



# TROILUS

TROILUS GOLD CORP.

CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS

For the three months ended  
October 31, 2023 and 2022

*(expressed in Canadian dollars)*

## **TROILUS GOLD CORP.**

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

## TROILUS GOLD CORP.

### Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	Notes	October 31, 2023	July 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1,216,045	\$ 3,901,133
Tax credit receivable	13	11,490,000	11,490,000
Amounts receivable		750,403	415,249
Investments	5	4,104,269	14,002,843
Prepaid expenses		520,026	666,224
<b>Total current assets</b>		<b>18,080,743</b>	<b>30,475,449</b>
Reclamation deposits	6	844,595	844,595
Tax credit receivable	13	1,895,000	-
Property and equipment	7	5,593,861	5,506,856
<b>TOTAL ASSETS</b>		<b>\$ 26,414,199</b>	<b>\$ 36,826,900</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 7,134,579	\$ 3,160,672
Current portion of lease liabilities	8	617,612	688,365
Current portion of reclamation provision	6	173,925	139,738
<b>Total current liabilities</b>		<b>7,926,116</b>	<b>3,988,775</b>
Long-term portion of lease liabilities	8	330,596	384,290
Reclamation provision	6	2,479,820	2,570,641
<b>Total liabilities</b>		<b>10,736,532</b>	<b>6,943,706</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	194,451,489	184,023,099
Share purchase warrant reserve	10	-	539,966
Share-based payment reserve	11	3,264,436	12,049,119
Accumulated deficit		(182,038,258)	(166,728,990)
<b>Total shareholders' equity</b>		<b>15,677,667</b>	<b>29,883,194</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 26,414,199</b>	<b>\$ 36,826,900</b>
Nature of operations	1		
Commitments and contingencies	18		
Subsequent events	19		
Approved on behalf of the Board of Directors:			
<u>"Tom Olesinski"</u>		<u>"Justin Reid"</u>	
Director		Director	

-- see accompanying notes to the consolidated financial statements --

**TROILUS GOLD CORP.****Condensed Interim Consolidated Statements of Operations and Comprehensive Loss****(Expressed in Canadian dollars)**

		Three months ended October 31,	
		2023	2022
<b>Expenses</b>	Notes		
Exploration and evaluation expenses	13	\$ 7,479,138	\$ 6,927,360
Reclamation estimate	6	26,994	(287,111)
General and administrative expenses	14	1,294,073	1,389,400
Share-based payments	11	762,817	2,085,465
<b>Total expenses before other items</b>		<b>(9,563,022)</b>	<b>(10,115,114)</b>
<b>Other income/(expenses)</b>			
Interest income		57,161	77,929
Interest on lease liabilities	8	(29,507)	(33,199)
Flow-through share premium recovery	9	46,512	-
Accretion of reclamation provision	6	(26,087)	(27,676)
Realized loss on sale of investment	5	(6,041,628)	-
Unrealized loss on investments	5	(350,575)	(87,465)
Other gains and (losses)	15	57,912	(10,692)
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (15,849,234)</b>	<b>\$ (10,196,217)</b>
<b>Net loss per share</b>			
Basic and diluted		\$ (0.07)	\$ (0.05)
<b>Weighted average common shares outstanding</b>		-	
Basic and diluted		234,441,060	203,304,348

