



**ANNUAL INFORMATION FORM**  
**for the financial year ended July 31, 2019**

**TROILUS GOLD CORP.**

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**October 17, 2019**

## TABLE OF CONTENTS

<i>DEFINITIONS AND GLOSSARY OF TERMS</i> .....	4
<i>CURRENCY PRESENTATION AND DATE OF INFORMATION</i> .....	5
<i>CORPORATE STRUCTURE</i> .....	5
<i>GENERAL DEVELOPMENT OF THE BUSINESS</i> .....	6
<i>NARRATIVE DESCRIPTION OF THE BUSINESS</i> .....	10
<i>DESCRIPTION OF MATERIAL PROPERTY</i> .....	17
<i>DIVIDENDS</i> .....	45
<i>DESCRIPTION OF CAPITAL STRUCTURE</i> .....	45
<i>MARKET FOR SECURITIES</i> .....	46
<i>DIRECTORS AND OFFICERS</i> .....	47
<i>AUDIT COMMITTEE DISCLOSURE</i> .....	53
<i>PROMOTERS</i> .....	55
<i>LEGAL PROCEEDINGS AND REGULATORY ACTIONS</i> .....	55
<i>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</i> .....	55
<i>TRANSFER AGENTS AND REGISTRARS</i> .....	55
<i>MATERIAL CONTRACTS</i> .....	55
<i>INTERESTS OF EXPERTS</i> .....	56
<i>ADDITIONAL INFORMATION</i> .....	56
<i>SCHEDULE A – TROILUS GOLD CORP. AUDIT COMMITTEE CHARTER</i> .....	58
<i>SCHEDULE B - GLOSSARY OF TECHNICAL ABBREVIATIONS</i> .....	59

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This annual information form contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Corporation's (as hereinafter defined) exploration and development potential and timetable associated with the Corporation's Troilus Property; future precious metal and copper prices; ability to raise additional financing; the timing and cost of estimated future exploration and development activities; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Mineral resource estimates and certain other technical and scientific information are based on the assumptions and parameters set out herein, the Technical Report and on the opinion of Qualified Persons (as defined in NI 43-101). Forward-looking information is also based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of activities are based on informed reasonable assumptions, the key ones of which are set out herein and the Technical Report. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information including, but not limited to, risks related to: unexpected events and delays during exploration; variations in grade and recovery rates; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future precious metal and copper prices; failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; future costs of supplies and labour; risks inherent in conducting exploration, development and operational mining activities; community relations, including relations with First Nations and other stakeholders; other risks of the mining industry and those risk factors identified elsewhere in this annual information form, the Technical Report and other disclosure documents of the Corporation filed at [www.sedar.com](http://www.sedar.com). Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except as required by applicable securities laws.

Blake Hylands, P.Geol, Vice-President of Exploration, is the Corporation's in-house Qualified Person for the purposes of National Instrument 43-101("NI 43-101") who has reviewed and approved the scientific and technical disclosure in this AIF.

## **DEFINITIONS AND GLOSSARY OF TERMS**

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In this annual information form, references to “Troilus” or the “Corporation” mean Troilus Gold Corp. See Schedule B for a glossary of certain technical abbreviations. The following abbreviations and defined terms are used:

“250 Ontario”		means 2507868 Ontario Inc., a private company incorporated in Ontario on March 7, 2016, which was a wholly owned subsidiary of Sulliden and the holder of an option to acquire the Troilus Property prior to the RTO.
“251 Ontario”		means 2513924 Ontario Inc., a private company incorporated in Ontario on April 15, 2016 to whom 250 Ontario granted an option to acquire 40% of the Troilus Property prior to the RTO.
“AIF”		means this annual information form.
“Audit Committee”		means the audit committee of the Board.
“Board”		means the board of directors of Troilus.
“Common Shares”		means the common shares in the capital of the Corporation.
“Compensation Committee”		means the compensation committee of the Board.
“Corporate Committee”	Governance	means the corporate governance committee of the Board.
“NI 43-101”		means the Canadian Securities Administrators National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
“RPA”		means Roscoe Postle Associates Inc., the authors of the Technical Report.
“Troilus Mine”, “Troilus Project” or “Troilus Property”		means the past-producing Troilus gold and copper mine in the Province of Quebec comprised of one mining lease and 290 map designated claims covering 16,027.36 ha which includes the Troilus North property acquired from Emgold.
“Sulliden Mining Capital Inc.” or “Sulliden”		means Sulliden Mining Capital Inc., a corporation incorporated pursuant to the OBCA who was the 100% owner of 250 Ontario prior to the RTO.

## **CURRENCY PRESENTATION AND DATE OF INFORMATION**

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This AIF contains references to United States dollars and Canadian dollars. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as “United States dollars” or “US\$”.

### **Metric Equivalents**

Conversion rates from imperial measures to metric measures, and metric measures to imperial measures, are provided below.

<b>Imperial Measure</b>	<b>Metric Unit</b>	<b>Metric Measure</b>	<b>Imperial Unit</b>
1 acre	0.4047 hectare	1 hectare	2.4711 acres
1 foot	0.3048 metre (m)	1 metre (m)	3.2808 feet
1 mile	1.6093 kilometre (km)	1 kilometre (km)	0.6214 mile
1 ounce (troy)	31.1035 grams (g)	1 gram (g)	0.0322 ounce (troy)
1 pound	0.4536 kilogram (kg)	1 kilogram (kg)	2.2046 pounds
1 ton (short)	0.9072 metric tonne (t)	1 metric tonne (t)	1.1023 ton (short)
1 ounce (troy) / short ton	34.2857 grams metric / tone	1 gram / metric tonne	0.0292 ounce (troy) / short ton

All information in this AIF is given as of October 17, 2019, unless otherwise indicated.

