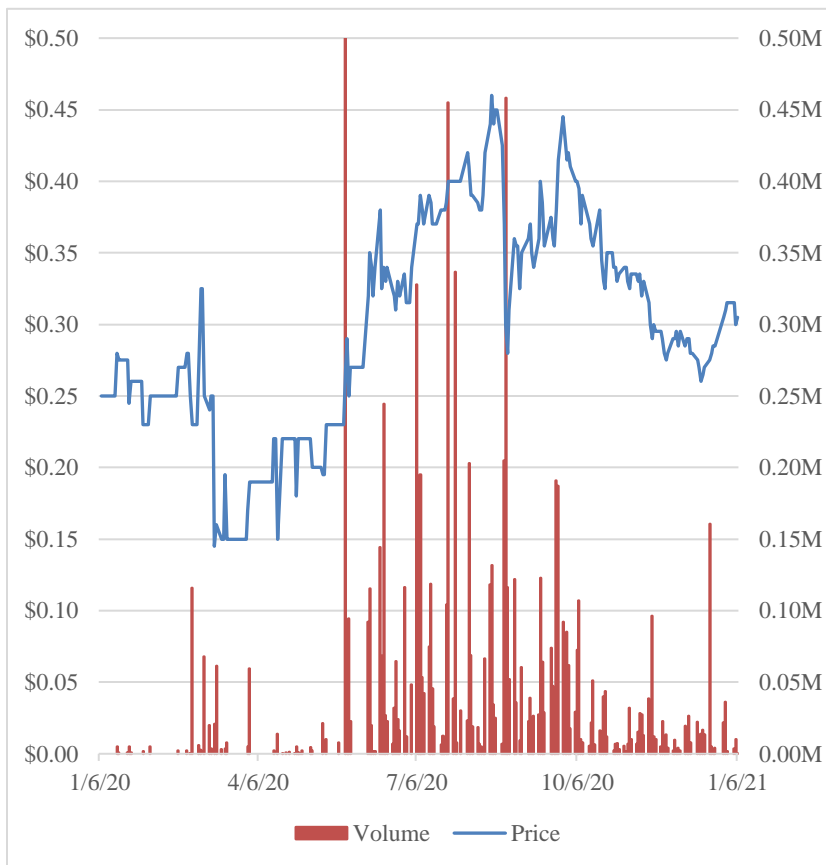


Etruscus Resources Corp

CNX: ETR | OTC: ETRUF | FWB: ERR

Market Cap: \$8.39M

Etruscusresources.com



SUMMARY

Located in the Golden Triangle, home to some of the largest and richest mineral deposits in the world, including the largest undeveloped Copper/Porphyry mine in the world, and past-producing mines with bonanza grade deposits.

Possesses an asset with highly sought-after geophysical anomalies, one that is renowned for polymetallic deposits, and forms in clusters

Current market cap is a very steep discount to comparable exploration companies within the same jurisdiction while geophysical attributes overlap with monster mines

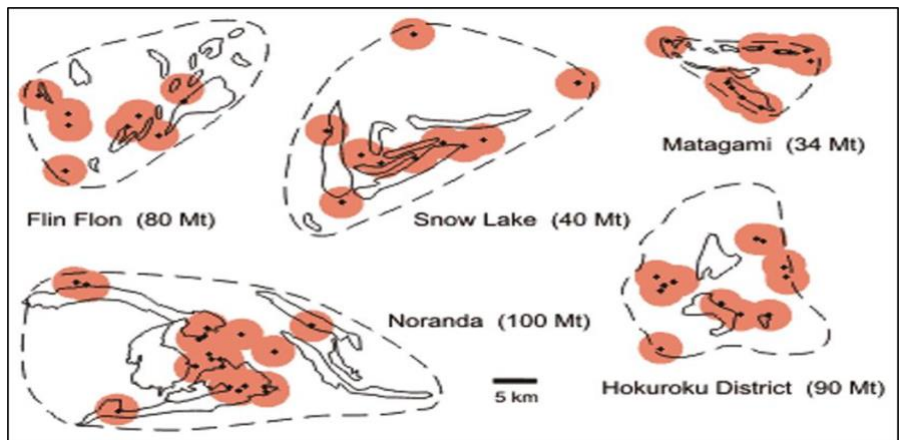
Etruscus Resources Corp (CSX: ETR; OTC: ETRUF; FWB: ERR) is a mining

exploration company with the Rock and Roll and Sugar properties located in the prolific Golden Triangle region of British Columbia. The Rock and Roll property contains a polymetallic VMS deposit, with potential to host many more. The Golden Triangle is a region in northwest British Columbia, Canada, that is home to some of the largest and richest mineral deposits in the world. The stock currently trades at \$0.30 per share on the CSX, US\$0.245 on the OTC Pink, and €0.18 on the Frankfurt exchange. While this is an exploration stage company, the price is at an extremely significant discount relative to the adjacent peers and the value extractable from Rock and Roll. Based on our analysis, **this stock is worth \$1.02, a 239% premium to current prices.**

The property's primary asset is the Black Dog Deposit, which is a Gold-Silver rich volcanogenic massive sulphide (VMS) deposit. The historic Snip mine is a mere 7 km away. Mines with similar geology, located within the Golden Triangle, and hosting the same metals i.e., Gold, Silver, Copper, Lead and Zinc, are in close proximity. The companies holding said mines are trading at market capitalizations that are significantly higher than Etruscus Resources (ETR).



Volcanogenic massive sulphide ore deposits are a type of metal sulfide ore deposit, mainly copper-zinc, which are associated with and created by volcanic-associated hydrothermal events in submarine environments. Interest in deposits of this nature is due to their polymetallic nature and bonanza grades. Such deposits often form multiple mineralized clusters nearby.



Examples of world class VMS districts that include multiple clusters.

This deposit type is significant, particularly in the Golden Triangle because a number of adjacent comparable mines are also of this deposit type, and are either in production, or have an economic assessment. Furthermore, bonanza grade past producers such as the Eskay Creek Mine possess this deposit type and were one of the richest ore discoveries in the world over 30 years ago. The Mine went on to become the highest-grade mine in the world, producing at average grades of 45 g/t Gold and 2,224 g/t Silver. Eskay Mining, which owns the claims just south of the Eskay Creek Mine, has skyrocketed over 10x in the past 12 months after discovering two precious metal-rich VMS Deposits at the TV and Jeff targets.

