TROILUS GOLD CORP.

CONSOLIDATED
FINANCIAL STATEMENTS

For the years ended
July 31, 2019 and 2018

(expressed in Canadian dollars)

McGovern Hurley LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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Independent Auditor's Report

To the Shareholders of Troilus Gold Corp.

Opinion

We have audited the consolidated financial statements of Troilus Gold Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2019 and 2018, and the consolidated statements of operations and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 17, 2019

TROILUS GOLD CORP.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	Notes		July 31, 2019		July 31, 2018
ASSETS					
Current assets					
Cash and cash equivalents		$	6,337,689	$	20,236,630
Tax credit receivable	15(ii)		832,164		1,044,979
Amounts receivable	6		1,275,635		951,203
Prepaid expenses			492,418		464,219
Total current assets			8,937,906		22,697,031
Reclamation deposits	7		1,639,190		3,972,976
Property and equipment	8		2,549,975		1,028,325
TOTAL ASSETS		$	13,127,071	$	27,698,332
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	19	$	1,500,438	$	2,585,302
Current portion of equipment financing arrangements	9		532,133		211,431
Current portion of reclamation provision	7		91,654		259,000
Total current liabilities			2,124,225		3,055,733
Long-term portion of equipment financing arrangements	9		15,060		171,575
Flow-through share premium liability	10		-		4,117,630
Reclamation provision	7		3,580,741		3,182,361
Total liabilities			5,720,026		10,527,299
SHAREHOLDERS' EQUITY					
Share capital	11		47,709,419		38,325,859
Share purchase warrant reserve	12		6,764,206		6,764,206
Share-based payment reserve	13		195,576		3,331,632
Accumulated deficit			(47,262,156)		(31,250,664)
Total shareholders' equity			7,407,045		17,171,033
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	13,127,071	$	27,698,332
Nature of operations	1				
Commitments and contingencies	20				
Subsequent event	22				

Approved on behalf of the Board of Directors:

"Tom Olesinski" — Director

"Justin Reid" — Director

-- See accompanying notes to the Consolidated Financial Statements --

TROILUS GOLD CORP.

Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

		Years ended July 31,	
		2019	2018
Expenses	Notes		
Exploration and evaluation expenses	5, 15	$ 16,656,563	$ 17,345,049
Reclamation estimate	7	351,660	3,500,653
General and administrative expenses	16	5,207,002	3,867,864
Share-based payments	13	1,559,138	3,153,240
Total expenses before other items		23,774,363	27,866,806
Other (income)/expenses			
Interest income		(230,918)	(145,647)
Flow-through share premium	10	(4,117,630)	(799,683)
Accretion of reclamation provision	7	58,503	-
Other expenses	17	164,420	2,458
Transaction expenses	5	-	3,507,136
Net loss and comprehensive loss for the year		$ 19,648,738	$ 30,431,070
Net loss per share			
Basic and diluted		$ 0.37	$ 0.91
Weighted average common shares outstanding			
Basic and diluted		53,395,462	33,470,956

Certain comparative figures have been reclassified to conform to the presentation in the current year.

TROILUS GOLD CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	Years ended July 31, 2019	2018
CASH FLOWS FROM:			
Operating activities			
Net loss for the year		$ (19,648,738)	$ (30,431,070)
Items not involving cash			
Share-based payments	13	1,559,138	3,153,240
Shares issued for property acquisition	11, 15	2,268,750	-
Depreciation	8	219,071	33,690
Flow-through share premium	10	(4,117,630)	(799,683)
Reclamation estimate adjustment	7	351,660	3,441,361
Reclamation costs incurred	7	(179,129)	-
Accretion of reclamation estimate	7	58,503	-
Non-cash property acquisition costs		-	11,219,000
Transaction expenses		-	3,507,136
		(19,488,375)	(9,876,326)
Net change in non-cash working capital items:			
Amounts receivable and prepaid expenses		(352,631)	(1,312,664)
Tax credit receivable		212,815	(1,044,979)
Accounts payable and accrued liabilities		(1,084,864)	980,155
		(1,224,680)	(1,377,488)
Cash flows used in operating activities		(20,713,055)	(11,253,814)
Financing activities			
Private placement proceeds		7,000,600	38,766,416
Share issue costs		(983,738)	(2,762,295)
Proceeds from exercise of stock options		40,000	-
Equipment financing payments	9	(509,110)	(85,030)
Cash flows from financing activities		5,547,752	35,919,091
Investing activities			
Cash acquired from reverse acquisition		-	138,308
Property and equipment	8	(1,067,424)	(593,979)
Refund of reclamation deposit	7	3,972,976	(3,972,976)
Payment of reclamation bond deposit	7	(1,639,190)	-
Cash flows from/(used in) investing activities		1,266,362	(4,428,647)
Net change in cash and cash equivalents		(13,898,941)	20,236,630
Cash and cash equivalents, beginning of the year		20,236,630	-
Cash and cash equivalents, end of the year		$ 6,337,689	$ 20,236,630
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash		$ 5,539,544	$ 2,167,354
Cash equivalents		798,145	18,069,276
		$ 6,337,689	$ 20,236,630
SUPPLEMENTARY INFORMATION			
Equipment purchased through financing arrangements		$ 673,297	$ 468,036

-- See accompanying notes to the Consolidated Financial Statements --

TROILUS GOLD CORP.

