TROILUS GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 31, 2020 and 2019

Management's Discussion and Analysis

For the three months ended October 31, 2020

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Troilus Gold Corp. ("we", "our", "us", "Troilus", "Troilus Gold" or the "Company") for the three months ended October 31, 2020 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended October 31, 2020, as well as the Company's audited annual consolidated financial statements and MD&A for the year ended July 31, 2020. The financial statements and related notes of Troilus have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain Non-IFRS measures are discussed in this MD&A and are clearly disclosed as such. Additional information, including our press releases, has been filed electronically on SEDAR and is available online under the Company's profile at www.sedar.com and on our website at www.troilusgold.com.

This MD&A reports our activities through December 10, 2020 unless otherwise indicated. References to the 1st quarter of 2021 or Q1-2021, and the 1st quarter of 2020 or Q1-2020 mean the three months ended October 31, 2020 and 2019 respectively. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

Blake Hylands, P.Geo, Vice-President of Exploration for Troilus, is the in-house Qualified Person under National Instrument 43-101 and has reviewed and approved the scientific and technical information in this MD&A. Mr. Hylands is an employee of Troilus and is therefore not considered to be independent under National Instrument 43-101. Mr. Gordon Zurowski, P. Eng Principal Mining Engineer with AGP Mining Consultants ("AGP"), who is an independent Qualified Person as defined under NI 43-101, has reviewed and approved the technical information pertaining to the Preliminary Economic Assessment ("PEA").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to Troilus, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, without limitation, statements with respect to: possible events, the future price of gold, the estimation of mineral reserves and mineral resources, potential upgrades and/or expansion of the mineral resources, the realization of mineral reserve and mineral resource estimates, the results of the PEA, statements regarding the impact and implications of the economic statements related to the PEA, such as future projected production, costs, including without limitation, AISC, total cash costs, cash costs per ounce, capital costs and operating costs, the potential to extend mine life beyond the period contemplated in the PEA, opportunity to expand the scale of the project, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage, the impact of the novel coronavirus (COVID-19) and the considerable uncertainties about the geographic, social and economic impact on the Company of its global spread. The words "anticipates", ''plans'', ''expects'', "indicative", "intend", ''scheduled'', "timeline", ''estimates'', ''forecasts", "guidance", "opportunity", "outlook", "potential", "projected", "schedule", "seek", “strategy”, “study” (including, without limitation, as may be qualified by “feasibility” and “pre-feasibility”), “targets”, “models”, or ‘‘believes’’, or variations of or similar such words and phrases or statements that certain actions, events or results ‘‘may’’, ‘‘could’’, ‘‘would’’, or ‘‘should’’, ‘‘might’’, or ‘‘will be taken’’, ‘‘occur’’ or ‘‘be achieved’’ and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Troilus and its external professional advisors as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ‘‘Risk and Uncertainties’’ section of the Annual Information Form dated October 15, 2020 and the Management Information Circular dated November 8, 2020 (both filed on SEDAR) and this MD&A. These factors are not intended to represent a complete list of the factors that could affect the Company. Economic analyses (including mineral reserve and mineral resource estimates) in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. Troilus disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.

TROILUS GOLD PROPERTY

The Troilus Gold property is located northeast of the Val-d’Or mining district, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. The property consists of 1,988 mineral claims and one surveyed mining lease that collectively cover 107,326 hectares and includes the former Troilus mine.

From 1997 to 2010 Inmet Mining Company ("Inmet") operated the Troilus mine, which produced in excess of 2,000,000 ounces of gold and 70,000 tonnes of copper. Inmet commissioned the Troilus mill in 1996 and achieved commercial production in April 1997 at a rate of 10,000 tonnes per day with recoveries of 86% gold and 90% copper and a concentrate grade of 18% copper, eventually reaching a production milestone of 18,000 tonnes per day. First Quantum Minerals Ltd. (“First Quantum”) acquired the Troilus Gold property through its acquisition of Inmet in 2013.

The Troilus Gold property was acquired in various transactions. The first consisted of the acquisition from First Quantum of 81 mineral claims and one surveyed mining lease that collectively covered approximately 4,700 hectares and included the former Troilus Mine. The second transaction consisted of the acquisition from Emgold Mining Corporation (“Emgold”) of 209 mineral claims that covers approximately 11,300 hectares. The next transaction consisted of the acquisition of 3 mining claims from O3 Mining Inc. (“O3”) that fall within the boundaries of the northern block of the Troilus Gold property and cover approximately 160 hectares. The Company had also acquired 627 claims from O3 representing approximately 33,000 hectares. The Company had acquired 91 claims from Globex Mining Enterprises Inc. (“Globex”) and 21 claims from Canadian Mining House (“CMH”). In addition, the Company had staked 956 claims covering an area of approximately 52,000 hectares.

The Company also has a local office in the city of Chibougamau, Quebec and an information center in the Cree Nation town of Mistissini.

ACCOMPLISHMENTS AND OUTLOOK

The Company has:

- Raised $44.4 million during the year ended July 31, 2020 through two flow-through issuances and a bought deal issuance of units made up of one common share and one-half warrant per unit. Since the start of operations, approximately $90 million has been raised with a strong institutional shareholder base.
- Reported an update to its mineral resource estimate in July 2020 with total estimated indicated mineral resource of 4.96 million ounces AuEq (177 Mt with an average grade of 0.87 g/t AuEq) and total estimated inferred mineral resource of 3.15 million ounces AuEq (116.7 Mt with an average grade of 0.84 g/t AuEq).
- Completed and released in August 2020 the results of a Preliminary Economic Assessment ("PEA"). Please see the Company's Technical Report (NI 43-101) filed on October 14, 2020 on SEDAR.
- In August 2020, the Company became the first mineral exploration company to obtain certification for UL 2723: ECOLOGO Certification Program for Mineral Exploration Companies ("ECOLOGO Certification"), a standard launched by the Quebec Mineral Exploration Association ("QMEA") to recognize and promote environmental, social and economic best practices.
- In August 2020, the Company received environmental approval from the Ministère de l'Environnement et de la Lutte contre les changements climatiques ("MELCC") under Section 115.8 of the Environment Quality Act (Chapter Q02) to proceed with the dewatering of the Z87 and J4 pits.
- Initiated summer exploration field work on the new claims acquired, including rock and soil sampling, trenching and an airborne survey.
- The Company resumed drilling in September 2020 with a 20,000 metre drill program expected to be completed by the end of the first quarter of calendar 2021.
- Reported the discoveries of the Beyan Gold Zone, Goldfields Boulders Zone and Testard Zone (see page 6).
- Was the recipient of the "Excellence in Sustainable Development" award presented annually by the Quebec Mineral Exploration Association (AEMQ) to a company that has exhibited high standards in sustainable development during the year.