Looking more generally at mines within the Golden Triangle and in particular the Eskay Camp and filtering to ensure they are of a comparable stage of exploration, shows that on average they all have a considerably higher market capitalization. This is a strong indication that ETR is undervalued.

In contrast to the comparable junior miners, ETR has a resource estimate, despite a lower market cap. Based on the technical report, applying a price of \$1,900 per oz of Gold should increase the cut-off grade to approximately 0.35 g/t, resulting in a Gold Equivalent resource estimate averaging to approximately 171,500 Oz. The company reports their resource estimate at 170,000 Gold Equivalent ounces at an average grade of 2.63 g/t.

Resource Estimate:

Cut-off Grade		Au		Ag	
		(AuEq)	Tonnes	Grade (g/t)	Ozs
0.3 g/t	2,099,000	0.69	46,000	84.0	5,670,000
0.4 g/t	2,064,000	0.70	46,000	85.3	5,659,000
0.5 g/t	2,015,000	0.71	46,000	87.1	5,643,000
0.6 g/t	1,926,000	0.74	46,000	90.4	5,601,000
0.7 g/t	1,838,000	0.76	45,000	94.0	5,558,000
0.8 g/t	1,736,000	0.80	44,000	98.6	5,505,000

Cut-off Grade	% Copper		% Lead		% Zinc		AuEq	
	Grade	Lbs	Grade	Lbs	Grade	Lbs	Grade (g/t)	Ozs
0.3 g/t	0.22	10,339,000	0.22	10,235,000	0.95	43,802,000	2.54	172,000
0.4 g/t	0.23	10,303,000	0.22	10,216,000	0.96	43,705,000	2.58	171,000
0.5 g/t	0.23	10,246,000	0.23	10,180,000	0.98	43,503,000	2.63	170,000
0.6 g/t	0.24	10,106,000	0.24	10,084,000	1.01	43,071,000	2.73	169,000
0.7 g/t	0.24	9,919,000	0.25	9,990,000	1.05	42,600,000	2.83	167,000
0.8 g/t	0.25	9,643,000	0.26	9,883,000	1.10	41,899,000	2.95	165,000

I would strongly recommend anyone that wishes to trade this stock do so with the listing on the CSE. ETR's current share price of \$0.30 is a staggering 239% discount to comparable Golden Triangle companies based on comparable market value. Conservative estimates show that comparable companies of a similar stage of exploration are worth an average of \$27.08M after deliberately removing the larger comparables by market cap and discounting that figure by a further 25%. This approach is highly conservative and penalizing on ETR, while simultaneously eliminating fair comparable companies by virtue of their market caps being at higher end of the spectrum. However, it was applied as a useful test in

illustrating the appropriate market value of the asset, and shows that at an \$8M market cap, ETR has untapped value.

The primary catalyst to increase the share price in the next 12 months include completion of further exploration on the asset by way of drilling targets supported by geophysical and geochemical data.

Key investment risks include the price of Gold, Silver, drill results, unexpected permitting and environmental compliance issues, unforeseen changes in political environment, and ability to secure financing. While some of these risks are beyond any individual's control, the risk of drill results and maintaining compliance is believed to be reduced with competent management, quality geologists, and sufficient checks and balances.

Financing in the junior mining sector remains healthy and continues to be supported by a strong rally in metal prices in 2020. Furthermore, ETR has been consistent in successfully raising capital, with their most recent private placement being oversubscribed. High quality VMS deposits continue to garner attention from the market, with deposits in the Golden Triangle being of significant interest to investors. It is worth mentioning again that the geologically comparable Eskay Creek Mine is a contributor to this, having produced 3 million ounces of Gold and 160 million ounces of Silver with spectacular grades.

Positive drill results could substantially increase the resource potential, thereby increasing the in-situ value of the deposit.

Company Background

Etruscus Resources (ETR) is a junior mining company that was created to build significant mineral resources through the development of its projects. ETR's goal is to create significant shareholder value by acquiring attractive properties at low prices and developing them. Etruscus has assembled a very experienced capital markets, geological and advisory team with a history of discovering major deposits and raising the capital required. One advisor, David Dupre, was instrumental in the discovery of the nearby world class Eskay Creek mine in the late 1980s. The Rock and Roll project had recent drilling which resulted in the discovery of new mineralized zones, showing great promise. To date there has been just under 25,000m of drilling on the property. The company recently completed an oversubscribed private placement to finance the continuation of their drill program.

Investment Thesis

The development of profitable mines is a long journey. At the exploration stage it is imperative to acquire assets with the right geology and in the right neighborhood, in order to eventually get to a point in the future where an economic asset is mineable. Various metal prices have rallied substantially, with Gold having breached previous all-time highs mid-2020. This, combined with the recent passing of a US\$900 billion stimulus bill in the US, makes investment in metals an attractive thesis. The current range of Gold price is around \$1,850/Oz-\$1,950/Oz. The year 2020 alone saw an appreciation in price of over 59%.

Furthermore, the Gold/Silver ratio had reached an all-time-high this year, surpassing 100:1. While this has since contracted, it is still high and there is a potential opportunity to invest in silver. Within the Earth's crust the Gold/Silver ratio estimates vary from 16:1 to 25:1¹. General consensus is a ratio of 17.5:1.

Given that this asset is showing results of a Gold-Silver rich polymetallic deposit, this is a great opportunity to be exposed to a rising precious metals market, while also gaining from the rise in Copper prices.

