



TLG Drilling At Zone X22 Further Confirms Continuity Of Mineralization

Event

Troilus has announced assay results from an additional four (4) holes drilled at Zone X22 at the Troilus Gold Project in Quebec.

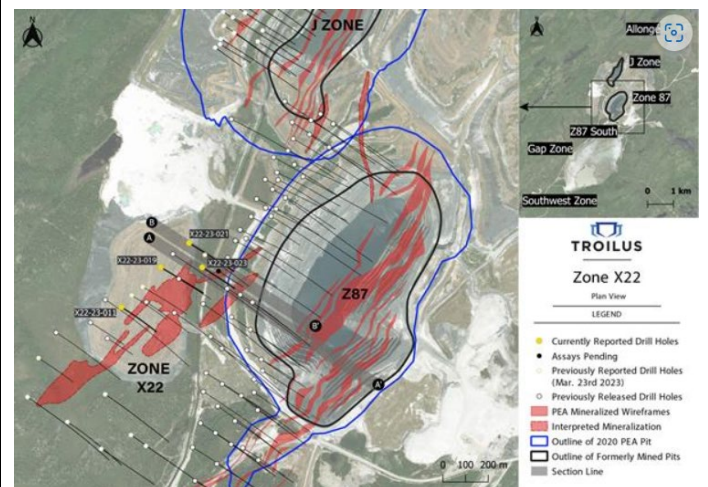
Impact

Slightly Positive. Today's assay results continue to demonstrate thick intercepts with grades higher than the project average, which could potentially result in a meaningful contribution to overall project economics when the Feasibility Study is released in H2/23.

Analysis

- **New drilling indicates good continuity of gold mineralization in Zone X22.** As illustrated in Exhibit 1, Zone X22 starts in the west wall of the past-producing Z87 pit and extends to the SW, into the Gap Zone, and is open to the SW and at depth. The strike length of the X22 Zone was extended to over 1,000 metres last week when the first batch of follow-up X22 results were reported. Today's drilling indicates good continuity of gold mineralization across the zone, relatively shallow depth and favourable grades. TLG is nearing completion of the current 7,800m drill program at X22, with assays pending on >4,000m of this drilling.
- **Key intervals reported have grades significantly higher than the Jul/20 MRE project average of ~0.85 g/t AuEq.** TLG reported assay results from an additional four (4) drillholes completed at Zone X22. All results reported today are outside of the PEA pit shells. Focusing on two (2) key holes, the thicker mineralized intercepts start at vertical depths of ~217m (hole 21) and ~116m (hole 23). Drill hole **X22-23-021** returned **0.94 g/t AuEq over 32m** (starting 284m downhole), including **1.36 g/t AuEq over 18m** and **3.62 g/t AuEq over 3m**. This hole extended the down-dip mineralization by 50m. Hole **X22-23-023** returned **1.46 g/t AuEq over 30m** (starting 151m downhole), including **2.62 g/t AuEq over 11m**. This hole also returned **2.07 g/t AuEq over 4m** (starting 31m downhole), bringing known mineralization 100m up-dip.
- **Our take and potential implications on FS (H2/23).** Overall, these results are encouraging and should be supportive for the stock today. TLG will continue to delineate the higher-grade Zone X22 and Connector Zone over the coming months, for inclusion in the Feasibility Study (FS) in H2/23. We continue to expect that mine sequencing early in the envisioned mine life will be sourced from the Southwest Zone, supplemented by these two higher grade zones, consistent with TLG's expectations of a higher-grade profile in the early years of the mine life. If confirmed in the FS, this would be expected to benefit overall project economics. Our valuation excludes any benefit from these high-grade zones as we await the other key model inputs from the FS. **We maintain our BUY rating on TLG and C\$2.50 per share TP.**

Exhibit 1. X22 Zone: Drilling To Date – Plan View



Source: Company press release

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