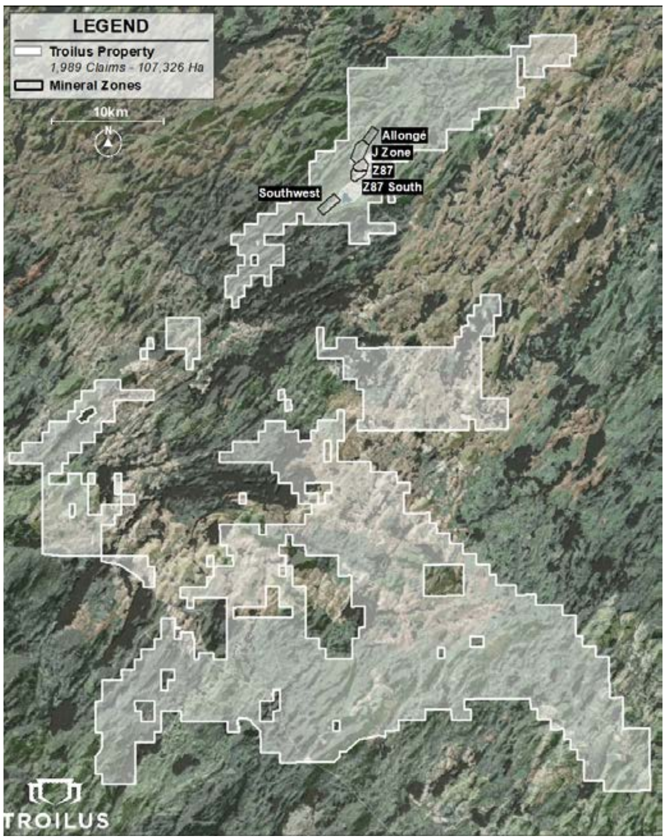
Subsequent to the end of the quarter, the Company:

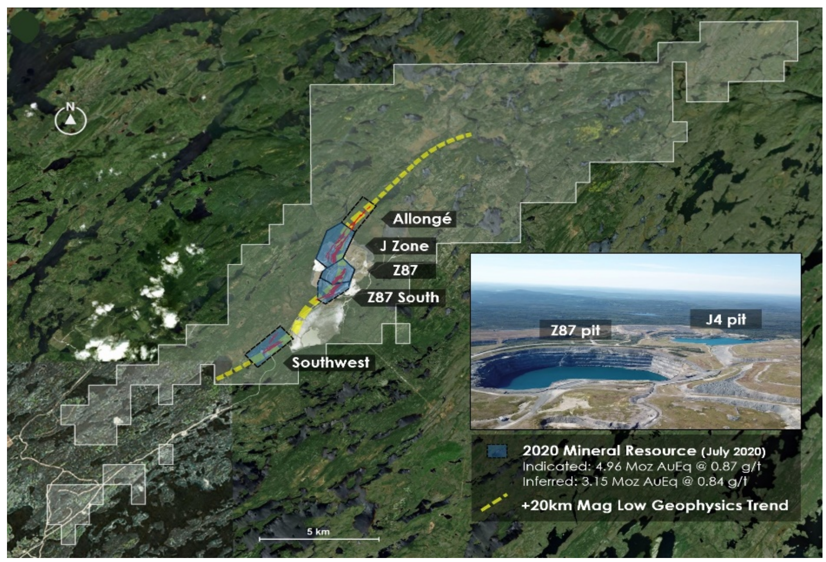
- Repurchased, in November 2020, a sliding NSR from First Quantum for cash consideration of $20 million.
- Raised $22.1 million in gross proceeds through a bought-deal public offering of flow-through shares and a bought-deal private placement of common shares, which closed on December 1, 2020.
- The Company continues working on a Pre-Feasibility Study, expected to be completed by the end of calendar 2021.

In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", as a global pandemic, and governments around the world have legislated measures to combat its spread. The Quebec and Ontario provincial governments had both declared the closure of non-essential services in March 2020, resulting in the Company minimizing non-essential activities at site, and its temporary closure of the Toronto head office, the Chibougamau site office and the Mistissini information office. The Company's focus has been on the health and safety of its employees and contractors, and the communities surrounding its operations.

As both provinces began re-opening in stages, site activities slowly resumed in June and July with limited staff on site, progressing to higher levels with the increase in stages, with various physical distancing measures in place. The Company has been closely monitoring the ongoing impact of Covid-19 and has policies and procedures in place to mitigate the risk of exposure to and spread of the virus.

EXPLORATION ACTIVITIES





<u>Drilling programs</u>
The 2019 36,000 metre drill program was completed in July 2019. The program took into consideration the additional 209 mineral claims from Emgold, and was carried out in two phases, designed to derisk and expand upon the already significant mineral resource defined by the Company in November 2018. The program aimed to continue expanding the potential pit-constrained mineral resources near-surface, and also confirm and expand down dip and strike extensions of historic mineralization below the former producing Troilus mine.

Results from Z87 South clearly demonstrate a mineral continuity that extends south beyond the limit of Z87. The 2019 drill targets in Z87 South successfully broadened mineralization over 600 metres along strike and over 350 metres down dip, and management believes there remains excellent potential for further growth based on favourable geology, geophysics and lack of drill density. The discovery of this mineralized extension is a result of the Company's new understanding of the structural influence on mineralization across the deposit and the regional trend. Based on measurements taken on outcrops and in the mined pit-constrained walls, the Company directed drilling further to the west with the intention of targeting a mineralized zone that it suspected historic drilling may have missed.

Results from the J Zone have significantly extended the boundaries of known mineralization to the north east and south west in the J4 Zone, well beyond the formerly mined J4 pit. Shallower intercepts from certain holes are believed to be mineral extensions from the neighbouring J5 mineral zone, suggesting the J4 and J5 zones may prove to be one and the same. Results also demonstrate a near surface continuity extending the mineralization up to 1.2 km to the south west beyond the limit of the former J5 pit. The discovery of this mineralized extension is a result of the Company's new understanding of the structural influence on mineralization across the deposit and the regional trend. The Company began to outline future drill targets to further improve resolution and continue defining the mineral boundaries along the Troilus trend.

In addition to the 36,000 metre drill program completed in July 2019, the exploration team completed a small drill program of approximately 2,500 metres in the Southwest Zone in November and December 2019. All seven drill holes successfully intersected gold including high-grade intersections and demonstrated geology similar to that of Z87. This zone is located just 3.5 km to the southwest of the Z87 pit and is readily accessible from the existing mine road. In January and February 2020, the Company completed a more focused drill program of approximately 6,000 metres in this area with the objective of covering a larger area and confirming that the mineralization being observed is homogeneous throughout. The results from the February 2020 program, coupled with the December 2019 program continue to demonstrate geology similar to the main mineralized zone at Z87 and support management's belief that the Troilus property is part of a huge, regional scale system and remains materially underexplored.

The Company released an updated mineral resource estimate in July 2020, which was effective July 20, 2020. Total estimated indicated mineral resource increased to 4.96 million ounces AuEq (177 Mt with an average grade of 0.87 g/t AuEq) and total estimated inferred mineral resource increased to 3.15 million ounces AuEq (116.7 Mt with an average grade of 0.84 g/t AuEq). Pit-constrained estimated mineral resources in the indicated mineral resource category increased by 601,000 ounces AuEq from the previous estimate released on November 12, 2019. The newly discovered and recently drilled Southwest Zone contributed 583,000 ounces AuEq to inferred mineral resources. See Current Mineral Resource Estimate.

The Company commenced a 20,000 metre drill program in September 2020 with the objective being to upgrade current mineral resource estimates and continue the expansion and exploration of mineralization across the Troilus property, following the discovery of the Southwest zone earlier this year.