¹ USGS – The composition of the Earth's crust – Frank Wigglesworth Clarke and Henry Stephens Washington

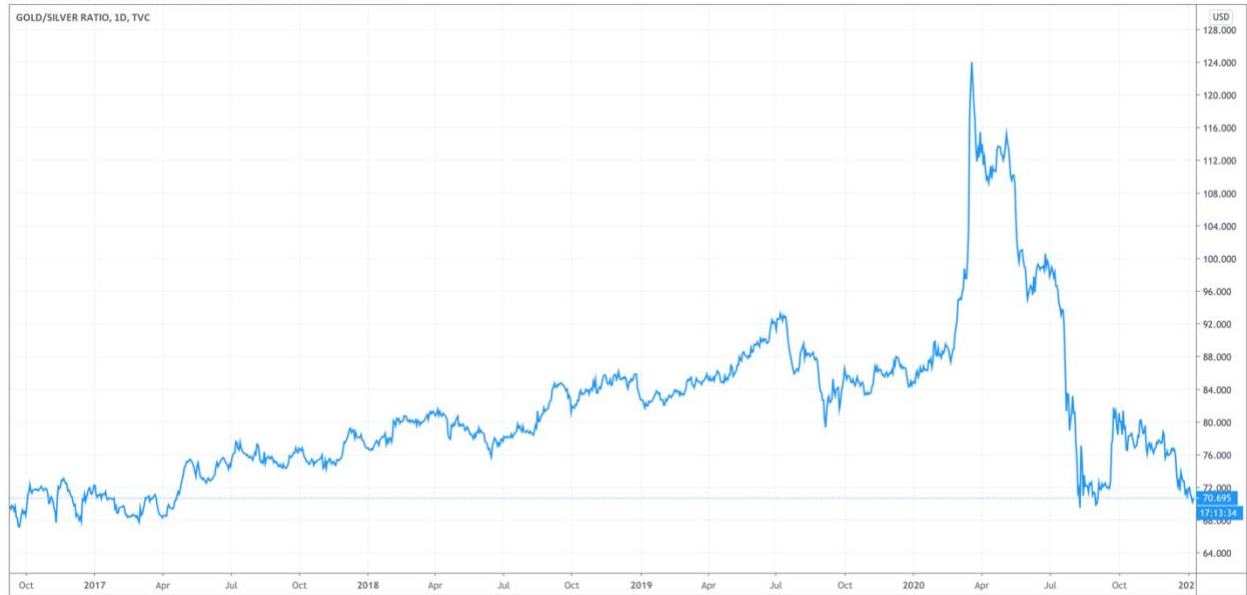
elitstrategic published on TradingView.com, January 07, 2021 04:42:30 UTC
COMEX_DL:GC1, 1D 1918.7 ▲ +10.1 (+0.53%) O:1921.5 H:1925.8 L:1915.7 C:1918.7



TradingView

Percentage change in price of Gold (Blue), Silver (Orange) and Copper (Green)

elitstrategic published on TradingView.com, January 07, 2021 04:46:28 UTC
TVC:GOLDSILVER, 1D 70.695 ▲ +0.438 (+0.62%) O:70.308 H:71.100 L:70.308 C:70.695



TradingView

Gold/Silver ratio is correcting, but still at historically high levels

The Golden Triangle region of northwestern British Columbia is one of the most richly mineralized areas in the world.



It is situated within Sulphurets Hydrothermal System², which hosts one of the largest concentrations of minerals:

- 188 million ounces of Gold estimated reserves, with 47.5 million proven and probable
- 1.2 billion ounces Silver, with 214 million proven and probable
- 55 billion pounds Copper, with 10 billion proven and probable.

The region plays host to some monster deposits and past producers. Some notable names are Eskay Creek, KSM, Brucejack, Red Chris, Johnny Mountain and Snip. KSM is considered to be the world's largest undeveloped copper/gold porphyry with 38.8 million ounces of gold and 10.2 billion pounds of copper.

The Snip mine, which is only 7 km away from Rock and Roll, produced 1.1 million ounces of Gold, at bonanza grades averaging 27.5 grams per metric ton. Snip is currently owned by Skeena, which saw its stock appreciate over 350%.

The process of developing a producing mine is extensive, and highly dependent on the geological quality of the asset in question. Unlike many other industries (such as technology), the physical endowment of the asset is where the majority of the value can be obtained, with the remaining contribution attributable to factors such as management quality.

² The Deep Dive – July 19, 2020

The abundance of large deposits in this region is what makes the Golden Triangle so alluring. It also gives rise to significant value potential, and the fact that the existing resource may expand substantially adds fuel to the fire. Should the company have positive drill results, comparable companies have shown that similar results have been the precursor to strong appreciation in the stock price, many returning between 2x to 10x.

Being in Canada, the company has access to a variety of financing options as the market is extremely active, and the management has successfully raised capital to finance prior drill programs. Canada is ranked the third most attractive region in the world for investment³.

Etruscus also has the added advantage of the infrastructure improvements, including the Northwest Transmission line. This has resulted in reduced operating costs. With the geological asset being the right type, the company has established the base required to be able to explore and eventually produce.

Furthermore, the stock is priced imperfectly for the following reasons:

1. There is significantly more upside value to the property than the market has priced in. Comparable companies at a similar exploration stage have **experienced an average of 227% appreciation in the stock price over the last 12 months**. As well, advanced assets that are geologically and geographically comparable are worth north of \$1.3B, using a discount rate of 20% (higher than industry average of 10%).
2. There is significantly less downside risk in the fact that regional comparables of a similar stage of exploration are trading at significantly higher market capitalization, with ETR having the lowest market capitalization amongst this regional peer group. This despite an existing resource estimate and promising geophysical and geochemical anomalies.
3. Canada is one of the most mining friendly regions in the world.
4. The Golden Triangle is one of the most mineralized regions in the world. There are numerous adjacent mines with past producing Snip mine, Eskay Creek mine, and currently producing Brucejack, Red Chris, Greens Creek and many more with positive economic assessments on their deposits.
5. Recent work on the asset shows results that are very promising, with new targets at The Wall that has the potential to significantly increase the deposit.

In order to obtain a value for this asset, I analyzed comparable companies at a similar stage of exploration. A variety of factors were considered in selecting my comparable set of assets including careful identification of those assets that are not only specifically in the Golden Triangle, but in close proximity to ETR's assets. This has limited my universe of comparables to the select few.

In valuing these comparable assets, I have shown that the market value substantially supersedes what the market has currently priced in, even when accounting for the earlier stage that Rock and Roll and Sugar are in right now.

³ Fraser Institute annual survey of mining companies 2019

Catalysts

The primary catalysts in the next 12 months include:

- Drilling to better define the resource
- Step-out drilling to identify new targets and zones of mineralization
- Financing to continue exploration projects

Catalyst #1 and #2 are significant in terms of confirming the hypothesis the company has and will justify a re-rate of the stock price. Specifically, the drill results will help in identifying grade potential, resource depth, and the possibility of additional targets. There is an ongoing drill program, with results expected shortly.

Catalyst #3 is critical to continue exploration programs and advancing the project closer to an economic assessment and eventually to production.