-- see accompanying notes to the consolidated financial statements --

# TROILUS GOLD CORP.

## Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Three months ended October 31,	
		2023	2022
<b>CASH FLOWS FROM:</b>			
<b>Operating activities</b>			
Net loss for the period		\$ (15,849,234)	\$ (10,196,217)
Items not involving cash			
Share-based payments	11	762,817	2,085,465
Depreciation	7	382,933	389,552
Flow-through share premium	9	(46,512)	-
Reclamation estimate adjustment	6	26,994	(287,111)
Reclamation costs incurred	6	(109,715)	(24,323)
Realized and unrealized losses on investment	5	6,392,203	87,465
Other (gains) and losses	15	(87,197)	(19,971)
Accretion of reclamation estimate	6	26,087	27,676
		<u>(8,501,624)</u>	<u>(7,937,464)</u>
Net change in non-cash working capital items:			
Amounts receivable and prepaid expenses		(188,956)	492,705
Tax credit receivable		(1,895,000)	116,500
Accounts payable and accrued liabilities		3,973,906	(1,893,818)
		<u>1,889,950</u>	<u>(1,284,613)</u>
Cash flows used in operating activities		<u>(6,611,674)</u>	<u>(9,222,077)</u>
<b>Financing activities</b>			
Financing proceeds	9	1,000,000	5,157,250
Share issue costs	9	(72,598)	(69,893)
Lease payments	8	(258,778)	(178,300)
Cash flows provided by financing activities		<u>668,624</u>	<u>4,909,057</u>
<b>Investing activities</b>			
Property and equipment	7	(248,410)	(58,087)
Proceeds from sale of investment	5	3,506,372	-
Cash flows provided by/(used in) investing activities		<u>3,257,962</u>	<u>(58,087)</u>
<b>Net change in cash and cash equivalents</b>		<b>(2,685,088)</b>	<b>(4,371,107)</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>3,901,133</b>	<b>9,498,921</b>
<b>Cash and cash equivalents, end of the period</b>		<b>\$ <u>1,216,045</u></b>	<b>\$ <u>5,127,814</u></b>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>			
Cash		\$ 1,136,045	\$ 5,047,814
Cash equivalents		80,000	80,000
		<u>\$ 1,216,045</u>	<u>\$ 5,127,814</u>
<b>SUPPLEMENTARY INFORMATION</b>			
Equipment purchased through leases	7, 8	\$ 221,528	\$ 250,807

-- see accompanying notes to the consolidated financial statements --

## TROILUS GOLD CORP.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Note	Number of Shares	Share Capital	Share purchase warrant reserve	Share-based payment reserve	Accumulated Deficit	Total Shareholders' equity
<b>Balance as at July 31, 2022</b>		199,986,685	\$ 169,479,704	\$ 6,597,944	\$ 8,988,801	\$ (167,136,836)	\$ 17,929,613
Private placement		20,408,163	10,000,000	-	-	-	10,000,000
Cost of issue		-	(102,211)	-	-	-	(102,211)
Share-based payments		6,242,929	4,052,394	-	(4,052,394)	-	-
Value of share-based compensation		-	-	-	7,321,991	-	7,321,991
Exercise of warrants		464,418	309,200	-	-	-	309,200
Allocation of value on exercise of warrants		-	284,012	(284,012)	-	-	-
Allocation of value on expiry of warrants		-	-	(5,773,966)	-	5,773,966	-
Allocation of value on expiry of options		-	-	-	(209,279)	209,279	-
Net loss for the year		-	-	-	-	(5,575,399)	(5,575,399)
<b>Balance as at July 31, 2023</b>		<b>227,102,195</b>	<b>\$ 184,023,099</b>	<b>\$ 539,966</b>	<b>\$ 12,049,119</b>	<b>\$ (166,728,990)</b>	<b>\$ 29,883,194</b>
Private placement	9	2,325,581	1,000,000	-	-	-	1,000,000
Cost of issue	9	-	(72,598)	-	-	-	(72,598)
Flow-through share premium	9	-	(46,512)	-	-	-	(46,512)
Expiry of warrants	10	-	-	(539,966)	-	539,966	-
Share-based payments	11	6,365,000	9,547,500	-	(9,547,500)	-	-
Value of share-based compensation	11	-	-	-	762,817	-	762,817
Net loss for the period		-	-	-	-	(15,849,234)	(15,849,234)
<b>Balance as at October 31, 2023</b>		<b>235,792,776</b>	<b>\$ 194,451,489</b>	<b>\$ -</b>	<b>\$ 3,264,436</b>	<b>\$ (182,038,258)</b>	<b>\$ 15,677,667</b>

-- see accompanying notes to the consolidated financial statements --

# **TROILUS GOLD CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

*(Expressed in Canadian dollars)*

---

## **1. NATURE OF OPERATIONS**

Troilus Gold Corp. (the “Company”) was continued under the laws of Ontario, Canada. The Company owns a 100% interest in a past-producing gold mine located near Chibougamau, within the Frotêt-Evans Greenstone Belt in Quebec (the “Troilus project”). The Company acquired additional mineral claims adjacent to the Troilus project through various transactions, including the acquisition of UrbanGold Minerals Inc. (“UrbanGold”). Collectively, these properties are referred to as the “Troilus Gold property”. The principal business of the Company is the exploration and future development of the Troilus Gold property. The Company’s head office is located in Montreal at 715 Square Victoria, Suite 705, Montreal, Quebec, H2Y 2H7. The Company’s registered office is located at 36 Lombard Street, 4<sup>th</sup> Floor, Toronto, Ontario, M5C 2X3. The Company’s shares trade on the Toronto Stock Exchange (“TSX”) under the symbol “TLG” as well as on the OTCQX under the symbol “CHXMF” and on the Frankfurt Stock Exchange under the symbol “CM5R”. All dollar amounts are Canadian dollars unless otherwise noted.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory, environmental and social requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

