

Company Reports 'Excellent Metallurgical Results' at Quebec Gold Project Research Report

(7/1/22)

The test results bode well for the prefeasibility study of the Canadian explorer's past-producing project in Quebec's historical Val d'Or mining district, noted a Stifel report, and named it the cheapest company in its coverage universe. A Laurentian Bank Securities report called the company's most recent drill results "encouraging."

Metallurgical Testing

[Troilus Gold Corp.](#)

(TLG:TSX - CHXMF:OTC - CM5R:FRA)

\$0.38 -1.32%

2022/9/27 8:31:09



Volume: 43,406

Market Cap: 75m

PE Ratio: -1.00

Year High: \$0.93

Year Low: \$0.38

Shares Out: 199,986,685

Float: 199,986,685

Institute Hold'gs:

19.60% (as of 08/31/22)

Institutions Bought Prev 3 Mo: 300,000

Analyst coverage

Velocity Trade Capital — Paul O'Brien

Stifel — Ian Parkinson

[Spratt Equity Research — Brock Salier](#)

[Haywood Securities — Pierre Vaillancourt](#)

Laurentian Bank Securities — Jacques Wortman

Newsletter coverage

Peter Krauth — Gold Resource Investor

Gwen Preston — *Resource Maven*

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[Troilus Gold Corp.'s \(TLG:TSX; CHXMF:OTC; CM5R:FRA\)](#) reported excellent metallurgical results from testing a 3-tonne sample at the Southwest Zone of its Troilus Gold project, reported Stifel analyst Ian Parkinson in a June 28 research note. "Results show copper recovery of 93.5%, gold recovery of 88.3%, and silver recovery of 89.4%," he noted.

"Today's results are an important step towards the prefeasibility study (PFS) we expect to see in mid-2022," Parkinson wrote.

He indicated the results are notable because they are consistent with previously determined recovery rates that were used in the preliminary economic assessment and "build on similarly excellent results obtained from the J Zone in February, which showed recoveries of 92.9%, 90.4%, and 88.8% for copper, gold, and silver, respectively."

Regarding the imminent Troilus project PFS, Parkinson noted that Troilus Gold's drilling over the past few years "should help strengthen mining-specific elements of the PFS economics." In the Southwest Zone, the company has added ounces to the resource after the completion of the 2020 preliminary economic assessment. At the J Zone, Troilus Gold has "widened the mineralized horizon, converted waste to ore, and decreased the strip ratio."

Parkinson pointed out Troilus Gold is trading significantly below its peers at a spot price:net asset value of 0.09x versus the group average of 0.21x, according to Stifel data.

Stifel's target price on the company is CA\$4 per share; Troilus Gold's current share price, in comparison, is around CA\$0.54.

"Troilus Gold is currently the cheapest company in our coverage universe," wrote Parkinson.

Gap Zone Drill Results

Jacques Wortman, mining analyst with Laurentian Bank Securities, on June 29 reported that Troilus released assay results from five holes drilled as part of the phase 2 Gap Zone program at the Troilus project.

Three of the drill holes were to the southwest of the past-producing Z87 pit. "The key takeaway is the continuity of mineralization down-dip and up-dip from Z87 South," Wortman noted.

The other two drill holes were along the Southwest Zone's northern extension. "We would characterize the results as encouraging but very early stage," he wrote.

Wortman indicated the results "support the explorer's thesis that mineralized units in the Z87 and Southwest zones extend into the Gap Zone." He added, "We have long believed that the Gap zone has significant potential."

"Some of the mineralized intervals reported today are quite deep, but several appear to be high enough in the system to be captured in conceptual open-pit shells in future resource updates," Wortman wrote.

Troilus Gold should finish the phase 2 Gap Zone drill program in July and results should follow over the next few months. Wortman noted that the company will not include these results in the upcoming PFS.

Laurentian has a target price on Troilus of CA\$3.30.

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Disclosures for Stifel GMP., Troilus Gold Corp., June 28, 2022

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