## **CORPORATE STRUCTURE**

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### **The Corporation**

Troilus Gold Corp. (the “Corporation”) was incorporated on October 15, 1985 in the province of British Columbia by registration of its Articles and Memorandum pursuant to the *Company Act* (British Columbia) under the name “Silverquest Resources Ltd.” The Common Shares were listed on the Vancouver Stock Exchange on January 9, 1987. Effective on December 11, 1991, the Corporation consolidated its outstanding shares on a five for one basis, and changed its name to “Cash Resources Ltd.” Effective May 7, 2001, the Corporation consolidated its shares again on a five to one basis and changed its name to “Cash Minerals Ltd.” The Corporation was continued into the province of Ontario pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “OBCA”) on June 14, 2006.

On June 24, 2010, the Corporation consolidated its Common Shares on a twenty for one basis and changed its name to “Pitchblack Resources Ltd.” (“Pitchblack”). Upon its move to the NEX on August 1, 2015, Pitchblack was without active business operations other than resolving a litigation matter that has subsequently been settled and attempting to source a reactivation transaction to become listed for trading on the TSX Venture Exchange (“TSX-V”).

On December 20, 2017, the Corporation closed a transaction whereby it indirectly acquired the option to acquire a 100% indirect interest in the Troilus Project, a past-producing gold and copper mine located in Quebec through a reverse take-over acquisition (the “RTO”) involving an amalgamation of 250 Ontario, 251 Ontario and a wholly-owned subsidiary of Pitchblack. On December 19, 2017, in connection with the

RTO the Corporation changed its name from Pitchblack Resources Ltd. to Troilus Gold Corp. and consolidated its common shares on a four to one basis (the "Consolidation").

On February 28, 2018, the Corporation amalgamated with its wholly-owned subsidiary, TLG Project Inc. and thereby became the direct owner of the option to acquire a 100% interest in the Troilus Project.

The Corporation's registered office is located at 36 Lombard Street, 4<sup>th</sup> floor, Toronto, Ontario, M5C 2X3. The Common Shares trade on the Toronto Stock Exchange (the "TSX") under the symbol "TLG" following its graduation to the TSX on October 17, 2018.

As of the date hereof, the Corporation has no significant subsidiary.

## **250 Ontario**

250 Ontario was incorporated on March 7, 2016 under the OBCA. On November 17, 2017 it amended its articles to effect a stock split on the basis of 150,000 common shares for each 100 common shares then outstanding. On December 20, 2017, 250 Ontario was amalgamated as part of the RTO and the amalgamated entity became a wholly-owned subsidiary of the Corporation. For financial reporting purposes, 250 Ontario was the reverse takeover acquirer in connection with the RTO.

This AIF combines historical information with respect to the Corporation as the legal entity formally named Pitchblack and on the reverse takeover acquirer 250 Ontario and the Troilus Project.

See "*General Development of the Business-The RTO*".

## **GENERAL DEVELOPMENT OF THE BUSINESS**

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Troilus is a Toronto-based, Quebec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine.

### **The RTO**

In December 2017, the Corporation, then named Pitchblack, completed a transaction whereby it acquired, through a wholly-owned subsidiary, an option to acquire a 100% interest in the Troilus Project, a past-producing gold mine located approximately 450 km northeast of Val-d'Or, Quebec, through a reverse take-over acquisition.

The option to acquire the Troilus Project was held by 250 Ontario and 251 Ontario. On December 20, 2017, 250 Ontario, 251 Ontario and a newly incorporated subsidiary of Pitchblack ("Pitchblack Subco") amalgamated, and the Corporation acquired 100% of the shares of the amalgamated entity. Management determined that this transaction constituted a reverse acquisition whereby the net assets of the Corporation are deemed

to have been acquired by 250 Ontario. The Corporation has adopted the financial year end of 250 Ontario, which is July 31.

## **History**

The following provides a summary of the development of the business of Pitchblack and 250 Ontario including the 3 previous financial years up to the RTO and of Troilus since the completion of the RTO to the date of this AIF.

### *Pitchblack (Pre-RTO)*

Prior to the RTO, Pitchblack was without active business operations as its main focus was to source a reactivation transaction in order to list for trading on the TSX-V. Prior thereto, Pitchblack was in the business of exploration, development and exploitation of mineral resources in Canada.

Pitchblack entered into a letter of intent on May 2, 2017 (the "LOI") and subsequently entered into a share purchase agreement with Sulliden on June 21, 2017, as amended and restated on September 8, 2017 with respect to the acquisition of all the shares of 250 Ontario. Pitchblack also entered into a share purchase agreement on September 8, 2017 with the shareholders of 251. Both of these share purchase agreements were subsequently superseded by an amalgamation agreement. Under the terms of the new amalgamation agreement, Pitchblack Subco agreed to amalgamate with 250 Ontario and 251 Ontario to form TLG Project Inc. ("Amalco") in exchange for an aggregate of 25,000,000 common shares of Pitchblack as consideration.

On June 22, 2017, trading in the common shares of Pitchblack was halted on the NEX pending the announcement of the RTO. On August 21, 2017, Pitchblack completed the sale of its Division Mountain coal project for cash consideration of \$100,000.

On December 19, 2017, Pitchblack completed the Consolidation, pursuant to which its common shares were consolidated on a four for one basis and changed its name to Troilus Gold Corp.

On December 20, 2017, Pitchblack (now Troilus) announced the completion of the RTO. Upon closing of the RTO, Amalco became a wholly owned subsidiary of Troilus. Trading resumed in respect of the Common Shares on the TSX-V following the completion of the RTO.

### *250 Ontario (Pre-RTO)*

#### Financial Year Ended July 31, 2016

On May 2, 2016, 250 Ontario entered into an option arrangement with First Quantum Minerals Ltd. ("First Quantum") to acquire the past-producing Troilus Property. As a result of the option agreement with First Quantum, 250 Ontario held a two-year option to purchase a 100% interest in the Troilus Mine. To exercise this option 250 Ontario committed to spend a minimum of \$1,000,000 on engineering and technical studies to

evaluate the economic viability of the project. Additionally, a variable Net Smelter Royalty (NSR) of 1.5% or 2.5% depending of the gold price being more or less than US \$1,250 per ounce during the reference period would be granted to First Quantum. Sulliden agreed to a second option (the "Second Option") with 251 Ontario whereby 251 Ontario was granted an option to acquire 40% of the Troilus Property and a 1.0% net smelter royalty.