These consolidated financial statements of the Company for the three months ended October 31, 2023 were approved and authorized for issue by the Board of Directors on December 7, 2023.

## **2. BASIS OF PRESENTATION AND COMPLIANCE**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Account Standard (“IAS”) 34, “Interim Financial Reporting”. The policies set out in the Company’s annual consolidated financial statements for the year ended July 31, 2023 were consistently applied to all periods presented unless otherwise noted below.

The preparation of condensed interim financial statements in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies. Certain disclosures included in annual financial statements have been condensed or omitted.

## **TROILUS GOLD CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

*(Expressed in Canadian dollars)*

---

### **2. BASIS OF PRESENTATION AND COMPLIANCE (continued)**

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has no current source of operating cash flow, and there can be no assurances that sufficient funding, including adequate financing, will be available to explore and develop its property and to cover general and administrative expenses necessary for the maintenance of a public company. The Company's status as a going concern is contingent upon raising the necessary funds through the issuance of equity or debt. These matters represent material uncertainties that cast doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments that may result from the inability to continue as a going concern. Such adjustments could be material.

These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements reflect the accounting policies described in Note 3 to the Company's audited consolidated financial statements for the years ended July 31, 2023 and 2022, with the exception of any changes set out below.

#### New and future accounting policies

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) was amended in February 2021 to introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments were effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The Company adopted this policy with no material impact to the Company's financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The amendments were effective for annual reporting periods beginning on or after January 1, 2024.



## **TROILUS GOLD CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

*(Expressed in Canadian dollars)*

---

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

### **4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, on a prospective basis. The revision may affect current or both current and future periods.

Information about critical judgments and estimates in applying accounting policies, and areas where assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following areas:

#### Mineral resource estimates

The figures for mineral resources are determined in accordance with National Instrument 43-101, “Standards of Disclosure for Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management’s assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company’s financial position and results of operation.

#### Estimation of decommissioning and reclamation costs and the timing of expenditure

Decommissioning, restoration and similar liabilities are estimated based on the Company’s interpretation of current regulatory requirements and constructive obligations, and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Cost estimates are updated annually to reflect known developments and are subject to review at regular intervals.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

---

### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### Share-based payments and warrants

Management determines costs for share-based payments and warrants using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments for share-based payments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Assumptions and judgements for determining the value of warrants include estimating the future volatility of the share price, expected dividend yield and expected risk-free rate of return. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### Leases under IFRS 16

Critical judgements are required in the application of IFRS 16, including identifying whether a contract (or part of a contract) includes a lease and determining whether it is reasonably certain that an extension or termination option will be exercised. Sources of estimation uncertainty include estimation of the lease term, determination of an appropriate discount rate and assessment of whether a ROU asset is impaired. Such judgments, estimates and assumptions are inherently uncertain, and changes in these assumptions affect the fair value estimates.

#### Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

#### Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

---

### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

#### Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

#### Valuation of the refundable mining duties credit and the refundable tax credit for resources

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

#### Contingencies

Refer to Note 18.

The amounts recognized in the consolidated financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 5. INVESTMENTS

Fair market value as at:	October 31, 2023	July 31, 2023
Public companies		
Sayona Mining Limited	\$ 3,344,874	\$ 12,167,447
Other (shares)	569,101	1,388,256
Other (warrants)	82,194	339,040
	\$ 3,996,169	\$ 13,894,743
Private companies - Other	108,100	108,100
<b>TOTAL INVESTMENTS</b>	<b>\$ 4,104,269</b>	<b>\$ 14,002,843</b>

The Company is carrying shares of Sayona Mining Limited received during the prior year from the sale of mineral claims. During the three months ended October 31, 2023, the Company sold shares for net proceeds of \$3,506,372 and recognized a loss on sale of investments of \$6,041,628. At October 31, 2023, the balance of shares was remeasured at a fair market value of \$3,344,874 based on the market price on that date.