Regional exploration program

The Company completed a regional exploration program during the summer of 2020, focusing on identifying high priority targets within the new land package acquired and staked during the year. An airborne survey covering 23,000 km was also completed. Initial results have outlined several new zones of mineralization, the Beyan Gold Zone (“Beyan”) located 8 km southwest of the Southwest Zone, the Goldfield Boulder Zone (“Goldfield”) located approximately 28 km southwest of the Beyan zone and the Testard Zone located approximately 10 km south of the main mineral resource areas (Zones Z87, Z87 South, J Zone and Southwest).

Grab samples returned up to 9.7 g/t gold and 32.5 g/t silver from outcrop from Beyan. The Beyan gold zone is part of a larger field gold-bearing block area identified by the Company’s geological team, characterized by several boulders that contain gold and silver values up to 2 g/t Au and 4.9 g/t AG. Some of these blocks are large (1-2 metres in length), sub-rounded and sub-angular indicating a possible nearby source northeast of the new discovery.

The Goldfield Boulders zone is accessible from the Route du Nord highway, and marks the furthest afield exploration conducted by the Company. Grab samples returned up to 26.2 g/t gold and 27.8 g/t silver in outcrop.

The Company’s geological team identified several mineralized outcrops on the main Testard Block, assaying up to 203 g/t gold and 2,440 g/t silver. The Testard showing is characterized by quartz veining in a distinct brittle shear zone, cross cutting a large, spatially undefined tonalite, over a distance of 30 metres. The Testard area is almost entirely till covered with limited outcrop exposure, however local stripping has traced similar Testard mineralizaton in outcrop up to 400 metres from the main showing. The Company will be prioritizing additional work in the area, including ground geophysics and prospecting.

The geological characteristics of the Testard Zone and host rock are not only the same as the main mineral resource zones, including the Southwest Zone, but also hold many geological similarities to the Beyan and Goldfield zones.

With respect to the Company’s flow-through financing in February 2020, the Company has met its exploration expenditure commitment. Management anticipates exploration and PFS expenditures of approximately $20,000,000 to July 31, 2021. This number is subject to revision, up or down, depending in part on how the Covid-19 outbreak evolves through the balance of 2020 and into 2021.

Current Mineral Resource Estimates

PIT-CONSTRAINED AND UNDERGROUND MINERAL RESOURCE ESTIMATE
Troilus Gold Corp. - Troilus project
effective as of July 20, 2020

Classification	Tonnage (MT)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Copper (Mlb)	Contained Silver (Moz)
Total Pit-constrained and Underground									
Indicated	177.30	0.87	0.75	0.08	1.17	4.96	4.30	322.60	6.66
Inferred	116.70	0.84	0.73	0.07	1.04	3.15	2.76	189.72	3.91
Total Pit-constrained									
Indicated	164.20	0.80	0.68	0.08	1.20	4.21	3.62	284.69	6.32
Inferred	101.20	0.70	0.60	0.07	1.12	2.27	1.95	151.01	3.65
Total Pit-constrained Z87 Zone									
Indicated	84.60	0.92	0.79	0.09	1.39	2.50	2.15	169.54	3.77
Inferred	32.70	0.70	0.60	0.07	1.50	0.73	0.63	49.34	1.57
Total Pit-constrained J Zone (J4 & J5)									
Indicated	79.60	0.67	0.57	0.07	1.00	1.71	1.47	115.16	2.55
Inferred	45.90	0.65	0.55	0.07	0.96	0.96	0.82	65.94	1.42
Total Pit-constrained Southwest Zone									
Inferred	22.60	0.80	0.70	0.07	0.89	0.58	0.51	35.73	0.65
Total Underground									
Indicated	13.10	1.79	1.61	0.13	0.81	0.75	0.68	37.91	0.34
Inferred	15.50	1.77	1.62	0.11	0.52	0.88	0.81	38.72	0.26
Total Underground Z87 Zone									
Indicated	13.10	1.79	1.61	0.13	0.81	0.75	0.68	37.90	0.34
Inferred	13.50	1.85	1.70	0.12	0.37	0.80	0.74	34.48	0.16
Total Underground J Zone (J4 & J5)									
Indicated	0.01	1.07	1.03	0.03	0.47	0.00	0.00	0.00	0.00
Inferred	2.00	1.21	1.06	0.10	1.55	0.08	0.07	4.24	0.10

Notes:

- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Summation errors may occur due to rounding.
- Open pit mineral resources are reported within optimized constraining shells.
- Open pit cut-off grade is 0.3 gpt AuEQ where the metal equivalents were calculated as follows:
  Z87 Zone AuEq = Au grade + 1.2566 * Cu grade + 0.0103 * Ag grade
  J4/J5 Zone AuEq = Au grade + 1.2979 * Cu grade + 0.0108 * Ag grade
  SW Zone AuEq = Au grade + 1.2768 * Cu grade + 0.0106 * Ag grade
- Metal prices for the AuEQ formulas are: $US 1,600/ oz Au; $3.25/lb Cu, and $20.00/ oz Ag; with an exchange rate of US$1.00: CAD$1.30.
- Metal recoveries for the AuEQ formulas are:
  Z87 Zone 83% for Au recovery, 92% for Cu recovery and 76% for Ag recovery
  J4J5 Zone 82% for Au recovery, 88% for Cu recovery and 76% for Ag recovery
  Z87 Zone 82.5% for Au recovery, 90% for Cu recovery and 76% for Ag recovery
- The resource constraining shells were generated with:
  Metal Prices: Gold $US 1600/oz, Copper $US 3.25/lb, Silver $US 20/oz
  Mining Costs:
  - J Zone and 87 Zone base cost $Cdn 1.71/t moved,
  - SW Zone base cost $Cdn 1.66/t moved
  - Incremental cost $Cdn 0.03/t waste moved, $Cdn 0.02/t feed moved

  Process and G&A Costs: $Cdn 8.44/t processed
  Wall slopes: varied between 49.5 to 60 degrees depending on pit area and slope sector
  Metal Recoveries:
  - Gold: 90% all zones except in lower grade (Au < 1.2 g/t) portions of SW zone = 88%
  - Copper: 90% all zones except in higher grade (Cu > 0.13%) portions of SW zone = 92%
  - Silver: all zones 40%
- Underground cut-off grade is 0.9 AuEQ at Z87 Zone below constraining pit
  Capping of grades varied between 2.00 g/t Au and 26.00 g/t Au; between 1.00 g/t Ag and 20.00 g/t Ag; and 1.00 %Cu; all on raw assay values depending on mineralized domain.
- The density varies between 2.72 g/cm^3 and 2.91 g/cm^3 depending on mineralized zone.

The updated mineral resource estimate was completed in accordance with the Canadian Institute of Mining Metallurgy and Petroleum "CIM" (2014) Definition Standards incorporated by reference in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") by AGP Mining Consultants ("AGP") and has been reviewed internally by the Company.