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
Balance as at July 31, 2018		48,737,222	$ 38,325,859	$ 6,764,206	$ 3,331,632	$ (31,250,664)	$ 17,171,033
Bought-deal financing	11	8,236,000	7,000,600	-	-	-	7,000,600
Cost of issue	11	-	(983,738)	-	-	-	(983,738)
Shares issued for property acquisition	11	3,750,000	2,268,750	-	-	-	2,268,750
Share-based compensation	13	1,237,356	965,138	-	594,000	-	1,559,138
Exercise of stock options		100,000	40,000	-	-	-	40,000
Valuation allocation on exercise of stock options		-	92,810	-	(92,810)	-	-
Expiry of stock options		-	-	-	(3,637,246)	3,637,246	-
Net loss for the period		-	-	-	-	(19,648,738)	(19,648,738)
Balance as at July 31, 2019		**62,060,578**	**$ 47,709,419**	**$ 6,764,206**	**$ 195,576**	**$ (47,262,156)**	**$ 7,407,045**
Balance as at July 31, 2017		15,000,000	$ 1	$ -	$ -	$ (819,594)	$ (819,593)
Private placement		14,030,000	23,009,200	-	-	-	23,009,200
Cost of issue		-	(1,583,415)	-	-	-	(1,583,415)
Value of warrants on private placement units		-	(6,764,206)	6,764,206	-	-	-
Flow-through financing		7,226,602	15,757,216	-	-	-	15,757,216
Cost of issue		-	(1,178,880)	-	-	-	(1,178,880)
Flow-through share premium		-	(4,917,313)	-	-	-	(4,917,313)
Shares issued on acquisition		10,000,000	11,220,000	-	-	-	11,220,000
Shares acquired on acquisition		2,480,620	2,783,256	-	-	-	2,783,256
Share-based compensation		-	-	-	3,153,240	-	3,153,240
Stock options acquired on acquisition		-	-	-	178,392	-	178,392
Net loss for the period		-	-	-	-	(30,431,070)	(30,431,070)
Balance as at July 31, 2018		**48,737,222**	**$ 38,325,859**	**$ 6,764,206**	**$ 3,331,632**	**$ (31,250,664)**	**$ 17,171,033**

-- See accompanying notes to the Consolidated Financial Statements --

1. NATURE OF OPERATIONS

Troilus Gold Corp. (the "Company") was continued under the laws of Ontario, Canada. In December 2017, the Company closed a transaction whereby it acquired the option to acquire a 100% interest in a past-producing gold mine located approximately 450 km northeast of Val-d'Or, Quebec (the "Troilus project") through a reverse acquisition. The Company changed its name from Pitchblack Resources Ltd. ("Pitchblack") to Troilus Gold Corp. upon closing. In April 2018, the Company exercised the option to acquire the Troilus project. In December 2018, the Company acquired additional mineral claims, adjacent to the Troilus project (See Note 15). Collectively, the two 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 registered office is located at 36 Lombard Street, 4th Floor, Toronto, Ontario, M5C 2X3. The Company's shares traded on the TSX Venture Exchange ("TSX-V") under the symbol "TLG" until its graduation to the Toronto Stock Exchange ("TSX") on October 17, 2018. All dollar amounts are Canadian dollars unless otherwise noted.

The option to acquire the Troilus project was held by 2507868 Ontario Inc. ("250") and 2513924 Ontario Inc. ("251"). 250, 251 and a newly incorporated subsidiary of the Company amalgamated on December 20, 2017, and the Company acquired 100% of the shares of the amalgamated entity, subsequently named TLG Project Inc. Management determined that this transaction constituted a reverse acquisition in accordance with the policies of the TSX-V whereby 250 acquired 251 and Pitchblack for accounting purposes. These consolidated financial statements include the results of operations of the Company and 251 from the date of the transaction, December 20, 2017 and the results of 250 since inception.

In May 2016, 250 entered into an option agreement with First Quantum Minerals Ltd. ("First Quantum") to acquire the Troilus project. Under the terms of the option agreement, a minimum of $1,000,000 was to be spent on engineering and technical studies, and $300,000 paid in cash payments. Option payments of $100,000 were paid in each of May 2016, May 2017 and January 2018, and the Company met its expenditure commitment. The Company exercised the option in April 2018. A variable Net Smelter Royalty of 1.5% (if the gold price is less than US$1,250/ounce during the reference period) or 2.5% (if the gold price is more than US$1,250/ounce during the reference period) has been granted to First Quantum. An additional 1% royalty on the Troilus project is held by another unrelated entity.

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.

1. NATURE OF OPERATIONS (continued)

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, if 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 year ended July 31, 2019 were approved and authorized for issue by the Board of Directors on October 17, 2019.

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”)

The preparation of financial statements in accordance with International Accounting Standards (“IAS”) 1, Presentation of Financial Statements, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company’s accounting policies.

These consolidated financial statements have been prepared on a going concern basis, under the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. SIGNIFICANT ACCOUNTING POLICIES

<u>New accounting policies</u>

The Company has adopted the following amendments and new standards, effective August 1, 2018.

IFRS 2 – Share-based Payment (“IFRS 2”) was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. The Company has adopted this standard effective August 1, 2018 and there was no material impact from the adoption of this standard.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and replaced IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has adopted this standard effective August 1, 2018 and there was no material impact from the adoption of this standard. The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended July 31, 2018 was accounted for in accordance with the Company's previous accounting policy under IAS 39.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	**Under IFRS 9**
Financial assets		
Cash	Loans and receivables	Amortized cost
Cash equivalents	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Reclamation deposit	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Equipment financing arrangements	Other financial liabilities	Amortized cost

Existing accounting policies

These consolidated financial statements for the year ended July 31, 2019 have been prepared using the following accounting policies:

Principles of consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Signet Minerals Inc. All significant intercompany transactions and balances have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents consist of cash in banks, short-term money market instruments, call deposits and other highly liquid investments with initial maturities of three months or less. Investments in securities, investments with initial maturities greater than three months without an early redemption feature and bank accounts subject to restrictions are not presented as cash equivalents.