#### Financial Year Ended July 31, 2017

In May 2017 Sulliden entered into the LOI and subsequently in June 2017 entered into a share purchase agreement with Pitchblack to sell to Pitchblack all of the shares of 250 Ontario, and thereby Pitchblack would effectively acquire and assume the Troilus Project option agreements, in consideration for Sulliden receiving Pitchblack common shares.

#### Financial Year Ended July 31, 2018

In connection with the RTO, 250 Ontario completed a private placement of subscription receipts on November 21, 2017 for gross proceeds of \$23,009,200, including the exercise of an underwriters' option in full. Pursuant to the placement, 250 Ontario issued 14,030,000 subscription receipts at a price of \$1.64 per subscription receipt. Upon the closing of the RTO, each subscription receipt was automatically converted into one common share and one warrant with each warrant entitling the holder thereof to acquire one additional Common Share at a price of \$2.50 for a period of 36 months from the closing date of the private placement. The Corporation will use the proceeds of the private placement to fund its working capital and for exploration and development activities on the Troilus Project.

On December 20, 2017, 250 Ontario was amalgamated, resulting in Amalco as part of the RTO.

*Troilus Gold Corp. (Post-RTO)*

#### Financial Year Ended July 31, 2018

On February 6, 2018, Troilus announced that it had formally notified First Quantum of its expectation to exercise its option to acquire the Troilus Property.

On February 28, 2018, Amalco was amalgamated into Troilus.

On April 12, 2018, Troilus announced that it had formally exercised its option to acquire the Troilus Property.

On June 5, 2018, Troilus announced closing of a \$15,757,216 private placement of flow through Common Shares. The gross proceeds of the offering will be used to incur Canadian exploration expenses at the Troilus Project prior to December 31, 2019.

On July 17, 2018, Troilus announced that it had adopted the Pre-Development Agreement with the Cree Nation of Mistissini, the Grand Council of the Crees (Eeyou Istchee) and the Cree Nation Government previously negotiated with Sulliden Mining Capital Inc.



## Financial Year Ended July 31, 2019

On September 14, 2018, Troilus announced that it had appointed Bruce Humphrey to the Board.

On October 17, 2018 Troilus announced that it had received final approval for the listing of the Common Shares on the TSX. The Common Shares commenced trading following the open of the market on October 17, 2018 under the symbol “TLG”.

On November 1, 2018 Troilus announced that it had received approval from the OTC Market Group Inc. to commence trading on the OTCQB Venture Market under the OTCQB ticker symbol “CHXMF”.

On November 19, 2018, Troilus announced an update to its mineral resource estimate for the Troilus Property.

On December 5, 2018, Troilus announced that it had closed its previously announced acquisition of the Troilus North Project from Emgold Mining Corporation (“Emgold”) pursuant to which Troilus issued 3,750,000 Common Shares and paid C\$250,000 in cash to Emgold.

On May 2, 2019, Troilus closed a previously announced bought deal financing (the “May Offering”). Pursuant to the May Offering, Troilus issued a total of 8,236,000 Common Shares at a price of C\$0.85 per Common Share for gross proceeds of C\$7,000,600. The May Offering was completed pursuant to an underwriting agreement dated April 16, 2019 (the “Underwriting Agreement”) among Troilus and a syndicate of underwriters, co-led by Canaccord Genuity Corp. and GMP Securities L.P., and including Cormark Securities Inc., Desjardins Securities Inc., Haywood Securities Inc., National Bank Financial Inc. and PI Financial Corp. (collectively, the “Underwriters”).

On July 10, 2019, Troilus announced the appointment of Mr. Andrew Mark Cheadle to the Board.

## Current Financial Year

On August 29, 2019, Troilus announced that Mr. Peter Tagliamonte had tendered his resignation as a Director and Executive Officer of Troilus.

On September 20, 2019, Troilus announced the appointment of Mr. Jamie Horvat to the Board.

On October 7, 2019, Troilus closed a previously announced non-brokered flow through financing (the “October Offering”) of an aggregate of 7,036,900 Common Shares that qualify as “flow-through shares” (within the meaning of subsection 66(15) of the Income Tax Act (Canada) and, in relation to FT Tranche Two (as defined herein), also qualify as

“flow-through shares” within the meaning of section 359.1 of the Taxation Act (Québec) (collectively, the “Flow-Through Shares”). The Flow-Through Shares were issued in two tranches: (i) Tranche 1 consisting of an aggregate of 5,813,900 Flow-Through Shares issued to funds managed by each of Sprott Asset Management LP, Goodman & Company, Investment Counsel Inc. and Middlefield Group (each resident outside of the Province of Québec) at a price of C\$0.86 per Flow-Through Share for aggregate gross proceeds of approximately C\$5 million (“FT Tranche One”); and (ii) Tranche 2 consisting of an aggregate of 1,223,000 Flow-Through Shares issued to investors resident in the Province of Québec at a price of C\$1.00 per Flow-Through Share for aggregate gross proceeds of C\$1.223 million (“FT Tranche Two”).

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

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### ***General***

Troilus is a Toronto-based, Quebec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine. The 16,000-hectare Troilus Property is located northeast of the Val-d’Or district, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. From 1996 to 2010, Inmet Mining Corporation operated the Troilus Project as an open pit mine, producing more than 2,000,000 ounces of gold and nearly 70,000 tonnes of copper. The Corporation acquired its 100% interest in the Troilus Project pursuant to the exercise of an option in 2018, which project includes all existing infrastructure, including power lines, camp buildings and permitted tailings pond.

