



December 18, 2020

### CEO's Year-End Letter to Shareholders

Dear Investors,

Allow me to welcome you to TRU Precious Metals Corp. ("TRU"). Thank you for your interest, and if you are new to TRU, thank you for taking the time to read this letter. It is my belief that just as it is vital for the company to perform, it is equally vital to keep you apprised about your investment. We look forward to rewarding our present shareholder base and attracting additional shareholders as we advance our mandate to relentlessly build and unlock value for our fellow owners.

Following an aggressive acquisition and investment program in the second half of 2020, we are positioning TRU to enhance the value of its current property and asset portfolio in 2021, and we want to remain nimble and open so that we can assess different commercial relationships and transactions to do so. For certain of our mineral exploration properties, we also have opportunities to unlock value through the drill-bit, i.e., by funding exploration initiatives on those properties to search for or prove up gold in the ground.

On October 13, 2020 we provided a corporate update, and I would like to use this first shareholder letter to expand on what we presented there.

#### **Gold Sector Musings**

Despite the global pandemic, this year has been an exciting time for the precious metals sector and in particular gold over the last 6 months. Since marking a low of approximately US\$1,500 an ounce during the start of March 2020 when the COVID-19 pandemic set in and there was a resultant market sell-off, gold rose above the US\$2,000 level before settling back around current levels above US\$1,800 an ounce. We have seen renewed interest and investment capital in the junior gold exploration sector, and we believe we will see this bull market continue in 2021. With both governments and central banks globally providing a flood of fiscal and monetary stimulus, respectively, and real interest rates going negative in many major countries, we believe that the investment landscape for gold will remain very favourable in the coming months and years. Accordingly, we continue to be bullish on the outlook for gold prices.

#### **Why Newfoundland? A Hotbed for Mining Activity**

Newfoundland is prime real estate for mineral exploration and development, to us and others. The bevy of mining activity – and gold discoveries - in the Central Newfoundland Gold Belt and elsewhere in the province has resulted in a land rush reminiscent of the California gold rush in the 19<sup>th</sup> century. In fact, the mining sector has been the focus of the provincial government. Since February 2017, the government has pumped over \$2.3 billion in capital investments, and have seen the results of mining and quarrying contribute 6.4 percent to the province's GDP (Source: Island gold: Central Newfoundland becoming hotbed for mining activity) We are therefore not alone; we are in a very favorable mining district. With names such as New Found Gold, Labrador Gold Corp and Marathon Gold taking up residency in this area, TRU is following in the foot-steps of these larger players.



We have nearly completed an aggressive acquisition program and have thus far assembled a portfolio of what we believe to be highly prospective properties.

### **Property Portfolio: Assembling a District-Scale Gold Exploration Play in Central Newfoundland**

To date, we have assembled a portfolio of four (4) gold exploration properties, ranging from greenfield to more advanced-stage properties that have seen historical exploration programs. This is intentional so that TRU can maintain a diversified asset base. I will discuss the properties relative to their relevance to our mandate; put another way, we place the most importance where we feel we can cost-effectively unlock value in the near-term, so that we are wisely allocating our capital to maximize the expected returns.

#### **Twilite Gold Project (“Twilite Gold”)**

Twilite Gold is our 100%-owned flagship asset, which we acquired in mid-November. This was a key acquisition for several reasons, most notably that the property is drill-ready, as there has been substantial historical work done on the property and we have obtained a voluminous amount of geological data.

- **Same structural gold corridor as Marathon Gold’s Valentine Lake Project** (largest undeveloped gold resource in Atlantic Canada), and similar characteristics to Sokoman Minerals’ high-grade Moosehead Gold Project 30km northeast.
- Historical exploration, including drilling, has yielded **good gold grades**, as set out in more detail in our [November 10 press release](#).

Based on historical sampling, geophysical surveys, and drilling, as well as a magnetic survey we commissioned after closing on this property, we know there is gold in the ground at Twilite Gold. Even better, the gold-bearing structure we have identified runs both vertically and sideways, which means that there is a lot of room for potential future discovery.

#### **Rolling Pond Property**

On November 19, 2020 we announced an option agreement that now sees TRU as a neighbour to New Found Gold. Key highlights of the highly-prospective Rolling Pond Property include:

- 224 contiguous claims in Central Newfoundland and **sharing a border with New Found Gold’s Queensway Project, as well as similar style of mineralization**. Hosts a large under-explored quartz vein system, partially at surface. Targets have been identified by recent geochemical and geophysical surveying but need to be followed up.
- **Cost-effective approach** via option agreement; exploration work to be carried out by Newfoundland-based external Technical Advisor Dean Fraser.



## **Stony Lake and Gander West**

As I noted earlier, we have four (4) properties in our portfolio, but not all will see immediate work. Our Stony Lake and Gander West properties are under-explored but have geological merit for different reasons. For these assets, we will weigh a number of choices for how best to monetize them with third parties, whether that is via exploration or commercial transactions and arrangements. I would encourage you to read the [full press releases](#) on both properties for a more detailed discussion.