Valuation

Because the company is pre-revenue, and is a mining exploration company, I believe the most appropriate valuation of the company will be derived by an analysis of comparable company market capitalizations, and the performance of their stocks over the past 12 months. I supplement this by analyzing the NAV of advanced mines within the Golden Triangle, sharing the same VMS type deposits, and discounting them substantially.

The comparable companies selected are Aben Resources Ltd (ABN), Metallis Resources Inc (MTS), Questex Gold & Copper Ltd (QEX), Sassy Resources Corporation (SASY), Enduro Metals Corporation (ENDR), Garibaldi Resources Corp (GGI), American Creek Resources Ltd (AMK), Teuton Resources Corp (TUO), Eskay Mining Corp (ESK), Tudor Gold Corp (TUD), and Skeena Resources Limited (SKE).

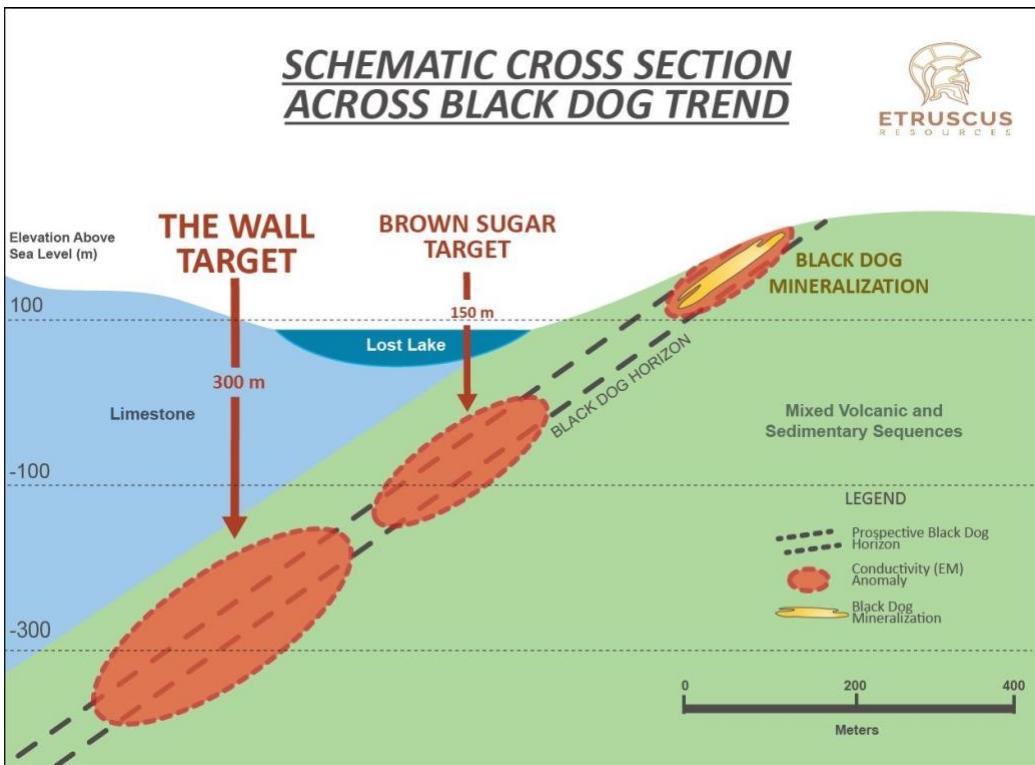
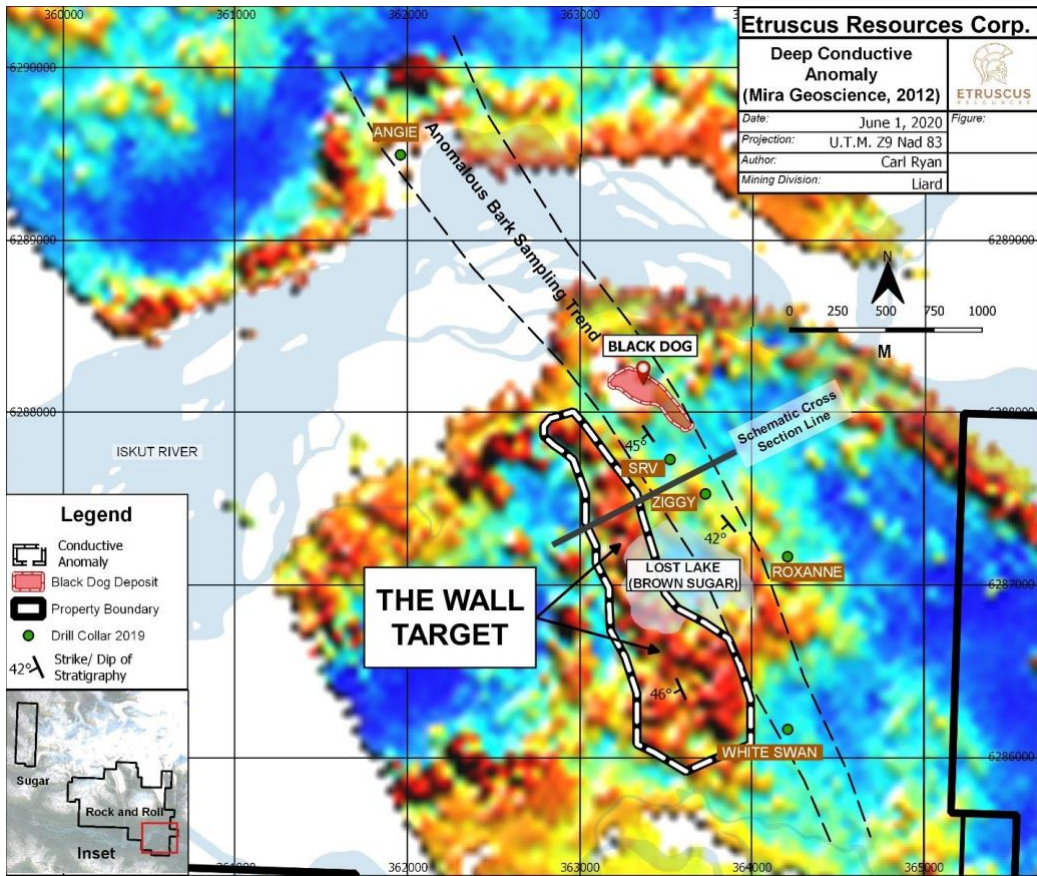
For the comparable company analysis, I have utilized a 25% discount rate, and removed the top 4 highest market cap comparables in order to further discount the value of the company. This is a highly penalizing approach and is useful in testing the value of the asset.