Preliminary Economic Assessment ("PEA")

On August 31, 2020, the Company announced results of a PEA completed on its Troilus project on SEDAR (see August 31, 2020 press release entitled "Troilus' Preliminary Economic Assessment Delivers an After-tax NPV5% of US$1,156 Million with a 38.3% IRR at a Spot Price of US$1950/oz Gold and an NPV5% of US$576 Million and 22.9% IRR at Base Case US$1475/oz Gold"). A technical report supporting the PEA was filed on SEDAR on October 14, 2020. The PEA supports a combined open pit and underground mining scenario with low initial capital costs and high rate of return for a 35,000 tonne per day ("tpd") operation over a 22-year mine life, not including 12 months of pre-production stripping. This PEA is based on the estimated mineral resources reported above, which were effective July 20, 2020. The PEA was prepared in accordance with NI 43-101 of the Canadian Securities Administrators under the direction and supervision of Gordon Zurowski, P. Eng Principal Mining Engineer with AGP.

The PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

At a Base Case US$1,475 per ounce gold price and a US$:C$ exchange of $0.74, the project generates an after-tax Net Present Value (NPV) of US$576M, at a 5% discount rate and an Internal Rate of Return ("IRR") of 22.9%. Payback on initial capital is 4 years. Before taxes, NPV at a 5% discount rate is US$971M, IRR is 29.6% and payback is 3.7 years.

Summary of Troilus Gold Economic Results by Gold Price (US$)

	Spot Price	Consensus	Base Case	Low Case
Gold Price (per oz)	$1,950	$1,750	$1,475	$1,350
Pre-Tax NPV (5%)	$1,951 million	$1,538 million	$971 million	$713 million
Pre-Tax IRR	50.1%	41.8%	29.6%	23.7%
Post-Tax NPV (5%)	$1,156 million	$915 million	$576 million	$419 million
Post-Tax IRR (%)	38.3%	32.2%	22.9%	18.2%

The project generates cumulative cash flow of US$1.27 billion on a post-tax basis and US$2.04 billion pre-tax, at a Base Case of US$1,475 per ounce gold price based on a throughput of 35,000 tpd over 22 years. The PEA assumes an open pit operation for the first fourteen years with the underground operation commencing production in year 8.

The PEA capital and operating cost estimates for the project are summarized below. The Initial CAPEX (net of existing infrastructure) is US$333 million and Sustaining CAPEX over the life of the mine is an additional US$506 million. The underground mine will require US$240 million of underground development CAPEX in years 6 to 8 and US$175 million in sustaining capital to maintain the underground operation. The underground will start development with first mill feed projected to come online in Year 8. All in Sustaining Cost ("AISC") is US$1,051 per ounce Au.

Initial Capital	
Open Pit Mining	$78 Million
Process	$172 Million
Infrastructure	$36 Million
Owners Cost	$11 Million
Contingency	$36 Million
Total – Initial Capital	$333 Million*

Sustaining Capital	
Open Pit Mining	$5 Million
Underground Development CAPEX	$240 Million
Underground Sustaining CAPEX *(Life of underground)*	$175 Million
Process	$22 Million
Infrastructure	$19 Million
Environmental	$19 Million
Contingency	$26 Million
Total – Sustaining Capital	$506 Million

* net of existing infrastructure (access road, power line, substation, tailings facility, water treatment plant, roads)

Average Life-of-Mine Operating Cost	
Mining - Open Pit	$9.35/tonne milled
Mining - Underground	$14.36/tonne milled
Processing	$4.99/tonne milled
G&A	$1.42/tonne milled
Concentrate Transport	$0.23/tonne milled
Total Operating Cost	$17.10/tonne milled
Cash Operating Cost**	$919/oz Au
All in Sustaining Cost **	$1,051/oz Au

** see Non-IFRS Financial Measures

Projected gold production averages 220,000 oz per year over the first 5 years, 246,000 oz per year for the first 14 years and 98,000 from year 15 onwards. Projected payable Gold is 3.8 million ounces, payable Copper 265 million lbs and payable Silver 1.5 million ounces over the 22-year mine life. The PEA delivers 192.5 million tonnes with average head grades of 0.71 gpt gold, 0.08% copper and 0.97 gpt silver. The process plant is expected to have three months of commissioning in the first year of production.

The project will mine three areas: 87 Zone, J Zone and the new Southwest (SW) Zone. The 87 Zone will have a single-phase open pit followed by underground mining. The J Zone has been designed with 3 phases of open pit only for this study. The SW Zone design is comprised of 2 open pit phases. Mining commences in the 87 Zone pit and SW Zone pit areas in the pre-production period. The J Zone pit area starts production in Year 2. The 87 Zone pit will be complete in Year 6 and the underground mine will continue beneath the open pit from that point onwards. The SW Zone pit will be finished in Year 12. The J Zone pit will finish in Year 14. Underground mining finishes in Year 22. Waste from the open pits will be backfilled in the 87 Zone pit once open pit mining is complete. This provides fill for the underground and short waste haulage for the J Zone pit phases, reducing the overall size of the waste storage facilities.

The average strip ratio for the open pit life of the mine is estimated at 3.9:1. Material movement averages 71 million tonnes (feed and waste) in the first 5 years with the peak at 74 million tonnes in Year 1. The open pit will provide 150.1 million tonnes of feed to the process plant for the first 14 years of the project. Open pit bench heights of 10 metres will be mined and ore hauled with 181-tonne haul trucks and matching loading equipment including electric hydraulic shovels. The open pit mining fleet will be leased. Best practice grade control drilling will be done with reverse circulation drilling and rock sampling on mine benches prior to blasting. This provides the greatest flexibility for grade control during operations while maintaining reasonable mine operating costs and production capability.

Underground mine development will commence in Year 6 and first mill feed to the plant from underground occurs in Year 8. The underground mine will be located beneath the 87 Zone pit and utilize sub-level caving along the edges of the open pit and slot and mass blast in the lower levels. The portal is located adjacent to the primary crusher. Mill feed material and waste will be brought to the surface initially with trucks but will transition to the RailVeyor system for the life of the mine. The underground mine will ramp up production from its initial levels to 9,000 tpd by Year 9 and maintain that rate until the end of the mine life.

During the mining operation a stockpile will be maintained adjacent to the primary crushing plant to be used as supplemental feed as required to meet production targets, weather events and as mill feed in the later years of the operation. Waste rock will be hauled to dedicated waste management facilities near the open pits, backfilled into the 87 Zone pit and also used for lifts of the tailings management facility. Concurrent reclamation of the waste management facilities is planned.

The process plant consists of primary crushing, SAG and ball milling with gravity gold concentration, copper flotation, concentrate filtration and tailings thickening and disposal. Copper concentrate, enriched with gold, will then be sent to a smelter for refining. Gold recovery is estimated to be 90%, with 30% produced onsite as gravity concentrate and the balance contained in the final copper concentrate. Copper recovery is expected to be 90%.

The existing tailings management facility has the capacity to accommodate the life of mine production as described in this PEA. As part of the design it is proposed to develop the tailings dam into a centreline constructed containment from the existing upstream designed containment. The building of this containment wall will utilise waste rock from the mine operations.

Environment and Stakeholder Engagement

The Company is committed to creating value for our shareholders while operating in a safe, socially and environmentally responsible manner, contributing to the prosperity of our employees and our local communities while respecting human rights, cultures, customs and values of those impacted by our activities. In 2020, the Company adopted a Sustainability Policy which defines its commitment to People, Environment, Health & Safety and Communities.