Also included in Investments at October 31, 2023 are securities that were acquired through property option agreements, private placement participation and market purchases. These, which include shares and warrants, were initially measured at Fair Value through Profit and Loss ("FVPL") on the date of the acquisition and were remeasured and recorded at an aggregate value of \$759,395 at October 31, 2023, which is the estimated fair market value based on the market price on that date for publicly-traded securities, or based on other valuation techniques for private companies and warrants.

An unrealized loss of \$350,575 was recorded for the three months ended October 31, 2023 with respect to the Company's investments (three months ended October 31, 2022: \$87,465).

### 6. RECLAMATION DEPOSITS AND PROVISION

#### Deposits:

The Company entered into a bonding facility with an insurance company in order to secure a reclamation deposit of \$3,972,976 with the government of Quebec. The reclamation deposit served as security against current and future estimated reclamation obligations at the Troilus site from historical mining activity. To purchase this insurance, the Company deposited \$794,595 into a Guaranteed Investment Certificate secured by a Letter of Credit and pays an annual fee of 2.5% of the insured amount.

The Company has also provided a \$50,000 deposit as security against current and future estimated reclamation obligations on the landfill site on the Troilus Gold property.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 6. RECLAMATION DEPOSITS AND PROVISION (continued)

#### Provision:

The Company recognized a provision for future estimated reclamation and water treatment costs of the former Troilus mine. As at October 31, 2023, the estimated future undiscounted liability of approximately \$3,060,000 (July 31, 2023: \$3,027,000), was adjusted for inflation at an average rate of 2.10% (July 31, 2023: 2.08%), discounted at a rate of 3.85% (July 31, 2023: 3.29%) and recorded as \$2,653,745, \$173,925 as a current liability and \$2,479,820 as a long-term liability (July 31, 2023: \$2,710,379, \$139,738 as a current liability and \$2,570,641 as a long-term liability). This estimate assumes that future mining operations would never resume. As the Company continues its exploration program, works towards a future mining scenario, and carries out reclamation work, the underlying assumptions to the reclamation provision will be adjusted accordingly. As a result of this remeasurement, for the three months ended October 31, 2023, a charge of \$26,994 was recorded as an adjustment to the reclamation estimate on the consolidated statements of operations (three months ended October 31, 2022: a credit of \$287,111). Accretion of \$26,087 was recognized for the three months ended October 31, 2023 on the consolidated statements of operations (three months ended October 31, 2022: \$27,676).

Balance as at July 31, 2023	\$	2,710,379
Accretion of discount		26,087
Adjustments resulting from remeasurement		26,994
Incurred costs applied against liability		(109,715)
<b>Balance as at October 31, 2023</b>	<b>\$</b>	<b>2,653,745</b>
Current portion of liability	\$	173,925
Long-term portion of liability		2,479,820
	\$	2,653,745

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 7. PROPERTY AND EQUIPMENT

	<u>Computer and office equipment</u>	<u>Leaseholds, improvements and furniture</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Exploration Camp</u>	<u>TOTAL</u>
<i>Cost</i>						
Balance, July 31, 2023	\$ 205,498	\$ 2,002,148	\$ 1,041,026	\$ 1,139,532	\$ 5,897,980	\$ 10,286,184
Additions	-	-	-	-	469,938	469,938
Disposals	-	-	(346,654)	-	-	(346,654)
<b>Balance, October 31, 2023</b>	<b>\$ 205,498</b>	<b>\$ 2,002,148</b>	<b>\$ 694,372</b>	<b>\$ 1,139,532</b>	<b>\$ 6,367,918</b>	<b>\$ 10,409,468</b>
<i>Depreciation</i>						
Balance, July 31, 2023	\$ (165,781)	\$ (1,438,058)	\$ (646,543)	\$ (330,060)	\$ (2,198,886)	\$ (4,779,328)
Expense for the period	(8,071)	(105,852)	(79,377)	(29,756)	(159,877)	(382,933)
Disposals	-	-	346,654	-	-	346,654
<b>Balance, October 31, 2023</b>	<b>\$ (173,852)</b>	<b>\$ (1,543,910)</b>	<b>\$ (379,266)</b>	<b>\$ (359,816)</b>	<b>\$ (2,358,763)</b>	<b>\$ (4,815,607)</b>
Net book value, July 31, 2023	\$ 39,717	\$ 564,090	\$ 394,483	\$ 809,472	\$ 3,699,094	\$ 5,506,856
<b>Net book value, October 31, 2023</b>	<b>\$ 31,646</b>	<b>\$ 458,238</b>	<b>\$ 315,106</b>	<b>\$ 779,716</b>	<b>\$ 4,009,155</b>	<b>\$ 5,593,861</b>

