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Mercenary Alert: Trilogy Metals Inc Continues to Reward

A Special Alert Musing from Mickey the Mercenary Geologist

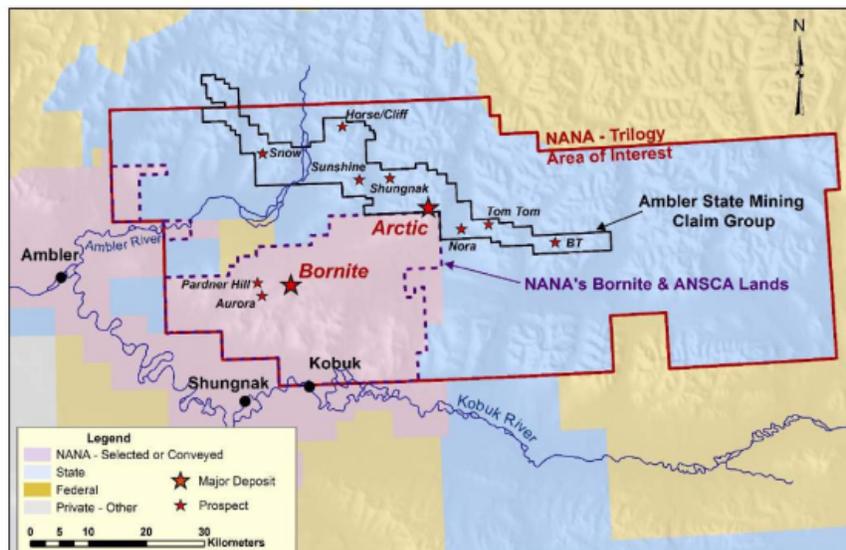
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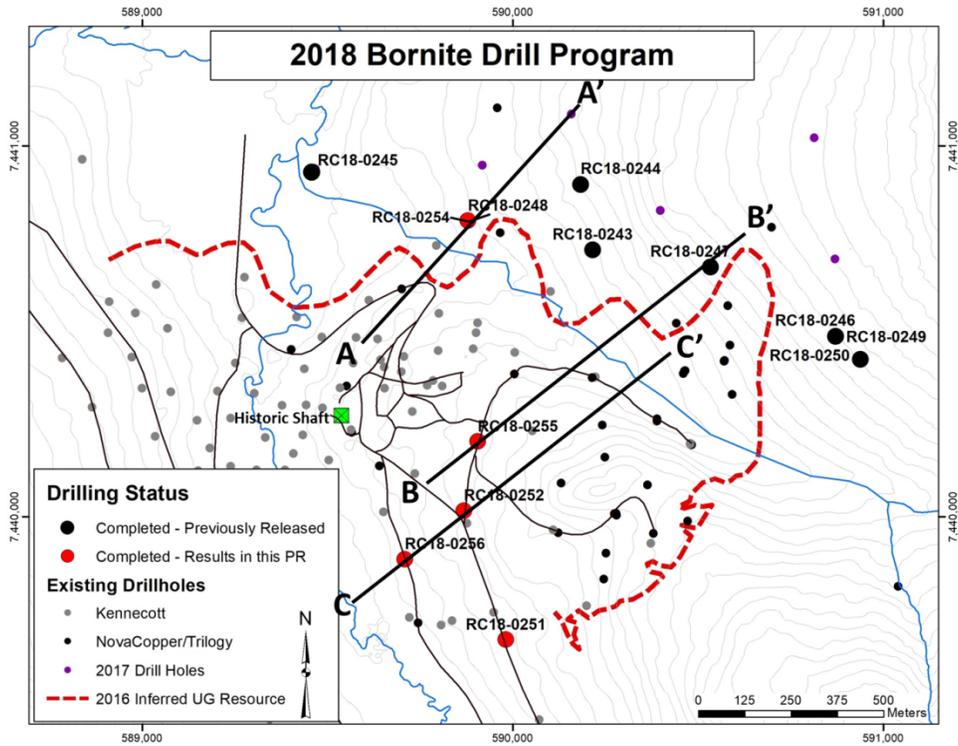
February 22, 2019

[Trilogy Metals Inc \(TMQ.AM; TMQ.TSX\)](#) continues progress toward development of two giant base metals projects in the Ambler District of northwestern Alaska. I last reported in the middle fall ([Mercenary Musing, October 22, 2018](#)), and offer this update of company achievements since then.