### ***Principal Products***

The Corporation is an exploration and development company and is not in production. If it develops a precious or base metal property into production, there is a global market into which Troilus could sell minerals produced and, as a result, the Corporation does not currently expect to be dependent on a particular purchaser with regard to the sale of any minerals that it produces.

### ***Competitive Conditions***

The mining business is a competitive business. The Corporation competes with numerous companies and individuals that have resources significantly in excess of the resources of the Corporation, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of the Corporation to acquire additional mineral properties in the future will depend on its ability to operate and develop its present property or obtain other sources of financing, and also on its ability to select and acquire suitable producing properties or prospects for development or exploration. See “*Risk Factors – Competition*”.

### ***Employees***

The Corporation has approximately 22 employees and consultants including senior management. The Corporation has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by the Corporation when necessary. See “*Risk Factors – Key Personnel*”.

### ***Specialized Skills and Knowledge***

All aspects of the Corporation’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mineral exploration, drilling, financial, regulatory compliance, legal and accounting. Troilus has been successful, to date, in identifying and retaining employees and contractors with such skills and knowledge.

### ***Environmental Protection***

The current and future operations of the Corporation, including exploration and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay planning, designing, drilling and developing the Corporation’s properties. See “*Risk Factors – Environmental Risks*” below and “*Mine Restoration Plan*” under “*Description of Material Property*”.

### ***Risk Factors***

Investing in the Corporation involves risks that should be carefully considered. The operations of the Corporation are speculative due to the high-risk nature of its business. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the Troilus Project, and the operating results, earnings, business and condition (financial or otherwise) of the Corporation. In addition, please see “*Cautionary Statement Regarding Forward-Looking Information*”.

### ***No Revenues***

To date, the Corporation has not recorded any revenues from operations nor has the Corporation commenced production on any property. There can be no assurance that the Corporation 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 Corporation will be profitable in the future. The Corporation’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 Corporation 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 Corporation’s properties will continue to require the commitment of substantial resources. There can be

no assurance that the Corporation will continue as a going concern, generate any revenues or achieve profitability.

### *Metal Prices*

Precious and base metal prices fluctuate widely and are affected by numerous factors beyond the control of the Corporation. 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, silver and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Corporation's business, financial condition and result of operations. Moreover, the ability of the Corporation to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals.

### *Current Global Financial Condition*

The Corporation 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 Corporation to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation 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 Corporation, shareholders may suffer dilution. Future borrowings by the Corporation or its subsidiaries may increase the level of financial and interest rate risk to the Corporation as the Corporation will be required to service future indebtedness.

### *Competition*

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

### *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 Corporation's share price will not occur.

### *Conflicts of Interest*

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other mining companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting such participation.

### *Foreign Exchange*

Globally, commodities are typically sold in U.S. dollars. As a result, the Corporation is subject to foreign exchange risks relating to the relative value of the U.S. dollar as compared to the Canadian dollar.

### *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 Corporation 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 Corporation'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.

### *Licences and Permits, Laws and Regulations*

The Corporation'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 Corporation may be required to compensate those suffering loss or damage by reason of its activities. The Corporation 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 Corporation 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).

### *Environmental Risks*

The Corporation'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 Corporation, 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 Project is a past producing mine subject to significant 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 Project do not exist or that the Corporation will not be alleged to be responsible for historical liabilities at the Troilus Project.

### *Title to Properties*

Acquiring the ownership of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Corporation may have an interest, which, if successful, could result in the loss or reduction of the Corporation's interest in its properties.

### *Liquidity Concerns and Future Financings*

The Corporation 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 Corporation 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 existing investments (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 Corporation 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 Corporation 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 Corporation 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.

#### *Calculation of Mineral Resources*

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 Corporation's operations.

#### *No Mineral Reserves have been estimated at the Troilus Project*

The Troilus Project is in the exploration stage and sufficient work has not been done to define a mineral reserve. There is no assurance given by the Corporation 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.

#### *Insurance*

The Corporation'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 Corporation'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.

#### *Key Personnel*

The senior officers of the Corporation are critical to its success. Recruiting qualified personnel as the Corporation 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 Corporation's business activity grows, it will require additional key financial, administrative, regulatory and mining personnel as well as additional operations staff. If the Corporation 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 Corporation.

### *Dependence on Outside Parties*

The Corporation 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 Corporation.

### *Limited Property Portfolio*

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

### *Community Relations and License to Operate*

The Corporation'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 Project. Failure by the Corporation to maintain good relations with local communities and First Nations can result in adverse claims and difficulties for the Corporation. 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 Corporation's operations specifically, could have a material adverse impact on the Corporation and its reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Corporation's overall ability to advance its projects, which could have a material adverse impact on the Corporation's business, results of operations and financial condition.

### *Dividend Policy*

No dividends on the Common Shares have been paid by the Corporation to date. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors including the Corporation's operating results, financial condition and current and anticipated cash needs.



### *Accounting Policies and Internal Controls*

The Corporation prepares its financial reports in accordance with IFRS. In the preparing of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Corporation. Significant accounting policies are described in more detail in the Corporation's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Corporation has implemented and continues to analyze its internal control systems for financial reporting. Although the Corporation believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Corporation cannot provide absolute assurance.

### *Public Company and other Regulatory Obligations*

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

The Corporation 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 Corporation'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.

## **DESCRIPTION OF MATERIAL PROPERTY**

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### ***Troilus Project***

The Troilus Project is a past-producing mine in respect of which a new mineral resource estimate was outlined in 2018. As discussed under "General Development of the Business", the Corporation acquired a 100% interest in the Troilus Project upon the exercise of an option in 2018 subsequent to the RTO and the acquisition of the Troilus North Project from Emgold in December 2018.

The following disclosure with respect to the Troilus Mine has been derived from a technical report on the Troilus Mine entitled "Technical Report on the Troilus Gold-Copper Mine Mineral Resource Estimate, Quebec, Canada", dated January 1, 2019 (with an effective date of November 19, 2018) prepared by Mr. Luke Evans, M.Sc., P.Eng. (the "Technical Report").