Financial Instruments - Accounting policy under IFRS 9 applicable from August 1, 2018

Financial assets
Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit and Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statements of operations.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of operations.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive income (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of operations when the right to receive payments is established.

The Company's financial assets include cash and cash equivalents, amounts receivables and reclamation deposits.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities
Initial recognition and measurement
Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities and equipment financing arrangements, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments -Accounting policy under IAS 39 applicable prior to August 1, 2018
The accounting policy under IAS 39 for the comparative information presented in respect of financial assets and liabilities, excluding derivative instruments related to hedging activities, was similar to the accounting policy adopted in 2018, with the following exceptions.

Financial Assets
Initial recognition and measurement
Financial assets within the scope of IAS 39 were classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives. The Company determined the classification of its financial assets at initial recognition.

Subsequent measurement
Financial assets at fair value through profit or loss included financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets were classified as held for trading if management intended to sell the financial assets in the short term.

Impairment of financial assets:
The Company assessed at each reporting period whether there was any objective evidence that a financial asset was impaired as a result of one or more events occurring after initial recognition. The amount of the loss was measured as the difference between the asset's carrying amount and the present value of its estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows was discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate.

Provisions
General:
Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of operations, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Reclamation provision:
The Company records the net present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. A liability is initially recognized as the present value of the estimated cost. A liability related to exploration and evaluation activities is expensed as incurred. A liability related to property and equipment is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in profit or loss.

<u>Property and equipment</u>
Property and equipment are measured at cost less accumulated depreciation and accumulated impairment charges. The cost of property and equipment comprises its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated decommissioning and restoration costs associated with the asset.

On initial acquisition, equipment is measured at cost. In subsequent periods, equipment is stated at cost less accumulated depreciation and any impairment charges. Depreciation is provided so as to write off the costs, less estimated residual values of equipment using the straight-line method over their remaining useful lives, or the remaining life of the mine if shorter:

Computer and office equipment	2 years
Equipment and vehicles	5 - 10 years
Drilling camp	10 - 15 years
Leasehold improvements and furniture	5 years

When significant parts of an asset have different useful lives, depreciation is calculated on each separate component. Each asset or component's estimated useful life has due regard to both its own physical life limitations. Estimates of remaining useful lives and residual values are reviewed at least annually. Changes in estimates are accounted for prospectively.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Depreciation during the prior year was recorded to General and Administrative expenses, and a portion has been reclassified to Exploration and Evaluation expenses to conform to the current year presentation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets
Impairment testing compares the carrying values of the cash-generating units being tested with their recoverable amounts (recoverable amounts being the greater of the cash-generating units' value in use or their fair values less costs of disposal). Impairment charges are immediately recognized in profit or loss to the extent the cash-generating unit carrying values exceed their recoverable amounts. Should the recoverable amounts for previously impaired cash-generating units subsequently increase, the impairment charges previously recognized may be reversed in profit or loss to the extent the reversal is not a result of accretion and that the resulting carrying value does not exceed the carrying value that would have been the result if no impairment charges had been previously recognized.

Property and equipment is assessed for indications of impairment at the end of each reporting period or when events and changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of the impairment, if any. The best evidence of fair value less costs of disposal is the value obtained from an active market or binding sales agreement. Where neither exists, fair value less costs of disposal is estimated at the discounted future pre-tax cash flows expected to be derived from the cash generating unit, less an amount for costs of disposal. When discounting estimated future cash flows, an pre-tax discount rate that would approximate what market participants would assign is used.

Exploration and evaluation expenditures
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Interest income
Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which share-based payments vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

Loss per share

Loss per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All stock options and warrants outstanding during July 31, 2019 and 2018 were excluded from the diluted loss per share calculation as they were anti-dilutive.

Government assistance

The Company expects to be entitled to a refundable tax credit on qualified mining exploration expenses incurred in the province of Quebec and to a mining duties credit, which are estimated and recorded against the exploration and evaluation expenses to which they relate.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference (“premium”) between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of loss when the eligible expenditures are incurred. The amount recognized as a flow-through share related liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Current tax:

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of operations because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax:

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting policies

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements (“IAS 1”) and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors (“IAS 8”) were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 16 – Leases (‘IFRS 16”) replaces IAS 17, Leases (“IAS 17”). The new model requires the recognition of almost all lease contracts on a lessee’s statement of financial position as a lease liability reflecting future lease payments and a ‘right-of-use asset’ with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 and may be applied retrospectively to each prior period presented (full retrospective approach) or with the cumulative effect of adoption recognized at initial application (modified retrospective approach). The Company intends to adopt this policy effective August 1, 2019 and intends to use the modified retrospective approach. Based on lease data as at July 31, 2019, it is anticipated that approximately $1.04 million will be recognized as right-of-use assets, approximately $1.08 million will be recognized as lease liabilities (both current and long-term) and the difference will be recognized as an adjustment to deficit.

IFRIC 23 – Uncertainty Over Income Tax Treatments (“IFRIC 23”) was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier 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, 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.

Share-based payments
Management determines costs for share-based payments 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 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. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

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

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.

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, the exploration and evaluation expenses, and the income tax expense in future periods.

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.