In November 2019, the Company submitted an environmental impact study to MELCC (Ministère de l'Environnement et de la Lutte contre les Changements Climatiques du Québec) for the dewatering of the J4 and 87 pits at the Troilus property. The Company engaged in community consultations with impacted families on the Troilus property and the local communities of Mistissini and Chibougamau to keep them informed of the dewatering proposal and integrate the feedback of stakeholders. In August 2020, the Company received a Certificate of Authorization from MELCC to proceed with dewatering. Dewatering the pits is expected to take 1 to 2 years and will allow the Company to access drilling targets that are currently underwater to continue exploration of the property. Infrastructure to support the dewatering, such as a water treatment and pumping facility, have been installed at site. Dewatering is expected to commence after the spring thaw in 2021.

In July 2018, Troilus signed a Pre-Development Agreement (PDA) with the Cree Nation of Mistissini, the Grand Council of the Crees (Eeyou Istchee) and the Cree Nation. The PDA establishes the framework for the on-going and mutually beneficial relationship regarding business and employment opportunities for the Cree and facilitates continued support for exploration activities and preparation of the EIA baseline studies. The PDA is a precursor to the Impacts and Benefits Agreement (IBA) which will be finalized upon completion of the Pre-Feasibility Study.

Troilus engages in regular communication with the Cree Nation of the Eeyou-Istchee James Bay Region, and in particular the Cree Nation of Mistissini, the First Nations community whose traditional land use and economic activities may be most directly impacted by the company's development. Troilus maintains a community liaison office in Mistissini and employs a fulltime Cree community liaison officer, communicates regularly with impacted families, the Chief and Council in Mistissini and other community organizations such as the Cree Mineral Board, the Cree Trappers Association and the Board of Education to keep the community apprised of developments.

Troilus provides support to community building events and activities in Mistissini, Chibougamau and Chapais which have included over the past year sponsorship of hockey tournaments, fishing derbies, curling bonspiels, art exhibitions and the annual United Way golf tournament.

In August 2020, the Company became the first mineral exploration company to obtain the UL 2723: ECOLOGO Certification Program for Mineral Exploration Companies. The Quebec Mineral Exploration Association launched the standard in November 2019 to recognize and promote environmental, social and economic best practices: the first certification of its kind for mineral exploration companies which enables companies to communicate their commitment to the environment, human health, well-being of the community, and fair economic practices to both investors and stakeholders. The standard is administered by Underwriters Laboratories, an independent, safety testing, certification and inspection organization accredited by the Standards Council of Canada, with a trusted name in third-party testing and certification for more than 125 years.

In October 2020, the Company was the recipient of the "Excellence in Sustainable Development" award presented annually by the Quebec Mineral Exploration Association (AEMQ) to a company that has exhibited high standards in sustainable development during the year.

Exploration and evaluation expenses on the Troilus project:

	Three months ended October 31, 2020	2019
	Q1-2021	*Q1-2020*
Exploration and evaluation expenses:		
Drilling, assaying and geology	$ 2,316,973	$ 781,636
Salaries, payroll costs and consultants	1,334,220	1,238,966
Site and camp costs	301,987	111,685
Support and other costs	119,462	141,979
Studies	630,041	384,450
Government and community relations	50,065	17,719
Travel	59,834	54,948
Depreciation	196,564	131,744
Tax credits	(1,158,000)	(513,000)
	$ 3,851,146	$ 2,350,127

Exploration and evaluation expenses for the quarter ended October 31, 2020 are detailed in the table above. During Q1-2021, the Company completed its 2020 regional field exploration program on the newly acquired claims, including an airborne survey, geophysics and soil sampling. The Company also commenced its 20,000 metre drilling program. During the quarter ended October 31, 2019, the Company completed its 2019 regional exploration program.

Salaries, payroll costs and consultants increased by 8% for Q1-2021 compared to Q1-2020 as a result of the increased activity from a larger regional exploration program.

Site and camp costs increased by $190,302 during Q1-2021 compared to the Q1-2020. This increase is mainly a result of a reduction in camp rentals. The Company periodically rents available space in its camp to other companies in the region and applies that income against site and camp costs, reducing these costs. During Q1-2021, there was very little camp rental activity, whereas there were significantly more camp rentals which offset expenditures during Q1-2020.

Support and other costs decreased by 16%, mostly as a result of lower fuel costs during Q1-2021 compared to Q1-2020.

Costs for studies were 64% higher during Q1-2021 compared to Q1-2020. The Company completed the PEA and the applicable technical report, which was released during the quarter. As well, the Company engaged in work to refine drilling targets, and commenced work on components of the PFS.

Government and community relations increased by $32,346 during the current quarter, as the Company initiated preliminary work on the Impact and Benefits Agreement ("IBA").

Depreciation costs related to exploration and evaluation activity increased during Q1-2021 compared to Q1-2020 as a result of a gradual increase in the asset base over the previous year.

Accruals for tax credit receivable are recorded against the exploration expenses they relate to. During Q1-2021, the Company recorded an accrual of $1,158,000 as a tax credit receivable compared to $513,000 during Q1-2020.

RESULTS OF OPERATIONS

	Three months ended October 31, 2020	
	2020	2019
	Q1-2021	*Q1-2020*
Expenses		
Exploration and evaluation expenses	$ 3,851,146	$ 2,350,127
Reclamation estimate	(156,339)	27,339
General and administrative expenses	1,409,683	1,139,933
Share-based payments	1,319,587	-
Total expenses before other items	6,424,077	3,517,399
Other (income)/expenses		
Interest income	(35,640)	(27,962)
Interest on lease liabilities	47,327	54,781
Flow-through share premium	(244,435)	(182,600)
Accretion of reclamation provision	12,114	14,506
Other (gains) and losses	4,899	25,176
Net loss and comprehensive loss for the period	$ 6,208,342	$ 3,401,300

The Company recorded a net loss of $6,208,342 for Q1-2021 (Q1-2020: $3,401,300).

Exploration and evaluation expenses increased by 64% and are detailed in the Exploration Activities section of this report above.

The Company's reclamation provision is recognized from previous activity at the Troilus mine based on an estimate of anticipated future costs for reclamation. As costs are incurred, they are applied against the reclamation liability. The liability is updated regularly for changes in estimate and changes in discount and inflation rates. As a result, a credit of $156,339 was recorded as reclamation estimate to the statement of operations for Q1-2021 (Q1-2020: a charge of $27,339). The discounting is accreted over time and $12,114 has been recorded as accretion to the statement of operations for Q1-2021 (Q1-2020: $14,506).

General and administrative expenses are detailed below:

	Three months ended October 31, 2020 *Q1-2021*	2019 *Q1-2020*
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 830,101	$ 567,061
Professional costs	147,927	75,421
Shareholder communications	249,659	328,925
Office and general	69,299	101,511
Travel	60,829	17,346
Depreciation	51,868	49,669
	$ 1,409,683	$ 1,139,933

- Salaries, payroll costs and consultants increased by 46% for Q1-2021 compared to Q1-2020 as a result of one-time costs associated with severances and changes in contract provisions.

- Professional costs increased by 96% for Q1-2021 compared to Q1-2020 as a result of legal costs associated with the buyout of the First Quantum royalty.

