwest Zone at its 100%-owned Troilus property in Quebec. 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 holes are below:

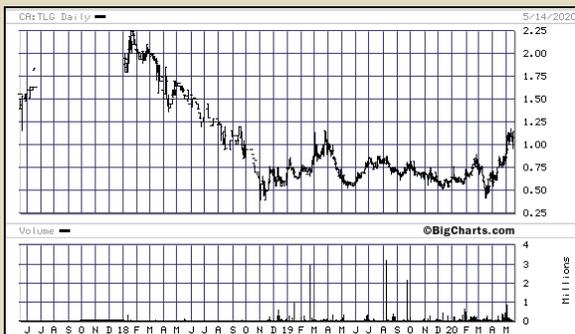
- 13.28 g/t AuEq over 1.0 m within a broader intercept of 1.18 g/t AuEq over 21 m in hole TLG-ZSW20-181
- 16.10 g/t AuEq over 1.1 m, 1.33 g/t AuEq over 5 m and 1.43 g/t AuEq over 5 m in hole TLG-ZSW20-186
- 46.40 g/t AuEq over 1.0 m in hole TLG-ZSW20-190

These high-grade gold intercepts were encountered within wider intervals of disseminated gold, a phenomenon consistent with the high-grade gold trend observed in the main mineral deposit (Z87, Z87 South and J Zone). We believe these drill results continue to demonstrate that the Southwest Zone already has the potential to add to the current mineral inventory of 6.5 MMoz AuEq and an initial resource estimate for Southwest Zone is expected before the end of Q2/20.

In addition, the Province of Quebec has authorized a restart for the exploration industry this week and Management is working on a reopening plan for the project.

Investment Conclusion:

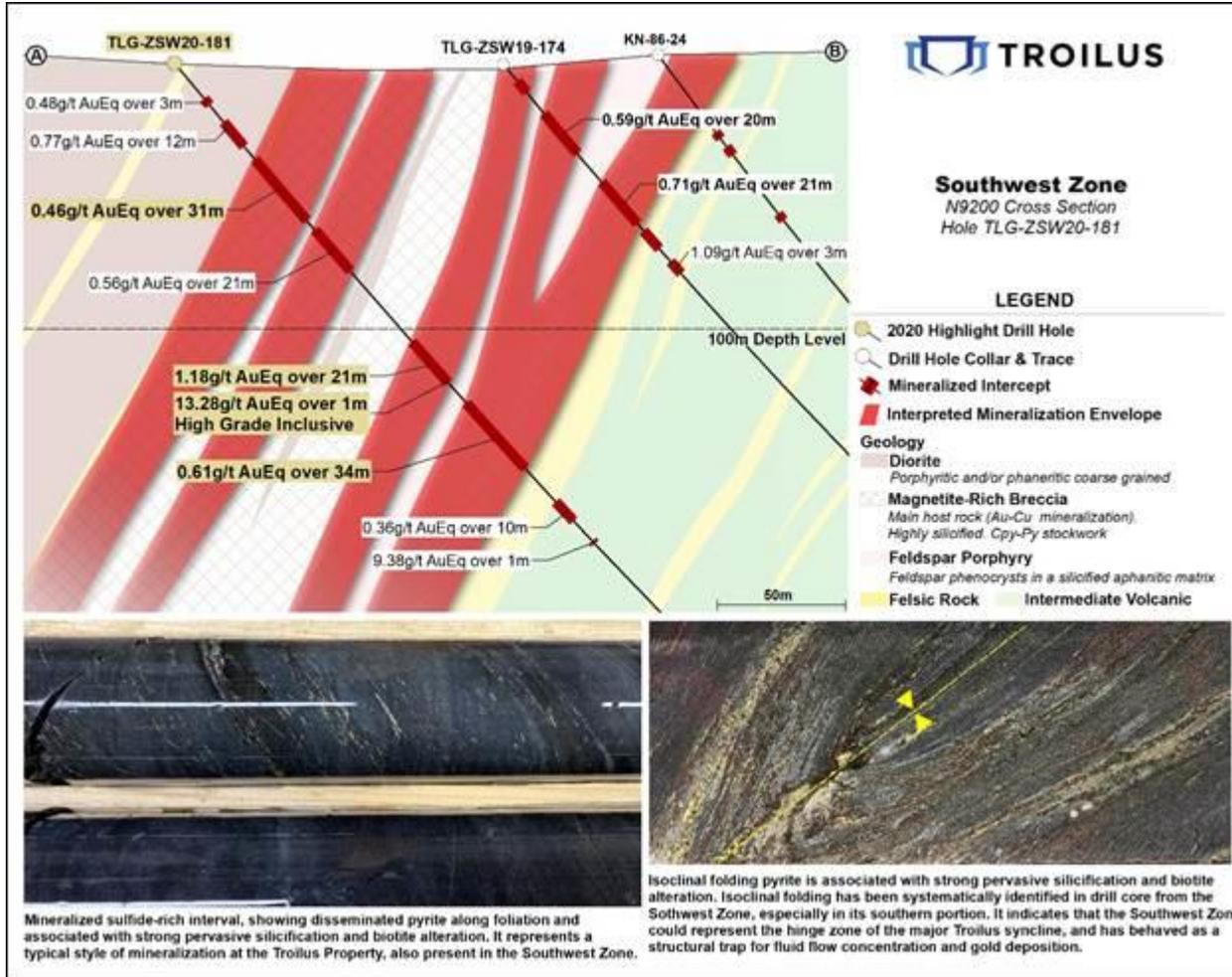
While Troilus has outperformed so far in 2020, up 80% vs the GDXJ up 3%, the shares remain exceptionally undervalued on an EV/oz basis (\$10/oz) and a fully-funded, fully-diluted P/NAV basis (0.32x). With the legacy shareholder overhang out of the way, a strong balance sheet (company raised C\$13 MM in February 2020 that has them fully funded for 2020) and a resource estimate for the SW zone in June, we believe Troilus could continue to 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, May 14, 2020 (Chart C\$)

◆During the past twelve months, Cormark Securities Inc. participated in and received a fee for the non-brokered placement of securities for Troilus Gold Corp.

Figure 1: Section view of drill holes TLG-ZSW20-181 and TLG-ZSW19-174



Source: Troilus Gold Corp.

Troilus Gold Corp.

Updated May 14, 2020

Price Chart and Disclosure Statement

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



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Not Rated	21%		

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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