The result of my analysis indicates that ETR should be trading around \$1.02/share. This is 3.38+ times the current share price of \$0.30 a share!

Exploration potential and low dilution

A very significant component to ETR's business is their approach to maintaining a tight share structure and keeping a low level of dilution. There are only 28.5M shares outstanding. As of the date of this report (January 11, 2021), the average shares outstanding on TSXV mining companies is 105.7M. This does not take into consideration the numerous reverse-splits/consolidation of shares that routinely transpires. Insiders also hold a sizeable 26.32% of the stock, indicating the implicit confidence they have in their asset.

On June 15, 2020, ETR announced the discovery of a very large and compelling new target – “The Wall”. The undrilled exploration target features a conductive anomaly with a footprint **10-times bigger than the Black Dog deposit**. This has the potential to be a very large-scale resource. Age dating and other studies from work completed in 2019 confirms that the geology surrounding The Wall makes this target an ideal candidate to potentially host high-grade gold, silver and base metal mineralization over a broad area.



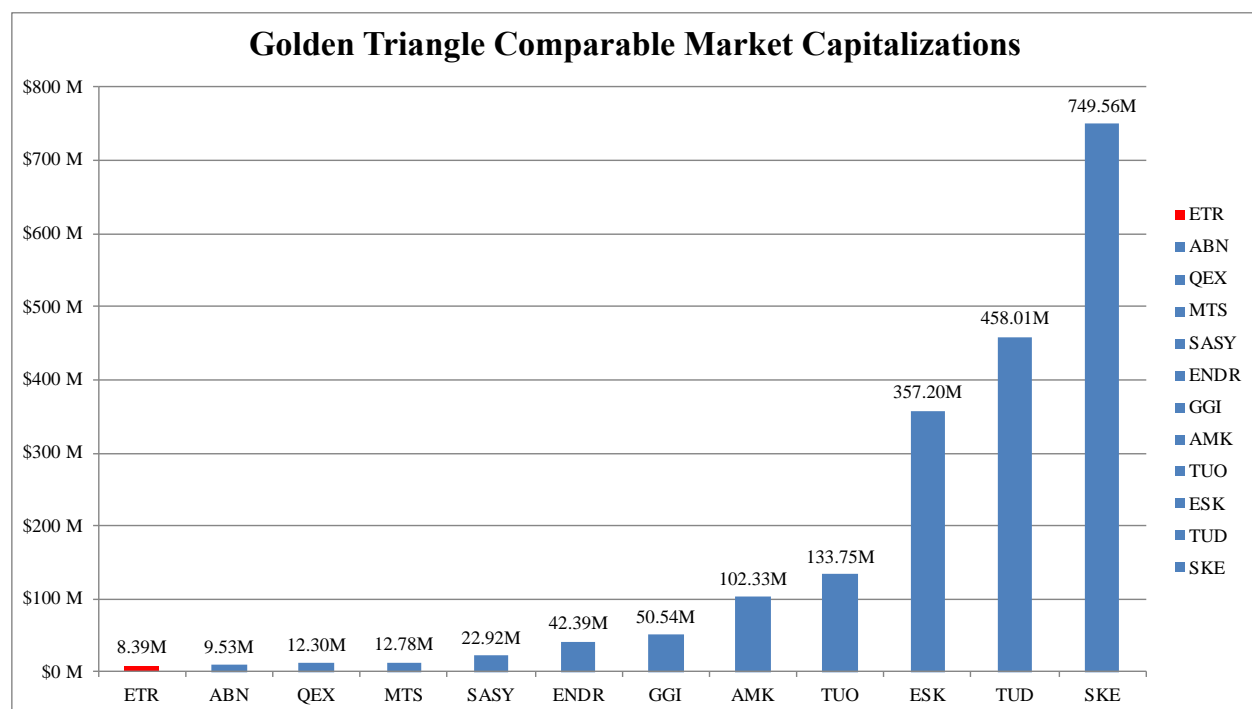
On September 15, 2020, ETR announced that they have intersected multiple zones of massive and semi-massive sulphides (assays pending) during deep drilling at its Rock & Roll Property located in the Eskay Camp of Northwest B.C.’s prolific Golden Triangle. The Company is currently reviewing early results for potential further drill testing to expand its gold-silver rich Black Dog Deposit.

On September 24, 2020, ETR announced drilling of the newly identified “Stardust” Target, located on the Company’s Rock & Roll Property in the Eskay Camp of Northwest BC’s prolific Golden Triangle. Drilling pads at “The Wall” and “Angie” targets were also being prepared.

Given the historical work on the property, the identification of new targets, positive past drill results, and pending drill results, this has the potential to be a very valuable asset. The analysis we conduct is taking into account the current drill program that is already financed from previous financings. It’s worth mentioning again that a good drill campaign would potentially allow the resource estimate to eventually expand and would increase the in-situ value substantially. At such a situation, or any similar updates to the company, our analysis would to be adjusted upwards and an update will be issued.

Comparable Company Analysis

There are a few comparable companies with assets both in the Golden Triangle, and in close proximity to Rock and Roll and Sugar. While a couple are of a more advanced stage, the majority of the peer group do not have a resource estimate and are still exploring their primary asset.



The average market capitalization of all these comparables is \$177.4M. I have decided to remove SKE as a comp, given the advanced nature of their mines and the fact that some are brownfield operations, and this brings the average to \$120.2M.

Upon further analysis of the comparables, it is evident that advancement of their projects, including positive drill results, expansion of resources, or acquiring new land packages, has resulted in substantial increases in market prices.

Below is an excerpt of the comparable company analysis if we apply a discount:

Discount	Market Cap
0%	\$120,174,198.85
5%	\$114,165,488.91
10%	\$108,156,778.97
25%	\$90,130,649.14
50%	\$60,087,099.43
75%	\$30,043,549.71

Key takeaway: even if we reduce the value of our average comparables by 75%, at a market cap of approximately \$8M, ETR is still trading at a significant discount.