- Shareholder communications includes regulatory costs, as well as investor relations programs, conferences, marketing, and the travel related to these efforts. These costs decreased for Q1-2021 compared to Q1-2020 by 24%. Regulatory costs were slightly higher this quarter however, marketing costs and travel were markedly lower as a result of the use of virtual platforms and other marketing tools to engage shareholders, instead of in-person conferences and events which occurred during the comparative quarter.

- Office and general costs decreased by 32% during Q1-2021 compared to Q1-2020 as a result of reduced office and IT supplies, predominantly due to Covid-19 during which employees have worked from home.

- Corporate travel costs increased by $43,483 during Q1-2021 compared to Q1-2020 as a result of the requirement to reserve charter flights to site during Covid-19 restrictions since commercial flights to Chibougamau have been severely restricted.

- Depreciation expense charged to general and administrative expenses relates to the depreciation of the Company's head office lease in accordance with IFRS 16 for right of use assets, as well as depreciation of office furniture and leasehold improvements.

Share-based payments expense for Q1-2021 was $1,319,587, representing RSU grants, compared to $nil for Q1-2020. The value recorded represents an accrual for unvested RSU's on a front-loaded basis, based on the fair market value on the date of grant. During Q1-2021, 7,815,000 RSU's were granted none of which vested during the period. During Q1-2020, no RSU's were granted.

The Company earned interest income of $35,640 during Q1-2021 compared to $27,962 during Q1-2020. The Company has invested excess cash in highly liquid GIC's resulting in this interest income. Interest income is higher during Q1-2021 as a result of higher average cash balances during this period compared to Q1-2020.

Interest expense on leases for Q1-2021 was $47,327 compared to $54,781 for Q1-2020.

As a result of the Company's flow-through financings, the Company records a flow-through liability on the statement of financial position representing the premium on the share issuances. As the Company incurs eligible expenditures against this liability, the Company reduces the liability and records this as a flow-through share premium recovery on the statement of operations. During Q1-2021, the Company recorded a flow-through share premium recovery of $244,435 (Q1-2020: $182,600).

Other gains and losses recorded for Q1-2021 include $24,831 related to the fee charged by the insurer of the reclamation bond (Q1-2020: $24,831). This also includes a gain on disposal of assets of $14,252 resulting from the accounting entries of trading in leased vehicles and other miscellaneous charges or credits for both periods.

SUMMARY OF QUARTERLY RESULTS

	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020
	Q1-2021	Q4-2020	Q3-2020	Q2-2020
Interest income	$ 35,640	$ 39,930	$ 30,602	$ 26,074
Net loss and comprehensive loss	(6,208,342)	(3,652,901)	(5,165,372)	(6,193,806)
Basic and diluted net loss per share	($0.05)	($0.04)	($0.06)	($0.09)
Total assets	34,771,052	39,979,833	19,917,230	11,996,161
Non-current financial liabilities	708,435	587,782	652,372	716,031

	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
	Q1-2020	Q4-2019	Q3-2019	Q2-2019
Interest income	$ 27,962	$ 52,000	$ 40,991	$ 60,685
Net loss and comprehensive loss	(3,401,300)	(5,262,781)	(4,572,903)	(6,140,800)
Basic and diluted net loss per share	($0.05)	($0.10)	($0.09)	($0.12)
Total assets	17,731,058	13,127,071	12,793,315	17,889,504
Non-current financial liabilities	781,773	15,060	91,560	228,905

Total assets continued to decrease during 2019 due to cash expenditures on exploration properties as the Company does not capitalize these costs. The Company completed a bought-deal financing during Q4-2019, and a private placement flow-through financing during Q1-2020 resulting in an increase to total assets during both periods. As well, the impact of IFRS 16 during Q1-2020 is also reflected in the increase in total assets. During Q2-2020, the decrease in total assets is a function of cash expenditures on the property. The Company completed a flow-through financing during Q3-2020 resulting in an increase in total assets. During Q4-2020, the Company completed a bought-deal financing thereby increasing total assets. Expenditures on the property during Q1-2021 resulted in a decrease of total assets. Non-current financial liabilities for all periods above represent the long-term portion of lease liabilities. These balances decrease as payments are made and increase upon entering into new lease contracts. The increase in Q1-2020 is in large part due to the impact of IFRS 16. During Q1-2021, the Company traded in leased vehicles under new leases resulting in an increase to non-current financial liabilities for that period.

During Q2-2019, costs included $2,500,000 from the acquisition of the Troilus North property from Emgold. Costs in Q3- and Q4-2019 include the 2019 drill program costs. Net loss decreased in Q1-2020 with no drilling, however increased in Q2- and Q3-2020 with the two drilling campaigns in the Southwest Zone. Net loss Q3-2020 includes property acquisition costs of approximately $1,400,000 and net loss in Q4-2020 includes approximately $661,000 in property acquisition costs. Costs increased in Q1-2021 with increased activity due to the regional exploration program on the Company's newly acquired properties, as well as the start of a drilling campaign.

LIQUIDITY AND CAPITAL RESOURCES

Given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company currently has a negative operating cash flow and finances its mineral exploration through equity financings. The Company's financial success will be dependent on the economic viability of its mineral exploration and development properties and the extent to which it can establish economic mineral reserves and operations.

The Company had working capital (see Non-IFRS Measures) of $24,454,581 as at October 31, 2020 (July 31, 2020: $29,565,805) including cash and cash equivalents of $22,466,817 (July 31, 2020: $29,883,416).

The Company made an investment in a private company, Kenorland Minerals Inc. ("Kenorland"), during the year ended July 31, 2020. The Company has classified this investment as short term as at October 31, 2020.

The Company's existing leases include office leases, vehicle leases and leases for certain infrastructure, with terms between 1 month and 3.6 years. Total lease liabilities as at October 31, 2020 are $1,132,271, where $423,836 is current and $708,435 is long-term (July 31, 2020: total lease liabilities of $1,089,254, $501,472 current and $587,782 long-term). The Company entered into vehicle lease agreements for a value of $324,000 during the three months ended October 31, 2020 (three months ended October 31, 2019: $338,620 in equipment leases).

The Company's lease commitments include:

		Payments due by period			
Liability	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Lease liabilities	$ 1,132,271	$ 423,836	$ 589,436	$ 118,999	$ -

The Company has reclamation and water treatment obligations at the Troilus Gold property from historical mining activities. The Company has recorded a total obligation of $3,679,540 as at October 31, 2020, of which $133,765 has been recognized as current (July 31, 2020: $3,876,356, $147,674 being current). This estimate assumes that future mining operations will not resume and as management continues its exploration program and works towards a future mining scenario, the reclamation provision will be adjusted accordingly.

During 2019, the Company withdrew its security deposit with the Government of Quebec in exchange for an underwritten bond from an insurance company. To purchase this insurance, the Company paid a deposit of $1,589,190 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.

During Q1-2021, the Company commenced the process of entering into a bonding facility with a new insurance company pursuant to which the Company would further reduce its cash deposit to 20% of the reclamation deposit, or $794,595, incurring the same annual fee. The Company deposited $794,595 into a Guaranteed Investment Certificate ("GIC") secured by a Letter of Credit and upon acceptance by the government of Quebec, the Company anticipated receiving the existing deposit of $1,589,190. This GIC is classified as restricted cash as at October 31, 2020.