### *Property Description, Location and Access*

The Troilus Project is located approximately 650 km north of Montreal and 175 km by road north of Chibougamau in northwestern Quebec within lands administered by the Municipalité de la Baie James. The property is located within NTS map sheets 32J/15 (Lac Troilus), 32J/16 (Lac Bueil), 32O/01 (Lac Miskittenau), and 32O/02 (Lac Montmort). It is approximately centred on UTM coordinates 535,085 mE and 5,649,950 mN (NAD 83, Zone 18), or latitude 51°00' N and longitude 74°30' W.

The Troilus Mine is a past producer. Two open pits, J4 and Z87, operated from 1996 to 2009. Site restoration work began in 2007 and is almost complete. Environmental monitoring work is on-going and will continue for approximately five years after the site restoration work has been completed.

The Troilus Project consists of one surveyed mining lease (BM 829) covering 840 ha and 81 map designated claims covering 3,878.6 ha, for a total of 4,718.6 ha. The Troilus North property comprises 209 map designated claims covering 11,308.76 ha. The combined property (together with the original 81 claims, the "Troilus Property") consists of one mining lease and 290 map designated claims covering 16,027.36 ha.

In Quebec, a mining lease is initially granted for a 20-year period. The mining lease can be renewed for additional 10-year periods. Mining lease BM 829 is in good standing, with the expiry date of March 3, 2026.

A map designated claim is valid for two years and can be renewed indefinitely, subject to the completion of necessary expenditure requirements. The map designated claims in the Troilus property have an average individual size of approximately 54 ha. Each claim gives the holder the exclusive right to explore for mineral substances, except sand, gravel, clay and other unconsolidated deposits, on the land subject to the claim. The claim also guarantees the holder's right to obtain an extraction right upon the discovery of a mineral deposit. Ownership of the mining rights confers the right to acquire the surface rights.

In addition to the surface rights covering the mining lease, there are surface right leases covering a number of areas. The surface rights renewal fee totals more than \$50,000 per year.

The Troilus Project is subject to a variable NSR 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) which has been granted to First Quantum. An additional 1% royalty on the Troilus Project is held by QuestCap Inc.

The Troilus Project can be reached by road from Chibougamau by driving 23 km east along Hwy 167, then north for a distance of 108 km along the Route du Nord, and then north-easterly along the mine access road for a distance of 44 km. All of these roads, with the exception of the mine access road, are well maintained year-round. Chibougamau is serviced by daily flights from Montreal.

Climate is characterized by short mild summers and long cold winters, with mean temperatures ranging from  $-17^{\circ}\text{C}$  in January to  $16^{\circ}\text{C}$  in July. Mean annual precipitation ranges from 40 mm in February to 120 mm in September.

The property area is primarily covered by black spruce forests, swamps, and lakes. The vertical relief in the area is moderate, with a mean altitude of 375 MASL. Overburden consists essentially of a thick layer ( $>10$  m) of fluvio-glacial till. Outcrops are sparse, and very large boulders sitting on surface are common.

Various limited services are available at Mistissini, a Cree community located about 90 km southeast of the mine. In June 2018, Troilus opened an office at Mistissini. The office provides a forum for exchanging information and liaising with the Cree on a variety of social, environmental, and economic aspects of the Troilus Project as well as the potential for future training, employment, and business opportunities. In addition, the office will provide information about gold exploration and gold mining in general. A greater range of industry services is available at Chibougamau, a mining town with a population of about 8,500 established in 1950 and located about two hours by road to the south. It has a well-developed local infrastructure, services, and a mining industry workforce. The mine is connected to the provincial hydroelectric grid via a 137 km 161 kV power line. Water is plentiful.

The mine was a conventional open pit that operated on a continuous, year-round basis. The mill had a nominal capacity of 20,000 tpd with a flow sheet consisting of a gravimetric and flotation circuit. The mill was sold and shipped to Mexico. There was a permanent on-site camp with dining, sleeping, and recreational facilities for up to 450 workers. The camp has been dismantled. Security personnel patrol the site on a regular basis. Most of the infrastructure on the mine site has been sold and removed. The key infrastructure remaining includes:

1. Bunkhouse/office building
2. Garage for snow removal and road maintenance contractor
3. Garage for site restoration employees
4. Electrical transformer station
5. Drinking water tank and pump house
6. Tailings water treatment plant
7. A number of tailings water pump houses
8. Outdoor core storage area
9. Gatehouse and gate

Bus transportation was provided for the workforce several times per week to and from Chibougamau and Mistissini.

#### *Mine Restoration Plan*

The site restoration work started in 2007 by Inmet with the re-vegetation of areas no longer used by the Troilus Project. The dismantling, cleaning, and grading work is largely done. Some fertilization and seeding work is on-going, particularly in the tailings area. A water treatment plant has been functional since the end of 1998, after initial operation revealed

suspended solid control problems. It uses a new technology (ACTIFLO) based on polymer addition and agitation followed by high speed sand assisted lamellar decantation and reduces suspended solids to concentrations below 15 ppm, the monthly average regulation limit. It is unclear for how long the water treatment plant will be needed.

A first version of the mine restoration plan was filed with the Ministère des Ressources naturelles et de la Faune (MRNF) in 1996, followed by a first revision in 2002 and a second revision five years later (2007). The current mine restoration plan was produced by Genivar Inc. (Genivar) in November 2009 (Genivar, 2009). This restoration plan took into consideration the previous versions but was a complete re-edition. It considers the recent additional studies updating the information regarding the hydrology and hydrogeology, the acid rock drainage, the phase 1-type site characterization, and the progressive restoration work carried out in 2007, 2008, and 2009. The Mistissini Cree community was consulted throughout the process. The closure plan for the Troilus Project was approved by the Quebec Ministry of Sustainable Development, Environment and Parks (Certificate of Authorization No. 3214-14-025) pursuant to modifications made November 3, 2010 and May 23, 2012.

