



Mercenary Alert: More Good News for Trilogy Metals Inc

A Special Alert Musing from Mickey the Mercenary Geologist

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January was quite busy for favorite copper explorer and developer [Trilogy Metals Inc \(TMO.AM, TSX\)](#). The company posted three positive news items over the span of two weeks.

I reviewed the company's progress less than two months ago so this missive will be short and sweet. Below are brief summaries of the news releases; for details, see the company website.

- Trilogy reported its 2022 budget and exploration and development plans for Ambler Metals, the 50-50 joint venture operating company with South32 Ltd (S32.ASX, LSE, JSE). The JV plans to spend \$28.5 million this year with the program fully funded by S32 Ltd.

Included are: 10,000 meters of drilling allocated between resource development at the Arctic Project and priority exploration targets in the district, including polymetallic targets in the Ambler Schist belt and copper-cobalt targets in the Cosmos Hills; engineering studies to advance the Arctic deposit toward development; and submission of a Federal 404 permit application in Q1, which will officially start the permitting process.

- The company posted a new mineral resource estimate for the Bornite deposit. Here are updated copper and cobalt resources in tabulated form:

Copper Mineral Resources

Class	Type	Cut-off (Cu%)	Tonnes (million)	Average Grade Cu (%)	Contained Metal Cu (Mlbs)
Indicated	In-Pit	0.5	41.7	1.04	955
	Total Indicated		41.7	1.04	955
Inferred	In-Pit	0.5	93.9	0.98	2,034
Inferred	Below-Pit South Reef	1.5	35.3	3.39	2,639
Inferred	Below-Pit Ruby Zone	1.5	15.0	1.98	653
	Total Inferred		144.1	1.68	5,326

Cobalt Mineral Resources

Class	Type	Cut-off (Cu%)	Tonnes (million)	Average Grade Co (%)	Contained Metal Co (Mlbs)
Inferred	In-Pit	0.5	135.6	0.017	51
Inferred	Below-Pit South Reef	1.5	35.3	0.039	30
Inferred	Below-Pit Ruby Zone	1.5	15.0	0.021	7
	Total Inferred		185.8	0.021	88

The updated estimate focused on the resource in the South Reef area, which was separately reported for the below-pit inferred resource category for the first time. South Reef is high-grade with good thickness and continuity and is a likely starting point for future underground development.

- TMQ released results from two additional large diameter core holes at the Arctic polymetallic deposit. The 18-hole program was designed to upgrade resources in the heart of the deposit from indicated to measured and provide additional material for metallurgical studies. Note results for 12 of 18 holes in this program are pending.

One hole intersected six mineralized intervals. Highlights include: 27.7 meters of 2.75% copper, 2.65% zinc, 0.46% lead, 0.66 g/t gold, and 42.8 g/t silver; and 10.9 meters of 3.31% copper, 8.22% zinc, 1.78% lead, 0.81 g/t gold, and 70.9 g/t silver.

The second hole intersected two mineralized intervals with a best intercept of 14.5 meters of 1.96% copper, 5.57% zinc, 1.71% lead, 0.73 g/t gold, and 51.1 g/t silver.

In-fill drill results continue to confirm Arctic's thick intervals of high-grade polymetallic mineralization.

Despite good news, more good news, and even more good news, Trilogy Metals Inc stock price continues to languish. It trades in the same range as during brutal tax-loss selling in mid-December and has made a series of lower highs and lower lows since peaking in mid-October.

I attribute Trilogy's trading pattern to the overall stock market malaise in January, when all US markets had very poor performances. Evidence for daily late session algorithmic trading is abundant and its chart mimics the small cap market year-to-date.

Here's the one-year chart:



In my opinion, TMQ remains a bargain for speculators seeking a copper exploration and development play with significant near-term upside and longer-term takeover potential.

Be aware that Trilogy Metals Inc is a sponsor, I own stock positions, and I am biased. Do your own due diligence before speculating in any junior resource company.

Ciao for now,

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The [Mercenary Geologist Michael S. “Mickey” Fulp](#) is a Certified Professional Geologist with a B.Sc. in Earth Sciences with honor from the University of Tulsa, and M.Sc. in Geology from the University of New Mexico. Mickey has 40 years of experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia.

Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey’s professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker.

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