CASH FLOWS

Cash used in operating activities during the three months ended October 31, 2020 was $6,178,227 compared to $3,303,802 for the three months ended October 31, 2019. The Company used $5,093,643, the majority of which was spent on exploration and evaluation expenses and administrative expenses as described earlier in this report during the three months ended October 31, 2020 (three months ended October 31, 2019: $3,411,490). Non-cash working capital used $1,084,584 during the three months ended October 31, 2020 (three months ended October 31, 2019: provided $107,688). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

Cash used by financing activities during the three months ended October 31, 2020 was $223,645 compared to providing $5,729,996 during the three months ended October 31, 2019. The Company paid $223,645 in lease payments during the three months ended October 31, 2020 (three months ended October 31, 2019: $287,407). During the comparative quarter, the Company raised $6,222,954 from a flow-through financing, with issue costs of $205,581.

Cash used by investing activities during the three months ended October 31, 2020 was $1,014,727 (three months ended October 31, 2019: $452,036). The Company spent $133,298 on property and equipment during the current quarter (October 31, 2019: $452,036). The Company invested $86,834 in a public company as a strategic investment during Q1-2021. And the Company paid $794,595 to secure a Letter of Credit in relation to its reclamation deposit as described earlier.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 3 of its audited annual consolidated financial statements for the year end July 31, 2020.

NON-IFRS MEASURES

Working Capital

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the gold mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at October 31, 2020 and July 31, 2020.

		October 31, 2020		July 31, 2020
Current assets:				
Cash and cash equivalents	$	22,466,817	$	29,883,416
Restricted cash		794,595		-
Tax credit receivable		3,024,713		1,866,713
Amounts receivable		432,054		438,949
Investments		334,651		-
Prepaid expenses		467,521		455,834
	$	27,520,351	$	32,644,912
Current liabilities:				
Accounts payable and accrued liabilities		2,508,169		2,429,961
Current portion of lease liabilities		423,836		501,472
Current portion of reclamation provision		133,765		147,674
	$	3,065,770	$	3,079,107
Working capital/(deficiency), current assets less current liabilities	$	24,454,581	$	29,565,805

Other

In the discussion relating to the PEA, the Company referred to estimated Cash Operating Costs and All in Sustaining Costs, both Non-IFRS performance measures with no standardized meaning, but common in the gold mining industry. Cash Operating Costs reported in the PEA include mining costs, processing and water treatment costs, general and administrative costs of the mine, off-site costs, refining costs, transportation cost and royalties. This measure excludes non-cash costs including, but not limited to, depreciation. Cash Operating costs per ounce is calculated as the total cash operating costs divided by the payable gold ounces. All in sustaining costs (“AISC”) is reflective of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the PEA includes total cash costs, sustaining capital, capital required to expand operations and closure costs, but excludes corporate general and administrative costs and salvage. AISC per ounce is calculated as AISC divided by gold ounces payable.

CAPITAL RISK MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the exploration and development of 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 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 three months ended October 31, 2020.

COMMITMENT 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 $5,300,000 upon the occurrence of a change of control. As well, as of the date of this report, there are 10,918,327 RSU’s outstanding to directors, officers and employees of the Company that vest in January 2021, January 2022 and August 2023. Upon a change of control, any unvested RSU’s would vest immediately. As a triggering event for a change of control has not taken place, the contingent payments have not been reflected in these audited annual financial statements.

The Company’s lease commitments are outlined above (see Liquidity and Capital Resources).

The Troilus project is subject to a variable Net Smelter Royalty (“NSR”) held by Nomad Royalty Company of 1.0% on 82 of its claims. The 209 claims acquired from Emgold during the previous year are subject to 1% royalties to Emgold that the Company has a right to purchase for $1,000,000. The three claims acquired from O3 during Q2-2020 are subject to royalties of 2% NSR to O3, half of which can be purchased for $1,000,000 and 2% NSR to an individual, half of which can be purchased for $1,000,000. The 627 claims acquired form O3 during Q3-2020 are subject to a 2% NSR to O3 which can be purchased for $1,000,000, and some of these claims are subject to underlying royalties of 1% and 2%. The 91 claims acquired from 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. The 21 claims acquired from 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.

As a result of the Company's flow-through financing in February 2020, the Company was committed to incurring qualifying resource expenditures. The Company has filed its renunciation forms in December 2020 with a renunciation date of November 30, 2020. As at October 31, 2020, the Company has met its exploration expenditure commitment with respect to this financing.

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.

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

During the three months ended October 31, 2020, the Company paid $25,654 to a private company from which it rents its office space in Chibougamau. The Company's VP of Operations, Mr. Daniel Bergeron, owns 50% of this private company.

Approximately $51,000 is payable to directors and officers of the Company at October 31, 2020 related to out-of-pocket expenses and other compensation (July 31, 2020: $14,000) and included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

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, 2020	Three months ended October 31, 2019
Management salaries and fees	$ 829,696	$ 467,224
Directors fees	92,500	35,598
Share-based payments	1,188,826	-
	$ 2,111,022	$ 502,822

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.

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 October 31, 2020								
Cash and cash equivalents	$	4,366,994	$	18,099,823	$	-	$	22,466,817
Restricted cash		794,595		-		-		794,595
Investments		-		334,651		-		334,651
Reclamation deposit		1,639,190		-		-		1,639,190
Accounts payable and accrued liabilities		-		-		2,508,169		2,508,169
Lease liabilities		-		-		1,132,271		1,132,271

The carrying value of cash and cash equivalents, restricted cash and 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 observable and unobservable inputs. The carrying value of reclamation deposit approximates fair value as it is represented by a cash deposit. Management believes the carrying value of lease liabilities approximates fair value.

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, 2020:

	Level 1	Level 2	Level 3	TOTAL
As at October 31, 2020				
Cash equivalents	$ 18,099,823	-	$ -	$18,099,823
Investments	84,651	-	250,000	334,651

The investment in Level 3 represents the investment in Kenorland, a privately held company, that is not quoted on an exchange. This investment was acquired during the year ended July 31, 2020. The key assumption used in the valuation of this investment is the value at which a recent financing was completed by the investee. Kenorland is currently the subject of a proposed Reverse Takeover ("RTO") however as this transaction has not been completed, the Company continues to value the investment in this manner.

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. As at October 31, 2020, a 10% change in the fair value of Kenorland would result in a corresponding $25,000 change in income.

There were no transfers among Levels 1, 2 and 3 during the three months ended October 31, 2020.

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, 2020.

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 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 October 31, 2020, the Company had current assets of $27,520,351 (July 31, 2020: $32,644,912) to settle current liabilities of $3,065,770 (July 31, 2020: $3,079,107). Approximately $1,985,000 of the Company's financial liabilities as at October 31, 2020 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	$ 2,508,169	$ 2,508,169	$ -	$ -	$ -
Lease liabilities	1,132,271	423,836	589,436	118,999	-
Reclamation provision	3,679,540	133,765	335,577	421,077	2,789,121

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 October 31, 2020, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $22,000.