Surface and groundwater water samples are taken at regular intervals at a number of monitoring sites on the property and annual reports summarizing the results are submitted to the MRNF and the Ministère de l'Environnement et de la Faune (MDDEP). RPA understands that the monitoring work will continue for at least five years after the site restoration work is completed.

Genivar (2009) estimated that the site restoration work would be completed in 2012 and that the post-restoration monitoring program would continue until 2016. RPA notes that the site restoration work is taking longer than expected and recommended that Troilus re-assess the timing and costs related to site restoration and monitoring.

RPA is not aware of any significant environmental liabilities on the property but recommended that Troilus retain an environmental expert to review the site closure status and monitoring results. RPA is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the property.

### *History*

Kerr Addison Mines Ltd. ("Kerr Addison") staked two large blocks of claims in 1985 and 1987 that included the Troilus Project area. In 1988, Minnova Inc. ("Minnova") became operator in a 50-50 joint-venture with Kerr Addison. In February 1993, Metall Mining Corporation ("Metall") acquired Minnova's interest and, in May 1993, Metall purchased all of Kerr Addison's mining properties. On May 4, 1995, Metall changed its name to Inmet. Inmet was acquired by First Quantum in March 2013.

### *Exploration and Development History*

Initial exploration in the area started in 1958 following the discovery of many erratic blocks containing copper and nickel anomalies. Some occurrences of copper and zinc were

discovered between 1958 and 1967, including a massive sulphide deposit at Baie Moléon discovered by Falconbridge Ltd. in 1961.

In 1971, the Lessard deposit was discovered by Selco Mining Corp. near Lac Domergue. Like Baie Moléon, it consisted of massive sulphides. Following this discovery, an electromagnetic (EM) and magnetic geophysical survey was carried out over the Troilus and Frotet Lake area; however, this survey did not lead to any new significant discoveries.

The Baie Moléon and Lessard discoveries, located southwest of the Troilus deposit, improved the geological understanding of the Frotet-Evans greenstone belt and opened the area to further exploration for base metal deposits.

In 1983, the results of a new airborne INPUT survey carried out over a large area of the eastern portion of the Frotet-Evans belt were published by the Government of Quebec. Some exploration work was done following this survey, but no important discoveries were made.

Kerr Addison acquired a large block of claims in 1985, following a mapping program by the Quebec Ministry of Natural Resources that indicated good potential for gold and base metal mineralization. More geochemical, geophysical, and geological work was carried out by Kerr Addison in 1985 and 1986. Drilling began in 1986 with 24 holes totalling 3,590 m, which led to the discovery of Zone 86 (Z86).

In 1987, more claims were added to the property to the north of the Z86 drilling, where the Troilus Project is now located. A large gold float dispersion train was found by prospecting and 26 diamond drill holes totalling 4,413 m were drilled. Hole KN-12, collared immediately up-ice from a glacial float dispersion train, intersected significant gold-copper mineralization over great widths, which turned out to be part of Z87, named after the year of its discovery.

In 1988, 27 diamond drill holes totalling 6,567 m were completed. Initial drill testing of a nearby weak horizontal loop electromagnetic (HEM) anomaly intersected anomalous gold-copper mineralization in what was confirmed to be Zone J4 (J4) in 1991. The J4 name originates from its location on the "J" exploration grid. On October 1, 1988, a 50-50 joint-venture was formed between Kerr Addison and Minnova. Minnova became operator.

Between 1989 and 2005, fourteen drilling programs comprising 887 diamond drill holes for a total of 159,538 m were carried out on the property. The drilling outlined five main areas of gold mineralization (Z87/87S, Z87 Deep, J4, J5, and Southwest) and a number of isolated gold intersections.

In 1991, a semi-permanent camp, which could accommodate 30 to 50 people, was set up between Z87 and J4. During 1991, a bulk sample of approximately 200 tonnes averaging 2.3 g/t Au was taken from the centre of Z87 and approximately 100 tonnes were treated at the pilot plant of the Centre de Recherche Minérale du Québec (CRM) in Quebec City as part of a pre-feasibility study. The remaining 100 tonnes were treated at the pilot plant of SGS Lakefield Research Limited (Lakefield) as part of the 1993 feasibility study.

In 1992, an orientation Induced Polarization Survey (IP) carried out over Z87 and J4 produced strong IP anomalies. The IP survey covered the entire property and was also useful in a condemnation program in areas where the infrastructure and stockpiles were planned.

Between December 1992 and March 1993, a drilling program comprising 181 holes totalling 24,239 m was carried out to complete the feasibility study. The purpose of the drilling was to define Z87 and J4 as well as to test other IP anomalies.

In February 1993, Metall acquired Minnova's interest and, in May 1993, purchased all of Kerr Addison's mining property interests. In August 1993, a positive feasibility study was completed based on a 10,000 tpd open pit operation (Kilborn, 1993). In September 1993, the Coopers & Lybrand Consulting Group from Toronto, Ontario, audited the feasibility study and found no significant problems.

From August 1994 to April 1995, Mineral Resources Development Inc. from San Mateo, California, reviewed the reserves of both the feasibility and post-feasibility studies for financing purposes. Other kriging parameters were tested, and a check assay program was carried out on the 1992-1993 data set.

In May 1995, Metall changed its name to Inmet. Financing of the project was completed in June 1995. Later on, during the same year, the refurbishing of the 44 km access road from the Route du Nord and a 137 km power line and two substations were completed.

The construction of the mill complex and all facilities was completed in the fall of 1996, and milling started in November 1996. In April 1997, after some fine tuning, the mill capacity reached 10,000 tpd.

In April 1998, Inmet approved 15,000 tpd mill expansion feasibility by Met-Chem Canada Inc. ("Met-Chem"). Modifications to the mill started in December 1998, and the full 15,000 tpd capacity was reached in 1999.

