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Mercenary Alert: More Milestones for Trilogy Metals Inc

A Special Alert Musing from Mickey the Mercenary Geologist

For Subscribers Only

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I last weighed in on website sponsor [Trilogy Metals Inc \(TMO.AM;TMO.TSX\)](#) last summer after it received approval from the BLM for the Ambler District, Alaska access road and tabled a feasibility study for the Arctic deposit ([Mercenary Alert, August 23, 2020](#)).

In the intervening months, Trilogy Metals has continued to advance its northwest Alaska projects.

- Earlier this week, the company announced that its partner, the Alaska Industrial Development and Export Authority (AIDEA), had secured final right-of-way permits from the Bureau of Land Management and the National Park Service for the Ambler District Industrial Access Road. Previously AIDEA had received a Section 404 Permit from the Army Corps of Engineers.

In combination, these are milestone events with right-of-way issuance the final federal permit required for the Ambler Road Project.

- Trilogy also finalized the Ambler Metals, LLC Joint Venture management team and announced transition of its technical teams to that entity. Ambler Metals is the operating company for the projects with partner South32 Ltd.
- The company announced a \$27 million budget for the joint venture in 2021. Included are 7600 m of drilling for metallurgical work and resource upgrades at the Arctic deposit. Engineering work will continue on road planning. Exploration plans include 7000 m of drilling on massive sulfide prospects along the 100 km long Ambler Schist Belt with work scheduled to commence in mid-July.

Note the \$27 million is a minor portion of the \$145 million that South32 contributed for its 50% in the joint venture. Ambler Metals LLC is well-positioned financially to carry the project forward.

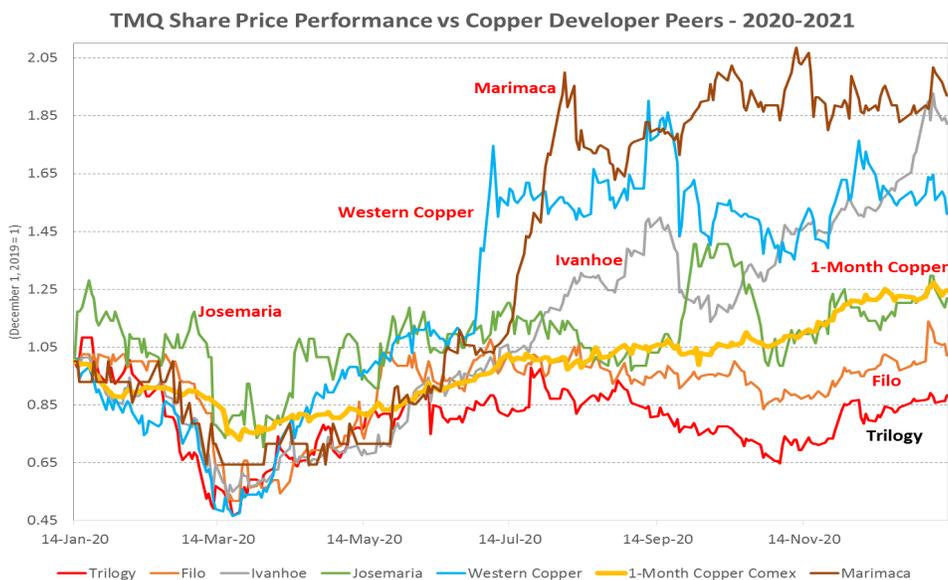
Now let's dig into the 52-week chart:



Trilog Metals began 2020 strongly, reaching an intraday high of \$2.74 in mid-January in conjunction with a copper price spike. This brief run was followed by a dip as Trump ratcheted up China sanctions. Then panda pandemic panic took all markets on an exponential fall in mid-March when TMQ hit a plus two-year low of \$1.04. Shortly thereafter, I signaled a buying opportunity at \$1.40 ([Mercenary Alert, April 3, 2020](#)). It then built a very strong chart on higher highs and higher lows driven by news flow thru late July.

After Labor Day, an institutional fund began exiting the stock culminating in a big dump during tax-loss season that drove the stock down to a post-virus low of \$1.50 in early November. Since that drawn-out event, TMQ has recovered some but is now stalled in the low \$2.00 range despite an eight-year high for copper at +\$3.65 per pound.

In the following chart, the company has consistently and substantially underperformed both the price of copper and its copper developer peers over the past five months:



Exactly why this has occurred is not evident to me. That said, TMQ's current performance is an anomaly and anomalies present trading opportunities.

At a price of \$2.08, I opine that Trilogy Metals is undervalued with respect to its peers.

Given the ongoing bull market for all industrial metals led by Dr. Copper, plus the current hype around the so-called "green metals", in my opinion this company's stock has got a lot of catchin' up to do.

But I am biased with stock ownership at a lower cost basis and it is a paying website sponsor. Do your own research into Trilogy Metals Inc to determine if my ideas work for you.

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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