An amount of \$382,933 was expensed in depreciation for the three months ended October 31, 2023, where \$297,795 was recorded as exploration and evaluation expenses and \$85,138 was recorded as general and administrative expenses (three months ended October 31, 2022: \$389,552, where \$305,435 was allocated to exploration and evaluation expenses and \$84,117 was allocated to general and administrative expenses).

The Company recognized \$221,528 in assets acquired through leases (Note 8) during the three months ended October 31, 2023 (three months ended October 31, 2022: \$250,807). The Company acquired new pumping equipment on lease during the quarter ended October 31, 2023. The Company returned vehicles on lease during the current period, resulting in a gain on disposal of \$87,197 (Note 15) for the three months ended October 31, 2023 (three months ended October 31, 2022: \$19,971).

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 8. LEASE LIABILITIES

Balance as at July 31, 2023	\$	1,072,655
Assets acquired from leases and financing arrangements		221,528
Lease extinguishment		(87,197)
Payments made during the period		(258,778)
<b>Balance as at October 31, 2023</b>	<b>\$</b>	<b>948,208</b>
Current portion of lease liabilities	\$	617,612
Long-term portion of lease liabilities		330,596
	\$	948,208

During the three months ended October 31, 2023, the Company's lease additions included a financing agreement for pumping equipment with a term of 6 months. The Company's other leases include right-of-use leases for office space and vehicles, with terms of up to 2.9 years. Interest expense recognized on these leases for the three months ended October 31, 2023 was \$29,507 (October 31, 2022: \$33,199).

During the three months ended October 31, 2023, the Company incurred \$271,824 for short-term rental equipment (three months ended October 31, 2022: \$238,340) which was recorded in exploration and evaluation expenses on the consolidated statement of operations. Monthly short-term rentals amount to approximately \$62,000.

### 9. SHARE CAPITAL

	No. of Shares	Balance
Balance as at July 31, 2023	227,102,195	\$ 184,023,099
Private placement	2,325,581	1,000,000
Cost of issue	-	(72,598)
Flow through share premium	-	(46,512)
Share-based payments (Note 11)	6,365,000	9,547,500
<b>Balance as at October 31, 2023</b>	<b>235,792,776</b>	<b>\$ 194,451,489</b>

In September 2023, the Company closed a non-brokered private placement financing issuing 2,325,581 flow-through common shares of the Company at a price of \$0.43 per share for gross proceeds of \$1,000,000. The Company incurred \$72,598 in costs related to this financing. The Company was required to spend \$1,000,000 in qualifying exploration expenditures by December 31, 2024 and has met this expenditure commitment as at October 31, 2023. A flow-through share premium liability of \$46,512 was recorded based on the calculated premium per dollar raised determined as the excess issue price over the quoted market price of the Company's shares at the date of issuance. The liability is reduced proportionately as the Company incurs eligible expenses. As a result of meeting its exploration commitment, the liability has been reduced to \$nil at October 31, 2023 and a flow-through share premium recovery was recorded on the consolidated statements of operations and comprehensive loss for the three months ended October 31, 2023 (three months ended October 31, 2022: \$nil).

See subsequent events Note 19.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 10. SHARE PURCHASE WARRANT RESERVE

	Number of Warrants	Weighted Average Exercise Price	Value
Balance as at July 31, 2023	1,251,666	\$1.20	\$ 539,966
Expired unexercised	(1,251,666)	\$1.20	(539,966)
<b>Balance as at October 31, 2023</b>	-	\$0.00	\$ -

See subsequent events Note 19.

### 11. SHARE-BASED PAYMENT RESERVE

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants of the Company options to purchase shares of the Company. Options granted under the plan will be for a term not to exceed five years.