New sampling and assay protocols for the blastholes and future diamond drilling campaigns were proposed by Francis Pitard in January 1999 (Pitard, 1999). As a result, significant modifications to the Troilus assay laboratory were completed during the fall of 1999 and it became fully operational in May 2000, after a six-month implementation and adjustment period.

In 2004, Inmet approved another mill expansion feasibility by Met-Chem to increase mill capacity to 20,000 tpd. Modifications to the mill were completed in December 2004 and the full 20,000 tpd capacity was reached in 2005. In 2010, the mine was shut down as the company direction shifted to other assets.

### *Past Production*

The mine started production in October 1996 and operated continuously up to April 2009 and the mill continued to process stockpile material up to June 29, 2010. From 1995 to 2010, approximately 69.6 million tonnes averaging 1.00 g/t Au and 0.10% Cu of ore was

mined and 7.6 million tonnes of lower grade mineralization had been stockpiled. A total of approximately 230.4 million tonnes had been excavated including 18.4 million tonnes of overburden and 134.7 million tonnes of waste rock. The overall mill recovery averaged 83% for gold and 89% for copper. The Troilus Mine produced over 2 million ounces of gold and almost 70,000 tonnes of copper. The production history up to the end of the mine life in 2010 is summarized below. The mill processed the low-grade stockpile material from 2009 up until June 29, 2010.

### *Geological Setting, Mineralization and Deposit Types*

#### *Regional Geology*

The Troilus gold-copper deposit lies within the eastern segment of the Frotet-Evans Greenstone Belt, in the Opatica Subprovince of the Superior Province in Quebec.

The Frotet-Evans Archean greenstone belt extends for more than 300 km between James Bay and Mistassini Lake, and varies from a few kilometres up to 45 km in width. The belt is divided into two similar volcano-sedimentary domains, west domain and east domain. Half of the west domain consists of tholeiitic basalt and the other half consists of felsic pyroclastic rocks, gabbro, pyroxenite, and peridotite. The east domain is known as the Frotet-Troilus Domain and hosts the Troilus deposit.

#### *Local Geology*

The Frotet-Troilus Domain is underlain by a supracrustal sequence of submarine mafic volcanics with intercalated cogenetic mafic intrusions. Felsic volcanic and pyroclastic rocks, minor epiclastic sedimentary rocks, and ultramafic horizons are also present. These supracrustal rocks are intruded by granitoid plutons and dikes, which are the youngest rocks in the area.

The rocks are variably deformed and are affected by a strong regional foliation. Subhorizontal mesoscopic to megascopic folds are common, affecting both regional foliation and primary layering. The metamorphic grade in the Troilus area ranges from greenschist to lower amphibolite facies. The higher metamorphic grade is apparent adjacent to boundaries of intrusions and margins of the greenstone belt.

The Troilus region contains many occurrences of gold, base metal, and molybdenite mineralization. Troilus is the largest gold deposit. The three largest base metal volcanogenic massive sulphide (VMS) occurrences are the Lessard deposit, Tortigny deposit, and Clairly deposit.

#### *Property Geology*

The property geology consists of a sequence of intermediate to mafic flows and breccia, locally with felsic volcanic rocks, and comagmatic gabbro and ultramafic sills. The sequence is fault-bound to the north by a significant fault and cut internally by smaller scale faults. The gold mineralization at Troilus is hosted in a multiphase gabbro to diorite intrusion (the "Troilus Diorite"). Interpretation of airborne magnetic data indicates that the

Troilus Diorite is an elongate intrusion five kilometres by one kilometre in size, whose long axis has a north-easterly orientation. The Troilus Diorite hosts the two main mineralized zones (Z87 and J4) of the Troilus Mine in its northeast and north margins. Magmatic zircon from the Troilus Diorite yielded a U/Pb age of  $2,791 \pm 1.6$  Ma (D. Davis cited in Goodman et al., 2005), which makes it the oldest age-dated rock unit in the Troilus region. Late porphyritic felsic intrusions intrude the margin of the Troilus Diorite and appear to be more abundant in the mineralized zones. Magmatic zircon from a large felsic dike yielded an age of  $2,782 \pm 6$  Ma (Dion et al., 1998). A large granite-trondhjemite pluton (Parker Pluton) is located northeast of the Troilus Diorite and a smaller granitic pluton (Parker Junior) occurs to the south. Magmatic titanite from the Parker pluton yielded a preliminary U/Pb age of 2,698 Ma (D. Davis, cited in Goodman et al., 2005).

The Troilus Diorite consists of coarse- to medium-grained gabbro and diorite. Despite metamorphic recrystallization to hornblende and epidote aggregates in a matrix of andesine and quartz, magmatic textures are preserved within the intrusion. The margin of the intrusion contains a brecciated unit with centimetre- to decimetre-size leucocratic fragments in a melanocratic matrix. The breccia unit is the main host rock of the Z87 and J4 mineralized zones. The outer margin of the breccia unit grades into fine-grained country rock consisting of massive to strongly foliated amphibolite, depending on the amount of biotite alteration. Fraser (1993) interprets the breccia unit to be hydrothermal in origin, related to ore genesis and indicative of near-surface ore formation. Conversely, Goodman et al. (2005) conclude on the basis of textural and geochemical evidence that the breccia is magmatic in origin.

Three main fracture orientations are mapped in the deposit area. The first set, oriented at  $215^\circ$  and dipping at  $63^\circ$ , is subparallel to the regional foliation and represents the major fracture system in the Z87 pit area. The other two sets ( $035^\circ/25^\circ$  and  $320^\circ/85^\circ$ ) cut the regional foliation almost at a right angle. The combined effect of these fractures has induced local instability in the Z87 pit. Faulting is observed locally in the pit. The main orientations are  $240^\circ/-55^\circ$  and  $160^\circ/-60^\circ$ . These two fault orientations do not cause any overall wall stability concerns but can create problems locally.