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

Contingencies
Refer to Note 20.

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.

5. REVERSE ACQUISITION

On December 20, 2017, the Company completed a transaction which constituted a reverse acquisition.

The Company, formerly called Pitchblack, acquired an entity resulting from the amalgamation of 250, 251 and a newly created subsidiary of Pitchblack, called TLG Project Inc. 250 held the option to acquire a 100% interest in the Troilus project, and had previously granted 251 an irrevocable and exclusive option to acquire a 40% undivided interest in the Troilus project. Upon closing of the reverse acquisition, the Company issued 10,000,000 shares to the shareholders of 251 and 15,000,000 to the shareholders of 250 as consideration for their respective interest in the Troilus project. Upon amalgamation of these companies, the Company acquired a 100% interest in the option to acquire the Troilus project, subject to certain royalties.

250 had completed a private placement financing in November 2017 issuing 14,030,000 subscription receipts, with each subscription receipt entitling the holder to receive one common share of 250 and one common share purchase warrant. The subscription was priced at $1.64 per subscription receipt, this price reflecting the four to one share consolidation of Pitchblack that was completed upon closing of the transaction. Also, at the closing of the transaction, the name change from Pitchblack Resources Ltd. to Troilus Gold Corp. took effect. For accounting purposes, 250 was treated as the accounting parent company (legal subsidiary), and the Company was treated as the accounting subsidiary (legal parent). 251 was also treated as a subsidiary. As 250 was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The Company's results of operations and those of 251 have been included from the transaction date, December 20, 2017. As Pitchblack and 251 did not qualify as a business according to the definition in IFRS 3 Business Combinations, this reverse acquisition does not constitute a business combination. It was accounted for in accordance with IFRS 2 Share-based Payments, such that 250 is deemed to have issued shares in exchange for the net assets of Pitchblack and 251 together with Pitchblack's TSX-V listing status.

The quantity of 250 shares outstanding has been retroactively updated to reflect the number of shares issued to the shareholder of 250 on closing of the reverse acquisition.

(Expressed in Canadian dollars)

5. REVERSE ACQUISITION (continued)

The transaction was measured at the fair value of the shares that 250 would have had to issue to the shareholders of Pitchblack to give the shareholders of Pitchblack the same percentage equity interest in the combined entity had the transaction taken the legal form of 250 acquiring Pitchblack. The fair value of the common shares was based on the value of the shares issued in 250's private placement of subscription units, including one share and one share purchase warrant per unit. The value of the warrants was estimated using the Black-Scholes model and backed out to determine the value of the shares alone.

	Pitchblack (now Troilus)	251
Net assets of acquired:		
Cash	$ 138,308	$ -
Amounts receivable and prepaid expenses	101,758	1,000
Due from 250	1,008,822	-
Investments	1,439	-
Accounts payable and accrued liabilities	(1,795,815)	-
	$ (545,488)	$ 1,000
Consideration provided in reverse acquisition:		
Fair value of 2,480,620 common shares at $1.12 per share	$ 2,783,256	$ -
Fair value of 10,000,000 common shares at $1.12 per share	-	11,220,000
Revaluation of outstanding Pitchblack stock options	178,392	-
	$ 2,961,648	$ 11,220,000
Net assets acquired less consideration provided	$ (3,507,136)	$ (11,219,000)
Allocation of purchase price:		
Transaction expense	$ 3,507,136	$ -
Exploration and evaluation expense	$ -	$ 11,219,000

As part of the reverse acquisition, Pitchblack acquired amounts due to the former shareholders of 250.

(Expressed in Canadian dollars)

6. AMOUNTS RECEIVABLE

		July 31, 2019		July 31, 2018
Input tax credits receivable	$	1,089,053	$	944,905
Camp rental receivable		69,316		-
Other miscellaneous receivables		117,266		6,298
	$	1,275,635	$	951,203

The Company rents available rooms at its camp to third parties periodically. This income is applied against site and camp costs within exploration and evaluation expenses.

7. RECLAMATION DEPOSITS AND PROVISION

Deposits:
In April 2018, upon the exercise of the option to acquire the Troilus project from First Quantum, the Company was required to post a reclamation deposit of $3,972,976 with the government of Quebec. This deposit serves as security against current and future estimated reclamation obligations at the Troilus site from historical mining activity. During the year ended July 31, 2019, the Company recovered its reclamation security deposit totalling $3,972,976 in exchange for an underwritten bond from an insurance company. To purchase this insurance, the Company gave a $1,589,190 deposit to the insurance company and pays an annual fee of 2.5% of the insured amount. The Company also paid an additional $50,000 deposit as security against current and future estimated reclamation obligations on the landfill site on the Troilus Gold property.

Provision:
After exercising the option to acquire the Troilus project, the Company recognized a provision for future estimated reclamation and water treatment costs of the former Troilus mine. As at July 31, 2019, the estimated future liability of approximately $3,560,000 (July 31, 2018: $4,200,000), was adjusted for inflation, discounted at a rate of 1.70% (July 31, 2018: 2.31%) and recorded as $3,672,395, $91,654 as a current liability and $3,580,741 as a long-term liability (July 31, 2018: $3,441,361, $259,000 as a current liability and $3,182,361 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, $351,660 was recorded as an adjustment to the reclamation estimate to the consolidated statements of operations for the year ended July 31, 2019.