In order to remain conservative with my estimates, I believe applying a discount is appropriate. While qualitatively, the use of this discount is debatable as ETR has an existing resource estimate, and the majority of the above selected comparables do not. The implication here is that substantial value is derived based on the fact that these assets are located in this jurisdiction, despite said comparables being at a similar stage (i.e., exploration).

The reason for these companies to be trading at such levels, at the exploration stage, is perfectly rational given that the region has played host to substantial mining activity. However, for the purposes of my analysis, a 25% discount will be applied to ETR in order to test the hypothesis that ETR is truly undervalued, and to account for any potential technical differences between the comparables such as extent of drilling, joint-venture agreements, significant shareholders, etc.

As well, to further this analysis, I have decided to remove the 4 largest comparables by market capitalization, in order to add another layer of discount.

The results of this analysis shows that Etruscus Resources should have a market capitalization of \$27,084,183, or a price of \$1.02 a share. **That means the stock is trading 3.38x below the market value!**

Below I show the impact of removing comparables in order of largest to smallest.

Average Market Cap - Excluding highest value comps and Discount rate							
Discount		Comparables excluded					
		0	1	2	3	4	5
		0%	177.39M	120.17M	82.64M	48.32M	36.11M
5%	168.52M	114.17M	78.51M	45.90M	34.31M	23.82M	
10%	159.65M	108.16M	74.37M	43.48M	32.50M	22.57M	
25%	133.04M	90.13M	61.98M	36.24M	27.08M	18.81M	
50%	88.70M	60.09M	41.32M	24.16M	18.06M	12.54M	
75%	44.35M	30.04M	20.66M	12.08M	9.03M	6.27M	

Key Takeaway: even if we remove the top 5 of the 11 comparables, the company is significantly undervalued. It is only when you apply a discount of 75% on the market cap that you see the number fall to \$6.27M.

Average Stock Price - Excluding highest value comps and Discount rate							
		Comparables excluded					
		0	1	2	3	4	5
Discount	0%	6.66	4.51	3.10	1.81	1.36	0.94
	5%	6.33	4.28	2.95	1.72	1.29	0.89
	10%	5.99	4.06	2.79	1.63	1.22	0.85
	25%	4.99	3.38	2.33	1.36	1.02	0.71
	50%	3.33	2.26	1.55	0.91	0.68	0.47
	75%	1.66	1.13	0.78	0.45	0.34	0.24

Key Takeaway: The stock remains undervalued on a per share basis.

Discount to market value - Excluding highest value comps and Discount rate							
		Comparables excluded					
		0	1	2	3	4	5
Discount	0%	2119%	1404%	934%	504%	352%	214%
	5%	2008%	1328%	882%	474%	329%	198%
	10%	1897%	1253%	830%	444%	307%	182%
	25%	1565%	1028%	675%	353%	239%	135%
	50%	1010%	652%	417%	202%	126%	57%
	75%	455%	276%	158%	51%	13%	-22%

Key Takeaway: The stock is trading at a steep discount relative to peer in nearly all cases.

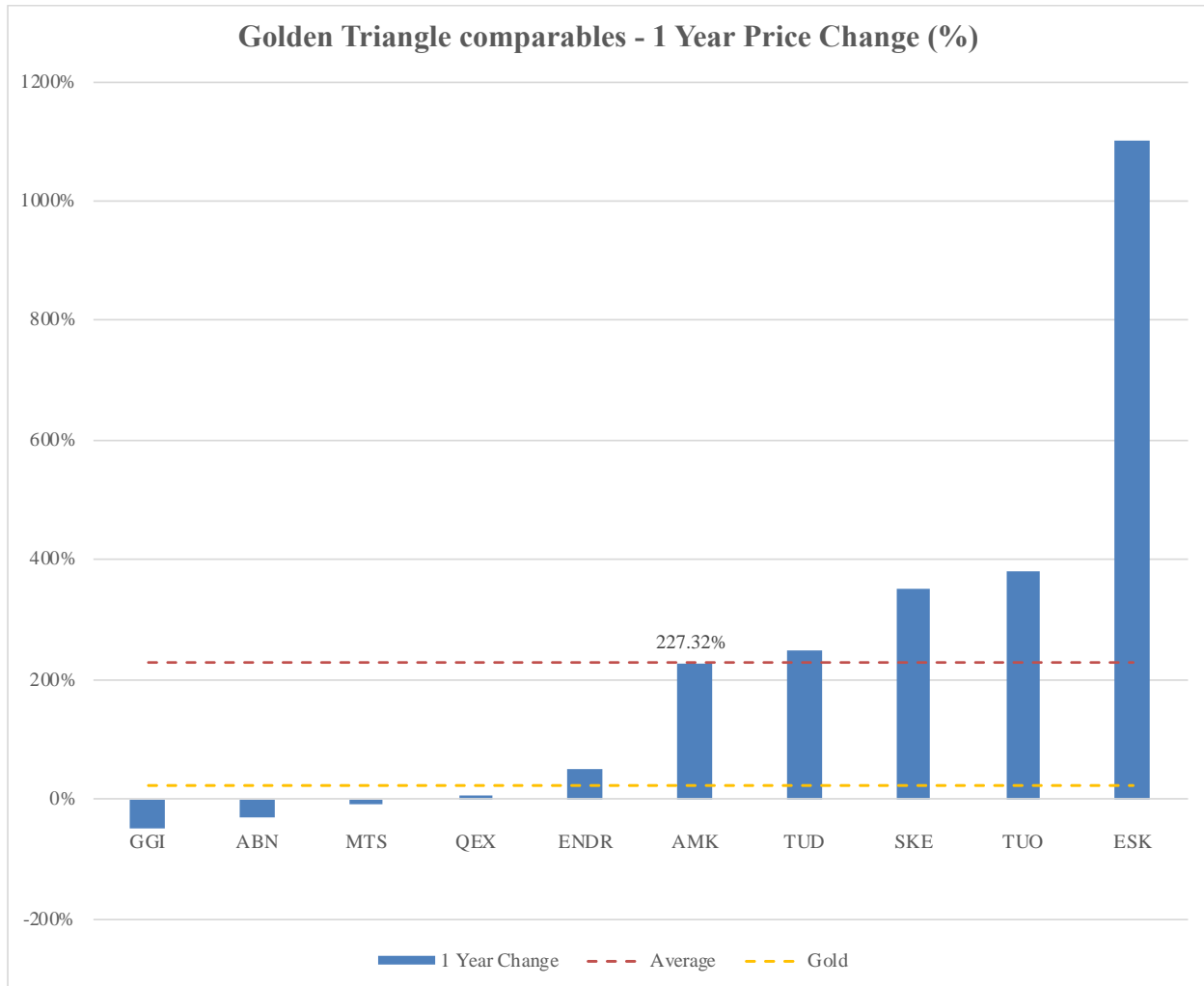
An alternative approach to the calculation of the discount is to maintain the exclusion of comparables but assume a level of dilution at current market price. The assumption here is dilution will be a certainty, and as a result there will be more shares outstanding.