OUTSTANDING SHARE DATA

Number of:	As at October 31, 2020	As at December 10, 2020
Common Shares	114,939,339	130,329,839
Options	250,000	250,000
RSU's	10,918,327	10,918,327
Warrants	26,105,000	12,075,000

SUBSEQUENT EVENT

In November 2020, the Company repurchased a sliding NSR held by First Quantum through a cash payment of $20,000,000.

In November 2020, 14,030,000 warrants expired unexercised.

On December 1, 2020, the Company closed a bought-deal public offering and a bought-deal private placement with Cormark Securities Inc., on behalf of a syndicate of underwriters. Pursuant to the bought-deal public offering, the Company issued 5,470,000 common shares of the Company that qualify as flow through shares at a price of $1.92 per flow-through share. As well, the over-allotment option was exercised with the issuance of an additional 820,500 flow-through shares. Pursuant to the bought-deal private placement, the Company issued 9,100,000 common shares of the Company at a price of $1.10 per share. Gross proceeds from these financings totaled $22,087,760. A commission of 6% was charged by the syndicate of underwriters.

RISKS AND UNCERTAINTIES

Nature of Mining, Mineral Exploration and Development Projects

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration and development, including environmental hazards, explosions, and unusual or unexpected geological formations or pressures. Such risks could result in damage to, or destruction of, mineral properties, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Liquidity Concerns and Future Financings

The Company will require capital and operating expenditures in connection with the exploration and development of its properties and for working capital purposes. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. The only sources of future funds presently available to Troilus are the sale of equity capital, the sale of assets (which may be illiquid), or offering an interest in its properties. There is no assurance that any funds will be available for operations. Failure to obtain additional financing on a timely basis could cause the Company to reduce, delay or terminate its proposed operations, with the possible loss of such operations and assets.

Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on acceptable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

<u>Calculation of Mineral Resources</u>
There is a degree of uncertainty attributable to the calculation and estimates of resources and the corresponding metal grades to be mined and recovered. Until resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral resources, grades and recoveries may affect the economic viability of the Company's operations.

<u>No Mineral Reserves have been estimated at the Troilus project</u>
The Troilus Gold property is in the exploration stage and sufficient work has not been done to define a mineral reserve. There is no assurance given by the Company that continuing work on the property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral reserve.

<u>Environmental, Health and Safety Risks</u>
The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Exploration and mining operations involve risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. Significant risk of environmental contamination from present and past exploration or mining activities still exists for mining companies. The Troilus mine is a past producing mine subject to continuing reclamation liabilities and obligations. Troilus may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at the Troilus mine do not exist or that the Company will not be alleged to be responsible for historical liabilities at the Troilus mine.

<u>Pandemic or other health crises</u>
The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. Global government actions, including lockdowns, stay-at-home orders and travel restrictions, along with market uncertainty have already impacted global economic conditions, which may in turn impact the Company's ability to operate, the operations of its suppliers, contractors and service providers, the ability to obtain future financing and maintain necessary liquidity, and the ability to explore the Company's mineral properties. While these

effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators.

Insurance

The Company’s business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of: the Company’s mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive regulatory approvals to transport their products, or costs, monetary losses and potential legal liability and adverse governmental action. Troilus may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure. This lack of insurance coverage could result in material economic harm to Troilus.

Metal Prices

Precious metal prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, national fiscal policies, monetary systems and political developments. The price of gold and silver has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company’s business, financial condition and result of operations. Moreover, the ability of the Company to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious metals.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or obtain the capital necessary to fund the Company’s operations and develop its properties. The Company’s inability to compete with other mining companies for these resources would have a material adverse effect on the Company’s results of operations and business.

Properties May be Subject to Defects in Title

The Company has investigated its rights to exploit the Troilus Gold property and, to the best of its knowledge, its rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment. There can also be no assurance that the Company’s rights will not be challenged or impugned by third parties, including aboriginal communities.

Some of the Company's mineral claims may overlap with other mineral claims owned by third parties which may be considered senior in title to the Company mineral claims. The junior claim is only invalid in the areas where it overlaps a senior claim. The Company has not determined which, if any, of the Company mineral claims is junior to a mineral claim held by a third party.

Although the Company is not aware of any existing title uncertainties with respect to the Troilus Gold property, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Limited Property Portfolio

At this time, the Company holds an interest in the Troilus Gold property. As a result, unless the Company acquires additional property interests, any adverse developments affecting this property could have a material adverse effect upon the Company and would materially and adversely affect the potential future mineral resource production, profitability, financial performance and results of operations of the Company.

Property Commitments

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Licences and Permits, Laws and Regulations

The Company's exploration and development activities (and those of investee companies) require permits and approvals from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, exploration, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time-consuming and costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. The Company will be required to obtain additional licences and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties (or that its investee companies would also succeed).

Community Relations and License to Operate

The Company's relationship with the local communities and First Nations where it operates is critical to ensure the future success of its existing activities and the potential development and operation of its Troilus Gold property. Failure by the Company to maintain good relations with local communities and First Nations can result in adverse claims and difficulties for the Company. There is also an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. NGOs and civil society groups, some of which oppose resource development, are often vocal critics of the mining industry and its practices, including the use of hazardous substances and the handling, transportation and storage of various waste, including hazardous waste. Adverse publicity generated by such NGOs and civil society groups or others related to the extractive industries generally, or the Company's operations specifically, could have a material adverse impact on the Company and its reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the

Company's overall ability to advance its projects, which could have a material adverse impact on the Company's business, results of operations and financial condition.

Key Personnel

The senior officers of the Company will be critical to its success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition, particularly in Quebec, for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, regulatory and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company.

Dependence on Outside Parties

The Company has relied upon consultants, geologists, engineers and others and intends to rely on these parties for exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly junior stage mining companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which one or more directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Current Global Financial Condition

The Company will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of the Company to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to the Company. If these increased levels of volatility and market turmoil continue, the Company may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of the Company, shareholders may suffer dilution. Future borrowings by the Company or its subsidiaries may increase the level of financial and interest rate risk to the Company as the Company will be required to service future indebtedness.

No Revenues

To date, the Company has not recorded any revenues from operations nor has the Company commenced production on any property. There can be no assurance that the Company will always have sufficient capital resources to continue as a going concern, or that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's expenses and capital expenditures will increase as consultants, personnel and equipment associated with the exploration and possible development of its properties are advanced. The Company expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Company's properties will continue to require the commitment of substantial resources. There can be no assurance that the Company will continue as a going concern, generate any revenues or achieve profitability.

Public Company and other Regulatory Obligations

The Company is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of non-compliance, which could adversely affect the Company's share price.

The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, applicable stock exchange(s), and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Canadian government proclaimed into force the *Extractive Sector Transparency Measures Act* on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments. The Company's efforts to comply with increasing regulatory burden could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate disclosure controls and internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

Troilus's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its internal controls over financial reporting and disclosure controls and procedures will prevent or detect all errors and frauds. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have certified that disclosure controls and internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There was no change in the Company's internal controls over financial reporting that occurred during the quarter ended October 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. The audit committee of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three months ended October 31, 2020, and the Company's board of directors approved these documents before their release.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and impact estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock-based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions; however, actual results could differ from these estimates and these differences could be material.

December 10, 2020