The Company's Incentive Share Unit Plan ("ISU Plan") authorizes the grant of restricted Share Units ("RSU's") under the plan to directors, officers and employees or Deferred Share Units ("DSU's") under the plan to directors alone. A vested RSU represents the right to receive one common share of the Company. A vested DSU represents the right to receive one common share of the Company upon the date the participant director ceases to be a director of the Company. All Share Units, that is RSU's and DSU's, shall be settled through the issuance of common shares from treasury by the Company, and as such, the value of outstanding RSU's and DSU's is included in share-based payment reserve within equity. As at October 31, 2023, no DSU's have been granted.

The number of common shares reserved for issuance pursuant to the stock-option plan and the ISU Plan and all other security-based compensation arrangements shall, in aggregate, not exceed 10% of the Company's issued and outstanding capital.

	Stock option Value	RSU Value	TOTAL
Balance as at July 31, 2023	\$ -	\$ 12,049,119	\$ 12,049,119
RSU expense accrued	-	762,817	762,817
Value of RSUs vested and settled	-	(9,547,500)	(9,547,500)
<b>Balance as at October 31, 2023</b>	\$ -	\$ 3,264,436	\$ 3,264,436

The Company does not intend to issue any new stock options under the Company's stock option plan in favour of granting RSU's and DSU's.



## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 11. SHARE-BASED PAYMENT RESERVE (continued)

Outstanding RSU's:

	Number of RSU's
Balance as at July 31, 2023	15,023,728
Granted	150,000
Vested, settled in common shares	(6,365,000)
Forfeited	(25,832)
<b>Balance as at October 31, 2023</b>	<b>8,782,896</b>

During the three months ended October 31, 2023, 6,365,000 RSU's vested. As well, the Company granted 150,000 RSU's to an employee of the Company, vesting in three tranches over a period of two years. The weighted average fair value of these RSU's was estimated to be \$0.43 per unit based on the quoted market price of the Company's shares on the date of grant (October 31, 2022: 60,000 at a weighted average fair value of \$0.43 per unit.)

### 12. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities were classified as follows:

	Assets at amortized cost	Assets at fair value through profit or loss	Liabilities at amortized cost	Total
<b>As at October 31, 2023</b>				
Cash and cash equivalents	\$ 1,136,045	\$ 80,000	\$ -	\$ 1,216,045
Amounts receivable	74,399	-	-	74,399
Investments	-	4,104,269	-	4,104,269
Reclamation deposit	50,000	794,595	-	844,595
Accounts payable and accrued liabilities	-	-	7,134,579	7,134,579
Lease liabilities	-	-	948,208	948,208

The carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate fair value due to the short-term nature of the financial instruments. The carrying value of investments is recorded at an estimated fair value based on a valuation technique using both observable and unobservable inputs. The carrying value of reclamation deposit approximates fair value as it is represented by a GIC. Management believes the carrying value of lease liabilities approximates fair value.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 12. FINANCIAL INSTRUMENTS (continued)

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at October 31, 2023:

	Level 1	Level 2	Level 3	TOTAL
<b>As at October 31, 2023</b>				
Cash equivalents	\$ 80,000	-	\$ -	\$ 80,000
Investments	3,913,975	82,194	108,100	4,104,269
Reclamation deposit	794,595	-	-	794,595

Some of the Company's investments are not publicly traded. Other valuation factors were used to estimate the fair value at October 31, 2023, such as recent financings of the private entities. The fair value of warrants was estimated using the Black-Scholes option pricing model.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the three months ended October 31, 2023 and 2022.

#### Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, and reclamation deposit. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote. Amounts receivable primarily represent input tax credit refunds from government bodies. Management believes that the credit risk concentration with respect to these financial instruments is remote.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 12. FINANCIAL INSTRUMENTS (continued)

#### Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at October 31, 2023, the Company had current assets of \$18,080,743 (July 31, 2023: \$30,475,449) to settle current liabilities of \$7,926,116 (July 31, 2023: \$3,988,775). Approximately \$4,900,000 of the Company's financial liabilities as at October 31, 2023 have contractual maturities of less than 30 days and are subject to normal trade terms.