## **Other Portfolio Holdings**

We also have a cash flow-generating secured loan investment to Revive Organics Inc., a ready-to-eat meal delivery / e-commerce business, and additional precious metals exposure via a small equity stake in Pasofino Gold Limited. These are additional sources of capital that we can draw upon without diluting our existing shareholders.

## **The Team**

The assets, the plan and strategy are vital, but without a team built for execution you merely have words on a paper. The strategy is only as good as the people chosen to execute that strategy. I want to acknowledge the most important component of TRU's plan, which is our team. I can say without reservation that TRU's team is being built to suit. Our team has a plethora of experience across a variety of functional areas, including technical mining expertise (including two Newfoundland-based advisors who we work with on an ongoing basis), capital markets, and legal, to name a few. In October, we formed a Technical Committee to advise our management team on potential Newfoundland gold property investments and acquisitions, as well as potential exploration programs we could fund to advance and extract value from our property assets.

Crucially for our success in Newfoundland, we have Barry Greene as our Exploration Advisor. Barry is a geoscientist based in Newfoundland who has almost 30 years of experience. He has previously worked as a geological consultant, including with Amec Foster Wheeler and Wood Plc, and with numerous public companies, including approximately 16 years as Exploration Manager and then Vice-President of Exploration with Celtic Minerals Ltd. We are incredibly pleased to be working with Barry.

The skill sets and connections of our team members will prove key as we look at further acquisitions and strategic initiatives in 2021.

## **TRU's 2021 Outlook**

We will not relent in 2021. Our aggressive approach that quickly established us a contender in the Central Newfoundland Gold Belt will continue. The general plan is to be disciplined and systemic in how we approach our property portfolio from a capital allocation perspective, so that we invest money into the ground where exploration programs run by skilled partners is likely to create the greatest value, and elsewhere we evaluate alternatives to generate value through deals with third parties. This is a true portfolio approach, which we believe will position us well to succeed in the long-term.



I am pleased at the strides we have made this year, despite what has been the most chaotic year globally that most of us have ever seen. TRU has come a long way in a noticeably short period, where in less than half a year we have amassed a collection of property assets that can be exploited in a variety of ways to generate returns in 2021. We have also assembled a lean but complete team of driven individuals and service providers to build on the foundation that we have laid in 2020. I am more than excited about TRU's prospects in 2021 and I welcome all of you to continue to invest with us and be our advocates.

Speaking of advocates, I want to specifically touch on our plans for shareholder and market communications come 2021. As we were busy consolidating our property portfolio, we did very little marketing during 2020. However, in mid-November we began the first move toward fostering deeper relationships with the capital markets. We hired an Investor Relations and Corporate Communications firm, Purple Crown Communications Corp., and we dual-listed on the OTCQB Venture Market in the US. Alongside our corporate and property-level plans and budgets for 2021, we are also setting up a focused communications plan so that as we advance our various initiatives, we can adequately communicate them to the market and other stakeholders. To that end, I would invite you to view these two recent interviews I did with Proactive Investors, on the heels of significant announcements relating to our option agreement for the Rolling Pond Property and the identification of a highly-prospective drill target at Twilite Gold.



I hope that this first letter was helpful. As you can imagine, it is impossible to cover every single accomplishment and all the details in one letter. We do, however, urge you to follow us on social media and please visit our website and or SEDAR where you can do your own due diligence by reading our detailed press releases, financial statements, and other public filings. We want you to be familiar with TRU and feel like fellow owners alongside us. We want you to share in the near-term and long-term growth with us, as we relentlessly pursue ways to increase shareholder value.

Sincerely,

*"Joel Freudman"*

Co-Founder, President & CEO

TRU Precious Metals Corp.



Barry Greene, P. Geo. is a qualified person as defined by the Canadian Securities Administrators' National Instrument 43-101, and has reviewed and approved the technical contents and disclosures herein. Mr. Greene is the Exploration Advisor to TRU and owns securities of TRU.

*Cautionary Statements*

This letter contains certain forward-looking statements, including those relating to exploring and monetizing TRU's mineral exploration holdings, and TRU's corporate and investment strategies. These statements are based on numerous assumptions regarding TRU's strategy and plans that are believed by management to be reasonable in the circumstances, and are subject to a number of risks and uncertainties, including without limitation: the exploration or monetization potential of TRU's properties; challenges in identifying, structuring, and executing additional investments and acquisitions, on favourable terms or at all; risks inherent in mineral exploration activities and investments in the mineral exploration sector; volatility in financial markets, economic conditions, and precious metals prices; challenges in attracting and retaining qualified personnel and service providers; and those other risks described in TRU's continuous disclosure documents. Actual results may differ materially from results contemplated by the forward-looking statements herein. Investors and others should carefully consider the foregoing factors and should not place undue reliance on such forward-looking statements. TRU does not undertake to update any forward-looking statements herein except as required by applicable securities laws.