(Expressed in Canadian dollars)

7. RECLAMATION DEPOSITS AND PROVISION (continued)

Balance as at July 31, 2017	**$**	-
Initial recognition upon acquistion of Troilus project		3,441,361
Balance as at July 31, 2018	**$**	3,441,361
Accretion of discount		58,503
Adjustments resulting from remeasurement		351,660
Incurred costs applied against liability		(179,129)
Balance as at July 31, 2019	$	3,672,395
Current portion of liability	$	91,654
Long-term portion of liability		3,580,741
	$	3,672,395

8. PROPERTY AND EQUIPMENT

		Computer and office equipment		Leasehold improvements and furniture		Vehicles		Equipment		Drilling camp		TOTAL
Cost												
Balance, July 31, 2017	$	-	$	-	$	-	$	-	$	-	$	-
Additions		15,242		-		-		87,350		959,423		1,062,015
Balance, July 31, 2018	$	15,242	$	-	$	-	$	87,350	$	959,423	$	1,062,015
Additions		60,223		360,374		75,750		224,920		1,019,454		1,740,721
Balance, July 31, 2019	**$**	**75,465**	**$**	**360,374**	**$**	**75,750**	**$**	**312,270**	**$**	**1,978,877**	**$**	**2,802,736**
Depreciation												
Balance, July 31, 2017	$	-	$	-	$	-	$	-	$	-	$	-
Expense for the period		(2,395)		-		-		(1,619)		(29,676)		(33,690)
Balance, July 31, 2018	$	(2,395)	$	-	$	-	$	(1,619)	$	(29,676)	$	(33,690)
Expense for the period		(16,016)		(197)		(7,118)		(21,153)		(174,587)		(219,071)
Balance, July 31, 2019	**$**	**(18,411)**	**$**	**(197)**	**$**	**(7,118)**	**$**	**(22,772)**	**$**	**(204,263)**	**$**	**(252,761)**
Net book value, July 31, 2018	$	12,847	$	-	$	-	$	85,731	$	929,747	$	1,028,325
Net book value, July 31, 2019	**$**	**57,054**	**$**	**360,177**	**$**	**68,632**	**$**	**289,498**	**$**	**1,774,614**	**$**	**2,549,975**

(Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT (continued)

During the year ended July 31, 2019, the Company entered into financing arrangements to acquire a vehicle, an electrical substation (Note 9) and other equipment in addition to adding infrastructure and exploration equipment at site. As well, the Company moved its head office and incurred expenditures on leasehold improvements and furniture. An amount of $219,071 was expensed in depreciation where $213,056 was recorded as exploration and evaluation expenses and $6,015 was recorded as general and administrative expenses for the year ended July 31, 2019 (2018: $33,690, $31,996 allocated to exploration and evaluation expenses and $1,693 allocated to general and administrative expenses).

9. EQUIPMENT FINANCING ARRANGEMENTS

Balance as at July 31, 2017	**$**	-
Assets acquired from equipment financing arrangements		468,036
Payments made during the period		(85,030)
Balance as at July 31, 2018	$	383,006
Assets acquired from equipment financing arrangements		673,297
Payments made during the period		(509,110)
Balance as at July 31, 2019	$	547,193
Current portion of liability	$	532,133
Long-term portion of liability		15,060
	$	547,193

During the year ended July 31, 2019, the Company entered into a financing arrangement to acquire a vehicle with a carrying value of $75,750. The Company is required to make monthly payments of $2,813 over a period of 24 months, with an option to buy the vehicle for $15,150 at the end of the term. The implied interest rate in the agreement was 14.4%.

During the year ended July 31, 2019, the Company entered into a financing arrangement to acquire an electrical substation recorded at a carrying value of $524,260. The Company is required to make monthly payments of $23,000 over a period of 24 months. The terms of the arrangement did not stipulate an interest rate, and as a result, the Company estimated a borrowing rate of 10%.

During the year ended July 31, 2019, the Company entered into a financing arrangement to acquire a garage and other equipment recorded at a carrying value of $73,288. The Company is required to make monthly payments of $7,000 over a period of one year. The terms of the arrangement did not stipulate an interest rate, and as a result, the Company estimated a borrowing rate of 10%.

(Expressed in Canadian dollars)

9. EQUIPMENT FINANCING ARRANGEMENTS (continued)

During the year ended July 31, 2018, the Company entered into a financing arrangement to acquire a camp facility with total payments of $495,020. Pursuant to this arrangement, the Company is required to make monthly payments of $18,815 over a period of 24 months, with the option to buy the camp facility for $46,460 at the end of the term. The terms of the arrangement did not stipulate an interest rate, and as a result, the Company estimated a borrowing rate of 10%, with a deemed value for the financed camp facility of $468,036.

10. FLOW-THROUGH SHARE PREMIUM LIABILITY

With respect to the Company's flow-through offering during the year ended July 31, 2018, the Company recorded a flow-through liability based on a calculated premium at an average of $0.31 per dollar raised, calculated based on the excess issue price over the quoted market price at the date of issuance. As the Company incurs eligible expenditures against this liability, the Company reduces the liability at the same premium rate and records this as a flow-through premium recovery on the statement of operations. As at July 31, 2019, the liability was reduced to $nil as the Company met its flow-through expenditure commitment, and a flow-through premium recovery of $4,117,630 was recorded on the consolidated statements of operations for the year ended July 31, 2019 (2018: $799,683).