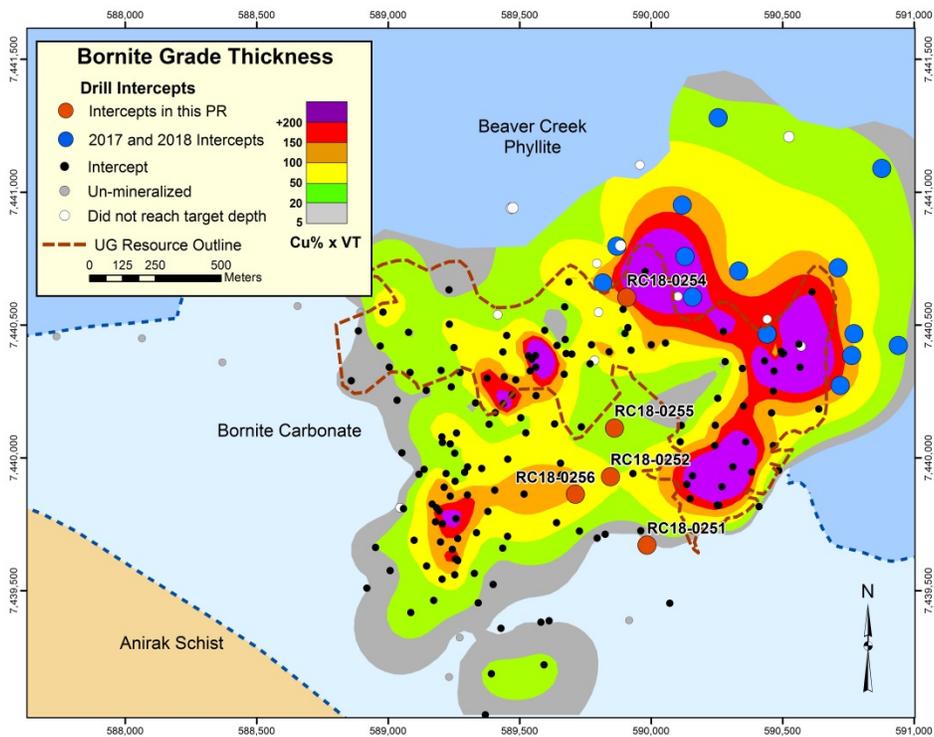
As a reminder, here is Trilogy's land position comprising 353,000 acres and located about 475 km northwest of Fairbanks on the south slope of the Brooks Range and in the Cosmos Hills. Shown in red is the area of interest with native land corporation and partner NANA:



In mid-November and mid-December, Trilogy reported results from the 10,100 meter summer diamond drill program at the Bornite deposit. The program consisted of 12 in-fill and extension holes as shown in this plan map:



Here's the updated grade-thickness product map showing the high-grade zones and footprint of the mineralization:



Copper-cobalt mineralization occurs in three distinct reefs hosted by upper and lower carbonate sequences and separated by phyllite. All three zones were drill tested in 2018.