Average Stock Price - Excluding highest value comps and Assumed Dilution							
		Comparables excluded					
		0	1	2	3	4	5
Assumed Dilution (Shares)	75.00M	2.37	1.60	1.10	0.64	0.48	0.33
	80.00M	2.22	1.50	1.03	0.60	0.45	0.31
	85.00M	2.09	1.41	0.97	0.57	0.42	0.30
	90.00M	1.97	1.34	0.92	0.54	0.40	0.28
	95.00M	1.87	1.26	0.87	0.51	0.38	0.26
	100.00M	1.77	1.20	0.83	0.48	0.36	0.25

Key Takeaway: assuming dilution at market price of \$0.30 a share, the company would need to raise \$30M in order to issue 100M shares. Even in this pessimistic scenario, the company remains undervalued in most cases.

Price Appreciation Potential

In order to further analyze the potential of Etruscus Resources, I have taken a look at the stock movement observed by the comparable companies over the past 12 months. The comparables have seen their stocks appreciate at an average of 227%. This is substantially higher than the average increase observed by spot Gold and Silver prices.



SASY excluded given the company has been public for less than a year.

The reason why these stocks are so desirable can be demonstrated with an analysis of advanced stage mines. In this case, the Eskay Creek mine by Skeena, and the Greens Creek mine by Hecla, are both good examples of the potential upside given their geological overlap with Etruscus's properties.

These are both very well-regarded mines, with Eskay Creek being a past producer having produced 3.3 million ounces of Gold and 160 million ounces of Silver at average grades of 45 g/t gold (i.e. bonanza grade) and 2,224 g/t silver from 1994 -2008. SKE has been working on Eskay Creek, with a PEA in hand, and intends to restart operations. Based on publicly available information, and adjustments to Gold price and Silver prices (\$1,900 and \$27 respectively), the Gold Equivalent ounces (calculated using the aforementioned prices), the application of a 27% tax on all positive cash flow, and a 10% discount rate,

the mine has an NPV of approximately \$1.398.7M. This is deliberately ignoring the very substantial value of the past production, given limited economic data.

Similarly, for Greens Creek, we know they are a producing mine. We know that for the 9 months ended September 30, 2020, this mine contributed 75.13% of Hecla Mining's Gross Profit. If we assume a high P/NAV of 2.0, we get an estimated NAV of \$1,388.3M. P/NAV fluctuates (like all multiples), but can typically range between 1.0 – 2.5, depending on how much Gold is produced. According to Credit Suisse, P/NAV for mines producing less than 1 million ounces a year is 1.19⁴.

Both geologically similar mines, and geographically proximal mines, serve as excellent examples of the upside potential that is possible with deposits of this nature in the Golden Triangle, and provide a strong case for why the **comparables experienced a 227% average increase in market capitalization over the past 12 months**. For the patient, long-term investor, Etruscus has an excellent building block in the Black Dog deposit, to build a much larger resource that could go into production in the near future. In such a scenario, market capitalizations of hundreds of millions or more is achievable and could result in spectacular returns exceeding well over 10x.

The precedent set by ESK is an excellent source of information. ESK is not only geographically proximal but is also one of the few in the peer group that is geologically similar to ETR. ESK has a number of VMS deposits, and has been working on it this past year. They have experienced some amount of dilution, as they have persistently raised capital throughout 2020, in many cases oversubscribed. In December they had positive drill results, and their stock has appreciated substantially since.

elitestrategic published on TradingView.com, January 10, 2021 03:15:49 UTC
TSXV_DLY:ESK, 1D 2.26 ▼ -0.14 (-5.83%) O:2.39 H:2.50 L:2.16 C:2.26



Eskay Mining Corp (ESK) change in stock price (%)

⁴ <https://www.kitco.com/news/2020-05-28/Credit-Suisse-P-NAV-suggests-room-for-more-upside-in-gold-mining-stocks.html>

Etruscus Resources has overlap here – as they have an ongoing drill program and are awaiting results of their assays. Positive drill results in the Golden Triangle region, and in particular with VMS type deposits is the base needed to develop a substantial deposit and a very valuable mine. It is no wonder stocks of comparables in this region are experiencing this surge, and only serves to illustrate that the opportunity is still available to be part of this early on with ETR.

In terms of market capitalization, the increase is more pronounced. The positive drill campaign by Eskay saw their market cap increase by over 1300%!



This is an appropriate precedent and an indication of the potential upside available to ETR. The position ETR is in resembles the position Eskay Mining was in earlier in 2020. It is further worth noting that a significant portion of the increase transpired after Gold pulled back from its all-time highs. This indicates that the value of deposit is the primary contributor to price appreciation.

It is difficult to ignore the positive impact of location. In the 1980s, Stikine Resources and Calpine Resources were the original owners of the Eskay Creek Mine. **Stikine Resources saw their share price move from \$1 to \$67, at which point it was bought by International Corona.**

Similarly, in 1986, the Snip Mine was drilled as part of a joint venture between Delaware Resources and Cominco. **Delaware Resources saw the stock price move from \$1 to \$28, at which point it was bought out by Prime Resource.** The Snip Mine produced one million ounces of Gold from 1991 to 1999 at an average grade of 27.5 g/t. As mentioned earlier, the Snip mine is a stone's throw away i.e., 7 km away from ETR's Rock and Roll property.