11. SHARE CAPITAL

	No. of Shares		Balance
Balance as at July 31, 2017	15,000,000	$	1
Private placement (iii)	14,030,000		23,009,200
Cost of issue (iii)	-		(1,583,415)
Allocation of value of warrants on private placement units (iii)	-		(6,764,206)
Flow-through share financing (iv)	7,226,602		15,757,216
Cost of issue (iv)	-		(1,178,880)
Premium on flow-through shares (iv)	-		(4,917,313)
Shares issued on acquisition of 251 (Note 5)	10,000,000		11,220,000
Shares acquired on acquisition of Pitchblack (Note 5)	2,480,620		2,783,256
Balance as at July 31, 2018	48,737,222	$	38,325,859
Bought deal financing (i)	8,236,000		7,000,600
Cost of issue (i)	-		(983,738)
Shares issued for property acquisition (ii)	3,750,000		2,268,750
Share-based compensation (Note 13)	1,237,356		965,138
Exercise of stock options	100,000		40,000
Valuation allocation on exercise of stock options	-		92,810
Balance as at July 31, 2019	62,060,578	$	47,709,419

11. SHARE CAPITAL (continued)

(i) In May 2019, the Company closed a bought deal prospectus offering with the issuance of 8,236,000 common shares of the Company at a price of $0.85 per share for gross proceeds of $7,000,600. The offering was completed through a syndicate of underwriters at a commission rate of 6%. Additional cost of issue included legal fees and translation costs.

(ii) In December 2018, the Company closed a purchase and sale agreement with Emgold Mining Corporation ("Emgold"), pursuant to which the Company acquired 209 claims to the north of the Company's existing claims. As consideration for this acquisition, the Company issued 3,750,000 of its common shares to Emgold and forgave a $250,000 loan previously advanced to Emgold. The shares were valued at $0.605 per share based on the quoted market price of the shares on the date of issuance.

(iii) In November 2017, 250 closed a private placement offering of 14,030,000 subscription receipts at a price of $1.64 per subscription receipt for gross proceeds of $23,009,200. Each subscription receipt entitled the holder to receive one common share of 250 and one common share purchase warrant upon satisfaction of the escrow release conditions, where each warrant entitled the holder to acquire one common share of 250 at a price of $2.50 per share, expiring November 21, 2020. The proceeds raised pursuant to the offering were deposited into escrow and were released upon the closing of the amalgamation and acquisition transactions on December 20, 2017 to the Company. The subscription receipts automatically converted on the closing of the transactions into common shares and warrants of 250, and these were then immediately exchanged for common shares and warrants of the Company on a one-for-one basis. The underwriters were paid a cash commission of either 3% or 6% of the gross proceeds raised. Total issue costs amounted to $1,583,415, which also included legal costs. Directors and officers at the time of this financing subscribed for 45,732 subscription receipts.

(iv) In June 2018, the Company closed a bought-deal private placement financing, issuing 4,070,000 shares sold on a charitable flow-through basis, at a price of $2.46 per charitable flow-through share for gross proceeds of $10,012,200. The Company also issued 3,156,602 traditional flow-through shares at a price of $1.82 per share for gross proceeds of $5,745,015. The Company paid a cash commission of 6% of the gross proceeds. Total issue costs amounted to $1,178,880, which include legal costs. A premium at an average of $0.31 per dollar raised was calculated on these issuances based on the excess issue price over the quoted market price at the date of issue, and the Company consequently recorded a flow-through liability of $4,917,313 at the time of issuance. As the Company incurs eligible expenditures against this liability, the Company reduces the liability at the same premium rate and records this as a flow-through premium recovery on the statement of operations. Directors and officers subscribed for 134,000 shares with respect to this financing.

(Expressed in Canadian dollars)

12. SHARE PURCHASE WARRANT RESERVE

The following table summarizes the warrants outstanding as at July 31, 2019 and 2018:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Value ($)	Weighted Average Remaining Contractual Life (years)
$2.50	November 21, 2020	14,030,000	14,030,000	6,764,206	1.31
		14,030,000	14,030,000	6,764,206	1.31

The outstanding warrants were granted in November 2017 with the private placement offering (Note 11(iii)). The value of the warrants was estimated using the Black-Scholes option-pricing model using the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.51% and expected average life of three years.

13. SHARE-BASED PAYMENTS 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. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed five years.

The Company also has a Restricted Share Unit Incentive Plan ““RSU Plan” whereby the Company is authorized to grant Restricted Share Units (“RSU’s”) under the plan to directors, officers and employees until October 2020. An RSU represents the right to receive one common share of the Company or, at the discretion of the Board of Directors, cash equal to the market price of the common share on the vesting date. The number of common shares reserved for issuance pursuant to the RSU Plan and all other security-based compensation arrangements shall, in aggregate, not exceed 10% of the Company’s issued and outstanding capital.

(Expressed in Canadian dollars)

13. SHARE-BASED PAYMENTS RESERVE (continued)

Stock Options:

	Number of options	Weighted average exercise price	Value
Balance as at July 31, 2017	-	$ -	$ -
Granted	4,005,000	$1.63	3,153,240
Options issued on Pitchblack acquisition	206,250	$0.76	178,392
Balance as at July 31, 2018	4,211,250	$1.59	$ 3,331,632
Granted	660,000	$1.20	594,000
Exercised	(100,000)	$0.40	(92,810)
Expired	(4,521,250)	$1.56	(3,637,246)
Balance as at July 31, 2019	250,000	$1.64	$ 195,576

In September 2018, the Company granted 660,000 stock options to directors, officers, employees and consultants of the Company. The value of these options was estimated using the Black-Scholes option pricing model using the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 2.26% and expected average life of five years. As a result, the Company recorded a stock-based compensation expense of $594,000 to the consolidated statement of operations for the year ended July 31, 2019 (2018: $3,153,240 related to 3,905,000 options granted).