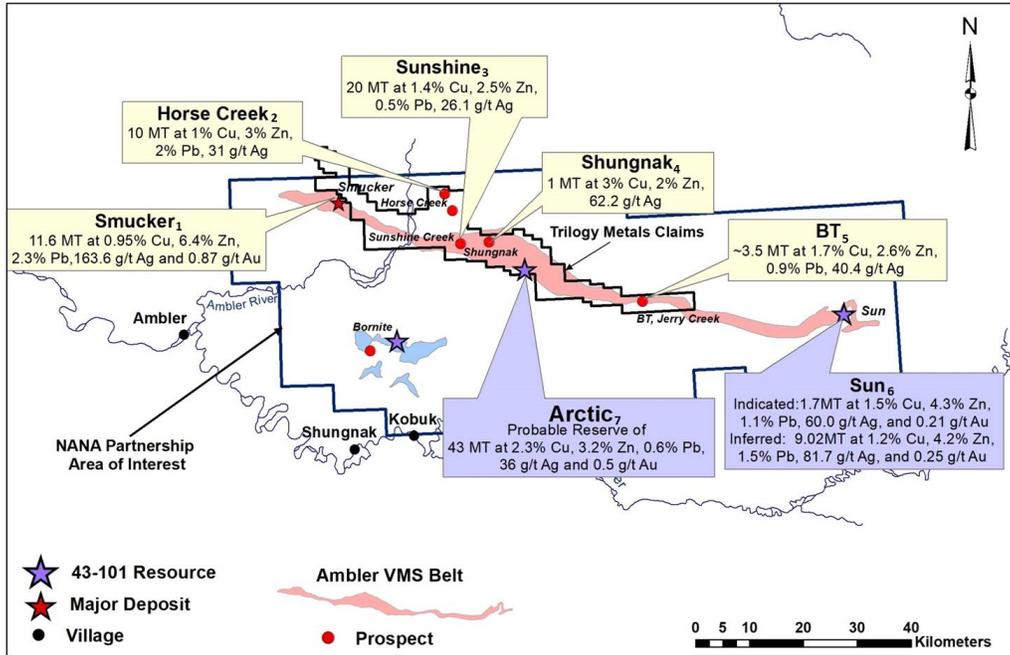
Mineralization occurs as breccia matrix replacement dominated by chalcopyrite along with bornite and chalcocite in higher-grade zones. It can also occur as vein and replacement zones containing chalcopyrite and calcite/dolomite gangue.

At the Arctic polymetallic project, activities included geotechnical and hydrological testing with 24 large diameter drill holes totaling 593 meters and 40 test pits excavated for waste rock dump, tailings management facility, and surface infrastructure studies. Work on road alignment, acid rock drainage and metal leaching potential, metallurgy, and ore sorting commenced, and collection of baseline environmental data on hydrology, meteorology, and archeology continued.

In late January and early February, Trilogy Metals Inc announced a 2019 exploration program and budget of \$18.2 million with its partner, Australian mining giant South32 Ltd, including:

- \$9.2 million focused on additional infill and extension drilling with 12 holes for 8000 meters planned at the Bornite deposit;
- \$7.0 million focused on Arctic project engineering, metallurgical, and environmental work to prepare the project for permitting later in 2019 and complete the feasibility study in the first half of 2020;
- A new regional budget of \$2.0 million to explore the dozens of known volcanogenic massive sulfide prospects and deposits along the 110-km long Ambler schist belt with regional airborne geophysics, mapping, sampling, review of historic resources, and drilling.

I am particularly pleased with the district-wide exploration program. The prospectivity of this 100 km-long belt of rocks is off-the-charts as most of the known mineral occurrences and deposits having seen no exploration since the 1970s and '80s. VMS deposits have long been known to occur in clusters and here's a map of the Ambler trend that justifies my bullish view:



TMQ is well-financed to complete the 2019 program with cash and cash equivalents at year-end 2018 of \$23.0 million plus additional funding from South32 of \$10.2 million. Trilogy also has 6.5 million warrants held by large shareholders that are well into the money with expiry in early July at \$1.52. If fully exercised, Trilogy would receive an additional \$9.9 million for a total kitty over \$43 million.

In addition, the BLM is on track with its plan to complete the draft EIS on the Ambler Access Road by the end of summer with the final EIS tabled by the end of 2019 and a final decision shortly thereafter.

So, all is good on the geology and money front. Trilogy's top notch management team remains intact after adding two key technical personnel last year. Meanwhile, the stock has continued to reward committed subscribers who have garnered substantial returns since I initiated coverage in late May of 2017, and also those savvy speculators who were tax-loss season *buyers* in 2017 and 2018.

Here's TMQ's performance over this period:



Folks, the Ambler Belt of Alaska is one of the world's richest and most-prospective copper-dominated mineral districts. Moreover, it is in one of the safest geopolitical jurisdictions in the pro-mining and pro-development State of Alaska and the United States of America where the rule of law and the security of mineral tenure are sacrosanct.

For the above reasons, I remain a committed shareholder of Trilogy Metals Inc, it continues to sponsor this website, and I look forward to another exciting year as these valuable mineral assets proceed toward development.

Do your own due diligence and see if you agree (or not).

Ciao for now,

Mickey Fulp
Mercenary Geologist



The [**Mercenary Geologist Michael S. "Mickey" Fulp**](#) is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has 35 years 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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