



## **Mercenary Alert: A Timely Update on a Copper Company**

**A Special Alert Musing from Mickey the Mercenary Geologist**

**For Subscribers Only**

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I was admittedly shocked, as no doubt many shareholders were, by the resignation of fellow geologist, longtime friend, and Founder/CEO/Director Rick Van Nieuwenhuysse from **[Trilogy Metals Inc \(TMQ.AM; TMQ.TSX\)](#)** on the morning of September 5.

To management's credit, I received a phone call later in the day explaining that Rick's resignation had nothing to do with any material development at the company and was solely for personal reasons. I have known Rick for some 35 years; he has always been driven to succeed and known to burn the candle at both ends. So I asked and was assuaged that the resignation was not because of his health or that of the significant people in his life.

With these assurances, I met with Trilogy's Vice-President of Corporate Communications and Development Pat Donnelly at the Precious Metals Summit in Beaver Creek, Colorado about 10 days ago. We reviewed the company's progress since late July and its plans thru early next year.

Pat stated that the Trilogy team has complete and full confidence in interim CEO Jim Gowans to carry the company forward. Jim is well-qualified as a mining engineer and is the former CEO of Arizona Mining, which was sold to South32 Limited last year for \$1.3 billion cash. He has extensive experience in northwest Alaska where he oversaw the feasibility study and design and construction of the Red Dog mine. Jim then operated the mine for three years after its commissioning.

About a week ago, Rick and I took time for a phone call. Here's what I can relate from our chat:

- Rick remains committed to Trilogy Metals Inc and continues to work diligently for the company as a consultant. He intends to maintain this role until January 31, 2020, which is the date that South32 Limited will announce its decision on the \$150 million Upper Kobuk Mineral Projects joint venture.
- He will continue to shepherd the Environmental Impact Statement process for the 211-mile road that will link the Ambler Mining District to existing rail and port infrastructure in south-central Alaska.

- Although Rick is no longer an officer, director, or reporting shareholder of the company, he is its largest individual shareholder. He recently added 450,000 TMQ shares to his position and now owns over three million shares.
- Rick will exercise roughly 3.1 million options prior to their accelerated expiration dates. I presume he will sell enough shares to cover the taxable event that these transactions will generate.
- His view of the mid- to long-term copper market is very bullish and coincides with mine. We both anticipate a significantly higher price in the mid-term and near the time when development of Trilogy's copper projects in Alaska would commence.
- By the time all is said and done, Rick indicated his TMQ holdings will be approximately five million shares. He expressed the intent to hold his position until the company executes an exit strategy beneficial to all shareholders.

Note that other insiders have recently added to their positions with Directors and the CFO exercising expiring options. CFO Elaine Sanders' position is now over one million shares.

Newsworthy events that are in the works for Trilogy Metals Inc in Q4 2019 include:

- Assay results from in-fill and expansion drilling at the Bornite carbonate-hosted copper deposit and exploration drilling at the Sunshine polymetallic deposit.
- Completion of engineering and environmental studies at the Arctic volcanogenic massive sulfide deposit in order to prepare and deliver a feasibility study in the first half of 2020 and commence the mine permit process.
- Anticipated final EIS for the aforementioned Ambler road EIS in December and the BLM Record of Decision shortly thereafter.

I trust that this note will help convince my loyal subscribers, as indeed I have been convinced, that Trilogy Metals Inc has not skipped a beat despite the recent change in top management. In my opinion, the company will continue to successfully execute its exploration and development plans for 2019.

Meanwhile, we eagerly await the joint venture decision of South32 Limited on January 31, 2020.

Ciao for now,

Mickey Fulp  
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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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