Liability	Total	Payments due by period			
		< 1 year	1 - 3 years	4 - 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 7,134,579	\$ 7,134,579	\$ -	\$ -	\$ -
Lease liabilities	948,208	617,612	330,596	-	-
Reclamation provision	2,653,745	173,925	373,734	393,627	1,712,459

#### Market risk - Price risk and currency risk

A large portion of the Company's current assets consist of shares acquired from the sale of mineral claims (Note 5), which the Company has been selling to fund operations. The Company is exposed to price risk as unfavourable market conditions could result in disposition of investments at less than favourable prices. As well, these shares are denominated in Australian dollars, which subjects the Company to foreign currency risk.

Based on the investments held at October 31, 2023, a change in the fair value of investments by 25%, all other factors held constant, could result in a corresponding change in net income of approximately \$836,000. A 10% change in the foreign exchange rate between the Australian and Canadian dollars could result in a corresponding change in net income of approximately \$334,000.

### 13. EXPLORATION AND EVALUATION EXPENSES

The Company owns the Troilus Gold property, consisting of mineral claims and a past-producing mine property located near Chibougamau, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. During the last several years, the Company acquired various claims extending its land package, including the Bullseye and Pallador claims acquired through the acquisition of UrbanGold. The Bullseye claims comprise a 50-50 joint arrangement with a third party, accounted for as a joint operation. As a result, the Company recognizes its proportionate share of any expenses related to this joint arrangement.

Of the claims initially acquired from First Quantum Minerals Inc. ("First Quantum"), a royalty of 1% remains on these claims, held by Sandstorm Gold Royalties.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 13. EXPLORATION AND EVALUATION EXPENSES (continued)

As of the date of these consolidated financial statements, the Company is subject to the following underlying royalties:

The claims acquired from Emgold in December 2018 are subject to underlying NSR royalties of 1% to Emgold, that the Company has the right to repurchase for \$1,000,000. The claims acquired from O3 in November 2019 are subject to royalties of 2% NSR to O3, half of which can be repurchased for \$1,000,000, and 2% NSR to an individual, half of which can be repurchased for \$1,000,000. The claims acquired from O3 in April 2020 are subject to royalties of 2% NSR to O3, of which half can be repurchased at any time for \$1,000,000 subject to the terms of the Buy Back agreement entered into between the Company and Sayona. Certain of the O3 claims acquired in April 2020 are subject to underlying royalties of 2% to Vale S.A. One-half of the royalty to Vale S.A. can be repurchased. The claims acquired from Globex Mining Enterprises Inc. ("Globex") are subject to a 2% Gross Metal Sales royalty ("GMR") to Globex, of which half can be repurchased at any time for \$1,000,000 subject to the terms of the Buy Back agreement entered into between the Company and Sayona. The claims acquired from Canadian Mining House ("CMH") are subject to a 1% NSR, of which half can be repurchased for \$500,000 and half can be repurchased for \$1,500,000 subject to the terms of the Buy Back agreement entered into between the Company and Sayona.

As well, the Company is subject to royalties on certain of the claims acquired through the UrbanGold acquisition, including a 2% NSR to O3 on certain Bullseye claims, of which half can be purchased at any time for \$500,000; a 1% NSR to Soquem on 71 Pallador claims, of which half can be purchased at any time for \$500,000 subject to the terms of the Buy Back agreement entered into between the Company and Sayona; and a 1% NSR on 55 Pallador claims.

	Three months ended October 31,	
	2023	2022
Exploration and evaluation expenses:		
Drilling, assaying and geology	\$ 2,709,158	\$ 6,441,130
Salaries, payroll costs and consultants	1,806,497	2,016,998
Site and camp costs	1,124,233	700,214
Support and other costs	361,949	145,110
Studies	2,983,971	785,412
Government and community relations	14,618	72,232
Travel	75,917	210,902
Depreciation	297,795	305,435
Tax credits	(1,895,000)	(3,750,073)
	<u>\$ 7,479,138</u>	<u>\$ 6,927,360</u>

The Company has recorded \$1,895,000 in expected tax credits against exploration activity for the three months ended October 31, 2023 (three months ended October 31, 2022: \$3,750,073). As at October 31, 2023, the Company is carrying a tax credit receivable balance of \$13,385,000 of which \$11,490,000 is current and \$1,895,000 is long-term (July 31, 2023: \$11,490,000, all current).