During the fourth quarter of 2019, the Company terminated all outstanding stock options with the exception of 250,000 that remain outstanding. Going forward, the Company does not intend to issue any new options under the Company's stock option plan in favour of granting RSU's.

The following table summarizes the stock options outstanding as at July 31, 2019:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
$ 1.64	January 3, 2023	250,000	250,000	3.43
	Total	250,000	250,000	3.43

RSU's:

In June 2019, the Company granted 1,237,356 RSU's to directors, officers and employees of the Company. The RSU's vested immediately and as a result 1,237,356 common shares of the Company were issued to the RSU holders. The value of each share was $0.78, which represented the quoted market value of the Company's common shares on the date of vesting. As at July 31, 2019 and 2018, no RSU's were outstanding.

(Expressed in Canadian dollars)

14. 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
As at July 31, 2019				
Cash and cash equivalents	$ 5,539,544	$ 798,145	$ -	$ 6,337,689
Amounts receivable	186,582	-	-	186,582
Reclamation deposit	1,639,190	-	-	1,639,190
Accounts payable and accrued liabilities	-	-	1,500,438	1,500,438
Equipment financing arrangements	-	-	547,193	547,193

	Assets at amortized cost	Assets at fair value through profit or loss	Liabilities at amortized cost	Total
As at July 31, 2018				
Cash and cash equivalents	$ 2,167,354	$ 18,069,276	$ -	$ 20,236,630
Reclamation deposit	3,972,976	-	-	3,972,976
Accounts payable and accrued liabilities	-	-	2,585,302	2,585,302
Equipment financing arrangements	-	-	383,006	383,006

The carrying value of cash, amounts receivable, reclamation deposit and accounts payable and accrued liabilities approximate fair value due to the short-term nature of the financial instruments. The carrying value of the equipment financing arrangements approximate fair value due to the short-term nature of the majority of these financial instruments.

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.

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

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 July 31, 2019:

	Level 1	Level 2	Level 3	TOTAL
As at July 31, 2019				
Cash equivalents	798,145	-	-	798,145

	Level 1	Level 2	Level 3	TOTAL
As at July 31, 2018				
Cash equivalents	18,069,276	-	-	18,069,276

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 years ended July 31, 2019 and 2018.

Credit risk
The Company's credit risk is primarily attributable to cash and cash equivalents. 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.

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 July 31, 2019, the Company had current assets of $8,937,906 (2018: $22,697,031) to settle current liabilities of $2,124,225 (2018: $3,055,733). Approximately $1,330,000 of the Company's financial liabilities as at July 31, 2019 have contractual maturities of less than 30 days and are subject to normal trade terms.

			Payments due by period		
Liability	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Accounts payable and accrued liabilities	$ 1,500,438	$ 1,500,438	$ -	$ -	$ -
Equipment financing arrangements	547,193	532,133	15,060	-	-
Reclamation provision	3,672,395	91,654	384,356	418,428	2,777,957

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS (continued)

Market risk - Interest rate risk
The Company's cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. Based on cash and cash equivalent balances on hand at July 31, 2019, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $6,000.

15. EXPLORATION AND EVALUATION EXPENSES

The Company owns the Troilus Gold property, consisting of mineral claims and a past-producing mine property located approximately 450 km northeast of Val d'or, Quebec, Canada. The Troilus project is subject to a variable Net Smelter Royalty of 1.5% (if the gold price is less than US$1,250/ounce during the reference period) or 2.5% (if the gold price is more than US$1,250/ounce during the reference period). An additional 1% royalty on the Troilus project is held by another entity.

	Years ended July 31,	
	2019	2018
Exploration and evaluation expenses:		
Drilling, assaying and geology	$ 7,167,199	$ 3,998,445
Salaries, payroll costs and consultants	5,057,869	1,521,255
Site and camp costs	781,967	447,506
Support and other costs	803,894	311,130
Studies	693,015	260,558
Government and community relations	101,638	58,889
Travel	233,013	138,001
Depreciation	213,056	31,997
Tax credits (ii)	(913,838)	(1,044,979)
Property acquisition costs (i)	2,518,750	-
Option acquisition costs	-	403,247
Non-cash option acquisition cost (Note 5)	-	11,219,000
	$ 16,656,563	$ 17,345,049

(Expressed in Canadian dollars)

15. EXPLORATION AND EVALUATION EXPENSES (continued)

(i) During the year ended July 31, 2019, the Company entered into an agreement to acquire certain mineral claims adjacent to the Troilus project from Emgold. Part of this agreement included advancing $250,000 as a loan to Emgold, whereby at closing, the loan proceeds were applied against the property acquisition and otherwise forgiven. The balance of consideration for this property was the issuance of 3,750,000 of common shares of the Company to Emgold, with a fair value of $2,268,750 based on the quoted market value of the Company's common shares on the date of closing (Note 11(ii)).

(ii) The Company has recorded $913,838 in government tax credits (2018: $1,044,979), applied against the exploration and evaluation costs to which it relates. During the year ended July 31, 2019, the Company received $1,126,653 in tax credits for the previous year, a small portion of which was not accrued. As at July 31, 2019, an amount of $832,164 has been estimated as tax credits receivable (2018: $1,044,979).