Since then, the Eskay Creek Mine and the Snip Mine have both changed hands, eventually ceased production, and are both currently owned by Skeena Resources, who, as mentioned earlier, have restarted operations with the intention of going back into production. Skeena has experienced impressive price appreciation of their own. While not as high as 1300%+, it is still a very substantial figure north of 350%:

elitestrategic published on TradingView.com, January 10, 2021 19:12:31 UTC
TSX_DLY:SKE, 1D 3.41 ▼ -0.16 (-4.48%) O:3.49 H:3.52 L:3.29 C:3.41



The above precedents show the potential that can be unlocked in a regional play such as ETR. ETR has the potential to experience significant support, with matching attributes with the above comparables, and with geological overlap with the Eskay Creek Mine and Greens Creek Mine, this is a comparatively lower risk investment relative to the potential reward demonstrated by comparable precedents. Market cap analysis shows it to be trading at a significant discount to comparables, and precedent history demonstrates very significant appreciation potential.

Investment Risks

The top risk factors include:

- 1) Unexpected poor drill results;
- 2) Delays in exploration financing;
- 3) Unexpected drop in USD.

We'll address each of those risk factors in turn and explain how to mitigate them:

1) Unexpected poor drill results

In terms of negative impact, this would be the highest risk. However, in terms of likelihood, this is a low-to-medium risk. With numerous geophysical surveys, significant historic drilling, and the recently discovered The Wall and Angie zones, the thesis behind this investment is the very significant expansion potential of an existing resource, in a jurisdiction where monster mines are not uncommon. As well, the precedent set by comparables supplements the expansion potential. Previous VMS deposits have shown very positive results, with the Eskay Creek mine and the Greens Creek mine being particularly good examples of the upside potential in such deposit types. This is certainly a risk, Etruscus has done a sufficient job of reducing the likelihood of this, and further drilling will only confirm this.

2) Delays in exploration financing

Given the exploration nature of this asset, in order to unlock the value, the company would need to continue drilling and further explore the asset. In order to do so, they will need to raise capital. The company has proven itself to be very successful in doing so in the past and has thus far deployed the capital efficiently into their drill programs. With Gold and Silver recently pulling back from its all-time highs, there may be some concern about investor sentiment, however this is highly pessimistic as Gold and Silver have still increased in price substantially in 2020.

3) Unexpected drop in USD

While currency speculation is a difficult art to master, calls for the drop in the USD have been heard for over a decade for various reasons. This risk is offset by the fact that operations are in Canada, and the metals in question are priced in USD. A drop in USD will mean higher metal prices per unit and ETR will likely benefit from this scenario.

Predictions of this nature have been made routinely but have yet to transpire. Institutional research would indicate this is a very low probability event. In any case, the company is safe given the resulting fallout of this unlikely scenario would simply be reflected positively in Gold and Silver prices.

Conclusion

This property has one of the lowest market capitalizations in the Golden Triangle, while having geology similar to highly regarded mines aka Eskay Creek and Greens Creek. The Golden Triangle has a history of being very prolific and with the company's current resource, and drill program, the opportunity to get in early is significant. There is substantial upside potential, with mines nearby having monster deposits and geologically similar mines worth north of \$1.3B each. **Comparable exploration companies have experienced an average of a 227% increase their stock prices over the last 12 months, with at least 3 appreciating north of 350%.** Etruscus Resources has the makings of a very strong long-term investment for those being willing to take on a little bit of risk that comes with a junior mining explorer with low dilution, cash in the bank, and promising VMS targets. The exploration potential is very high, with numerous zones of expansion that can be drilled. The share structure is very tight, with insiders owning a substantial percentage. Furthermore, directly comparable companies, i.e. companies with assets in the Golden Triangle and at roughly the same stage in the exploration lifecycle, are trading at a substantial premium, with many of the said comparables yet to produce a resource estimate.

With Gold prices hovering around \$1,850 - \$1,950, and asset quality being paramount for the long-term success of any venture listed mining company, Etruscus is an extremely undervalued stock. With an estimated value of \$1.02 this stock is only trading at \$0.30 and is on the precipice of being an investment that can return over 239%.

Disclaimer

TSXVResearch.com ("TSXVR") is a wholly owned subsidiary of Elite Strategic Inc ("Elite"). TSXVR is not an advisory service, and does not offer buy, sell, or any other rating on the securities we discuss. The stocks we select for commentary are derived from our own research. All information available on TSXVResearch.com and/or this document should be considered as commercial advertisement and not an endorsement, offer or recommendation to buy or sell securities.

Elite Strategic Inc and its division TSXVResearch.com are not registered with any financial or securities regulatory authority in Ontario or Canada, and do not provide nor claim to provide investment advice or recommendations to any visitor of this site or readers of any content on or originating from this site.

Elite and/or its affiliates and/or their respective officers, directors or employees may from time to time acquire, hold or sell securities and/or commodities and/or commodity futures contracts in certain underlying companies mentioned in this site and which may also be clients of Elite's affiliates. In such instances, Elite and/or its affiliates and/or their respective officers, directors or employees will use all reasonable efforts to avoid engaging in activities that would lead to conflicts of interest and Elite and/or its affiliates will use all reasonable efforts to comply with conflicts of interest disclosures and regulations to minimize the conflict.

All the information on this document and/or the website – TSXVResearch.com - is published in good faith and for general information purpose only. TSXVR does not make any warranties about the completeness, reliability and accuracy of this information. Any action you take upon the information you find on this document and/or website (TSXVResearch.com), is strictly at your own risk. TSXVR will not be liable for any losses and/or damages in connection with the use of our website. Our Disclaimer was generated with the help of the Disclaimer Generator and the Disclaimer Generator.

From our website, you can visit other websites by following hyperlinks to such external sites. While we strive to provide only quality links to useful and ethical websites, we have no control over the content and nature of these sites. These links to other websites do not imply a recommendation for all the content found on these sites. Site owners and content may change without notice and may occur before we have the opportunity to remove a link which may have gone 'bad'.

Please be also aware that when you leave our website, other sites may have different privacy policies and terms which are beyond our control. Please be sure to check the Privacy Policies of these sites as well as their "Terms of Service" before engaging in any business or uploading any information.

Consent

By using our website, you hereby consent to our disclaimer and agree to its terms.

Update

Should we update, amend or make any changes to this document, those changes will be prominently posted here.

Copyright

The material on this document and/or TSXVR is covered by the provisions of the Copyright Act, Canadian laws, policies, regulations, and international agreements. Reproduction of any of the material contained in this web site is strictly prohibited without prior, written permission from Elite Strategic Inc. Permission is granted to copy pages provided acknowledgment is made to the website tsxvresearch.com.