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

### 14. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended October 31,	
	2023	2022
General and administrative expenses :		
Salaries, payroll costs and consultants	\$ 619,591	\$ 560,836
Professional costs	86,412	196,349
Shareholder communications	354,409	378,910
Office and general	91,024	126,408
Travel	57,499	42,780
Depreciation	85,138	84,117
	<u>\$ 1,294,073</u>	<u>\$ 1,389,400</u>

### 15. OTHER GAINS AND (LOSSES)

	Three months ended October 31,	
	2023	2022
Other expenses:		
Fee for reclamation bond	\$ (26,383)	\$ (26,333)
Gain on disposal of assets (Note 7)	87,197	19,971
Miscellaneous	(2,901)	(4,330)
	<u>\$ 57,913</u>	<u>\$ (10,692)</u>

### 16. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the exploration and development of its mineral properties. The capital of the Company consists of share capital, share purchase warrants, RSU's and stock options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's properties are in the exploration stage and, accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned drilling and engineering work, and pay for administrative costs, the Company will spend working capital and expects to raise additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained substantially unchanged during the three months ended October 31, 2023 and 2022.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

---

### 17. RELATED PARTY DISCLOSURES

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

#### *Related party balances and transactions*

During the three months ended October 31, 2023, the Company paid \$20,940 (three months ended October 31, 2022: \$20,175) to a private company from which it rents its office space in Chibougamau. The Company's Vice President Special Projects, Mr. Daniel Bergeron, owns 50% of this private company.

During the three months ended October 31, 2023, the Company received \$22,500 in fees and reimbursable expenses related to shared office space from Lithium Ionic Corp (three months ended October 31, 2022: \$nil). One of the Company's directors, Mr. Tom Olesinski, is an officer of Lithium Ionic Corp. The Company's Senior Vice-President Technical Services is a director of Lithium Ionic Corp.

Mr. Justin Reid, the Company's CEO, is on the Board of Directors of Delta Resources Limited. At October 31, 2023, the Company held 3,395,000 shares and 1,500,000 warrants of Delta Resources Limited.

#### *Compensation of key management personnel of the Company*

The remuneration of directors and other members of key management personnel were as follows:

	Three months ended October 31,	
	2023	2022
Management salaries and fees	\$ 551,907	\$ 472,480
Directors fees	89,866	89,866
Share-based payments	581,779	1,779,967
	<u>\$ 1,223,552</u>	<u>\$ 2,342,313</u>

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the Board of Directors of the Company having regard to the performance of individuals and market trends.

## TROILUS GOLD CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

(Expressed in Canadian dollars)

---

### 18. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management and employment contracts. As at the date of this report, these contracts provide that, in the event services are terminated by the Company, other than for cause, approximately \$1,924,000 would be paid out with respect to these contracts. Additional contingent payments of approximately \$5,120,000 would be paid upon the occurrence of a change of control. As well, the Company currently has 8,782,896 RSU's outstanding to directors, officers and employees of the Company which will vest as follows:

<u>Vesting Date</u>	<u>Number of RSU's</u>
January 15, 2024	3,616,236
October 1, 2024	2,510,000
January 15, 2025	2,656,660
	<u>8,782,896</u>

Upon a change of control, unvested RSU's would vest immediately. As a triggering event for terminations or a change of control has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

The Company is obligated to make lease payments over the next 3 years. See Notes 8 and 12.

Underlying royalties on the Troilus Gold property are described in Note 13.

The Company believes that it has met all of its previous expenditure commitments with respect to past flow-through financings, including \$1,000,000 raised during the quarter ended October 31, 2023. See subsequent events (Note 19). In connection with the flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **TROILUS GOLD CORP.**

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2023 and 2022

*(Expressed in Canadian dollars)*

---

### **19. SUBSEQUENT EVENTS**

On November 20, 2023, the Company closed on a bought deal financing whereby the Company issued:

- 28,580,000 units at a price of \$0.35 per unit for gross proceeds of \$10,003,000;
- 7,150,000 traditional flow-through shares at a price of \$0.42 per traditional flow-through share for gross proceeds of \$3,003,000; and
- 4,550,000 Québec flow-through shares at a price of \$0.44 per Québec flow-through share for gross proceeds of \$2,002,000.

Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at an exercise price of \$0.50 per share for a period of 2 years following the closing.

As a result of the flow-through shares issued in this financing, the Company will be required to incur qualified exploration expenditures by December 31, 2024.

As well, an additional 1,428,570 units of the Company were issued for gross proceeds of \$500,000 at a price of \$0.35 per unit in a private placement financing.