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Years ended July 31, 2019	Years ended July 31, 2018
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 2,957,487	$ 2,506,082
Professional costs	224,831	210,224
Shareholder communications	1,094,907	899,772
Office and general	857,238	187,748
Travel	51,824	43,611
Mining claim costs, non-core properties	14,700	18,734
Depreciation	6,015	1,693
	$ 5,207,002	$ 3,867,864

17. OTHER EXPENSES

	Years ended July 31, 2019	Years ended July 31, 2018
Other expenses:		
Part XII.6 tax accrual on flow-through shares	$ 60,856	$ -
Interest on equipment financing	40,559	9,045
Fee for reclamation bond	49,662	-
Miscellaneous	13,343	(6,587)
	$ 164,420	$ 2,458

18. 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 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 the 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 unchanged during the years ended July 31, 2019 and 2018.

19. 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
The Company had shared office space, resources and certain services with other corporations up until its move to a new head office in March 2019. The costs associated with these services were administered by 2227929 Ontario Inc. to whom the Company paid a monthly flat fee. The Company terminated its agreement with 2227929 Ontario Inc. during the year ended July 31, 2019. 2227929 Ontario Inc. does not have any officers or directors in common with the Company; however, 2227929 Ontario Inc. was an insider of the Company for part of the period by virtue of holding over 10% of the Company's issued and outstanding shares. 2227929's holdings dropped to below 10% during the second quarter of 2019.

Sulliden Mining Capital Inc. ("Sulliden") was the former shareholder of 250 and funded 250's operations prior to the closing of the transaction to acquire the Troilus project. The Company's CEO, Mr. Justin Reid, the Company's President, Mr. Paul Pint and the Company's former Executive Director, Mr. Peter Tagliamonte, are former officers of Sulliden, having resigned subsequent to the closing of the transaction. Mr. Pierre Pettigrew, a director of the Company, is also a director of Sulliden. Mr. Bruce Humphrey, a recently appointed director of the Company, was also a member of the Board of Directors of Sulliden, having resigned from Sulliden's board of directors before his appointment to the Company's board. As at July 31, 2019, Sulliden held less than 10% of the Company's issued and outstanding shares.

Approximately $20,000 is payable to directors and officers of the Company at July 31, 2019 (2018: $nil) and included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

(Expressed in Canadian dollars)

19. RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel of the Company

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

	Years ended July 31, 2019	Years ended July 31, 2018
Management salaries and fees	$ 2,331,400	$ 1,387,690
Directors fees	176,875	118,750
Share-based payments	1,314,590	2,131,783
	$ 3,822,865	3,638,223

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.

20. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,900,000 and additional contingent payments of approximately $7,570,000 upon the occurrence of a change of control. As a triggering effect for 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 equipment financing payments over the next 15 months. See Note 9.

The Company's operating lease obligations over the next five years are outlined below:

		Payments due by period			
Operating lease commitments	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Head office lease	$ 1,269,655	$ 244,918	$ 509,692	$ 515,045	$ -
Site office leases	113,905	100,905	13,000	-	-
Vehicle and equipment leases	616,949	175,776	275,296	165,877	-

The Troilus project is subject to a variable net smelter royalty of 1.5% or 2.5%, depending on whether the price of gold is above or below US$1,250 per ounce, as well as an additional 1% royalty.

(Expressed in Canadian dollars)

20. COMMITMENTS AND CONTINGENCIES (continued)

As a result of the Company's flow-through financings in June 2018, the Company was committed to incur $15,757,216 in qualifying resource expenditures. The Company filed its renunciation forms in January 2019. As at July 31, 2019, the Company has met its expenditure commitment.

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.

21. INCOME TAX

Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.5% (2018 - 26.5%) were as follows:

		July 31, 2019 $	July 31, 2018 $
(Loss) before income taxes		(19,648,738)	(30,431,070)
Expected income tax (recovery) based on statutory rate		(5,207,000)	(8,064,000)
Adjustment to expected income tax benefit:			
	Share-based payments	413,000	836,000
	Other	86,000	3,902,000
	Change in benefit of tax losses not recognized	4,708,000	3,326,000
Deferred income tax (recovery)		-	-

(Expressed in Canadian dollars)

21. INCOME TAX (continued)

Deferred income tax balances

Deferred income tax assets have not been recognized in respect of the following temporary differences:

	July 31, 2019 $	July 31, 2018 $
Non-capital loss carry-forwards	17,751,000	12,288,000
Share issue costs	2,444,000	2,210,000
Unused exploration and evaluation expenses	24,305,000	8,953,000
Other temporary differences	2,355,000	3,237,000
Total	46,855,000	26,688,000

Deferred tax asset pools have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Tax losses

The Company has non-capital losses in Canada, which under certain circumstances may be used to reduce the taxable income of future years. The non-capital losses expire as follows:

Expiry Date	
2028	$ 556,000
2029	612,000
2030	849,000
2031	36,000
2033	2,822,000
2034	1,294,000
2036	523,000
2037	1,235,000
2038	3,957,000
2039	5,867,000
	$ 17,751,000

All other timing differences can be carried forward indefinitely.

22. SUBSEQUENT EVENT

In September 2019, the Company welcomed Mr. Jaime Horvat to its board of directors. Mr. Horvat is a Senior Executive who has a highly successful twenty-year career in asset management with extensive experience within the North American and Global marketplace. Mr. Horvat brings extensive capital markets expertise including financial analysis, capital budgeting, stakeholder engagement, as well as environmental, social and governance acumen.

In October 2019, the Company closed a private placement financing raising gross proceeds of $6,222,954 from the issuance of 7,036,900 common shares of the Company that will qualify as flow-through shares. The shares were issued in tranches, whereby the first tranche included 5,813,900 flow through shares priced at $0.86 per share issued to investors resident outside of the province of Quebec, and the second tranche included 1,223,000 flow-through shares priced at $1.00 issued to investors resident in Quebec.