The geologic units and alteration patterns were strongly flattened and stretched during regional deformation. In the Z87 pit area, the effects of deformation are manifested as strongly elongated (parallel to the regional foliation) felsic dikes, extensive stretching of breccia fragments, strongly boudinaged mafic dikes, and distorted quartz veins. Mineralized breccia fragments show aspect ratios of up to 20:1 in a foliated biotite enriched matrix, parallel to the north-northwest plunging lineation (Goodman et al., 2005). In contrast, barren breccia in the structural hanging wall consists of more angular, equant fragments in a matrix of weakly foliated amphibolite.

### Mineralization

Two styles of mineralization are recognized at the Troilus Project: 1) disseminated mineralization and 2) vein-hosted mineralization. Disseminated mineralization contributed greater than 90% of the ore, particularly in Z87. This mineralization style consists of disseminated fine-grained chalcopyrite, pyrite, and pyrrhotite and streaks and stringers of these minerals along the foliation and fractures. Copper values are consistently greater



than 0.07% Cu. Gold occurs as native gold and electrum grains up to 20 µm in size with up to 15% Ag. The grains are present along sulphide grain boundaries, fractures within sulphides, and as inclusions in silicates. The abundance of biotite alteration in the matrix of the breccia and in the amphibolite at Z87 is interpreted to reflect strong potassic metasomatism during channelized hydrothermal fluid flow through permeable rocks between the felsic dikes in the footwall and hanging wall.

Several generations of gold-bearing veins have been identified and described by Goodman et al. (2005). In terms of grade and abundance, the most significant are quartz-chlorite (±tourmaline) veins. These veins occur in silicified wall rocks to sericitized high strain zones which cut the main foliation and in the margins of felsic dikes. Gold-bearing millimeter- to centimetre-wide veinlets are locally present as swarms parallel or subparallel to spaced cleavage in the silicified rocks. The veinlets contain free gold and minor amounts of sulphide. Much of the gold is fine grained and contains up to 20% silver, but gold grains can be up to greater than 1,000 µm in size. Locally, a second set of gold bearing quartz veinlets cut the first. These carry fine-grained gold (>95%) and minor pyrite, chalcopyrite, sphalerite, galena and Te- and Bi-bearing minerals, specifically tellurobismuthinite, calaverite, and hessite. Although volumetrically much less significant than the main disseminated mineralization, the veinlets can contain grades of greater than 50 g/t Au over a one metre interval. Coarse-grained gold recovered by a gravity circuit in the mill accounted for about 30% of the gold produced. Presumably much of this coarse gold was derived from the veins. High grade shoots related to the veinlet zones are oriented 40° clockwise from the main disseminated mineralization.

Limited mineralogical and textural studies in the early 1990s of drill core samples from Z87 indicate that 47% of the gold grains are larger than 100 µm in size. Eighty-nine percent occurs as free gold or electrum and inclusions in gangue material, two percent of the gold is associated with chalcopyrite, and nine percent occurs with pyrite and (or) pyrrhotite.

Such detailed mineralogical studies have not been carried out on J4. Core logs indicate that coarse gold is more common and chalcopyrite much less abundant in J4 than Z87. Although coarse gold is present, it is rarely observed in diamond drill core or hand specimens. The J4 and Z87 ore-waste contacts are not visually evident and are defined based on assay data.

Generally, the Z87 and J4 mineralized rocks contain <1% to 3% sulphides. The sulphides are chalcopyrite and pyrrhotite, with subordinate pyrite and rare sphalerite and galena. Sulphide contents of up to 5%-10% have been reported in the matrix of the hydrothermal breccia, coincident with a marked enrichment in potassium and biotite. The breccia fragments are less enriched in sulphide and biotite.

In Z87, the peak of enrichments in gold and copper overlap but are not exactly coincident. From northwest to southeast, Z87 has a relatively gold-rich and copper-poor structural hanging wall, gold-rich and copper-rich centre or core, and gold-poor and copper-rich footwall. The gold and copper enriched core contains a 15 m wide domain with greater than 0.2% Cu. Additional copper-rich sub-zones and lenses occur farther into the footwall outside the pit walls.

Outwards from the gold and copper enriched core, chalcopyrite and pyrrhotite become subordinate to pyrite, particularly in the northwest part of Z87. This domain overlaps the transition between the potassic alteration assemblage and the inner propylitic alteration assemblage, and is characterized by sodic rather than potassic alteration.

### Deposit Types

Generally, formation of the breccia host rock is attributed to mineralizing hydrothermal fluids, which percolated along cracks and fractures in the rock (Fraser, 1993). In the more altered core of the deposit, where metal enrichment is highest, fragments are less evident and almost completely altered. Toward the margins of the deposit, the fragments are better preserved and mineralization is restricted mainly to the matrix. Evidently, progressive hydrothermal alteration and metamorphic recrystallization caused further digestion of the fragments and increased throughput of metal-rich fluids. In addition, work done in 2018 showed a more important deformation stage than previously understood.

Formation of the hydrothermal breccia and intrusion of the dikes could be contemporaneous. The breccia and dikes are deformed, which suggests that tectonic deformation ceased during the formation of the potassic alteration assemblage. Potassic, propylitic, and phyllic alteration assemblages are spatially associated with mineralization. The gold-copper dominated metal suite, large size and low grades, disseminated style of mineralization, porphyry intrusion and brecciated nature of the host rocks, and alteration assemblages are all features of Troilus interpreted to indicate formation as a porphyry type deposit (Fraser, 1993).

The interpretation of Troilus as a porphyry type deposit is challenged by Goodman et al. (2005). Extensive study of drill core, assay data, and open pit exposure indicates a two-stage history of gold-copper mineralization during structurally controlled hydrothermal fluid activity. Stage 1 gold mineralization occurred during ductile deformation and biotite alteration at depth prior to the peak of regional metamorphism. Stage 2 gold mineralization occurred during brittle deformation, sericite (phyllic) alteration, and vein formation at higher levels in the crust. In this model, the copper (plus zinc and lead) mineralization could represent metal remobilized during Stage 1 mineralization from pre-existing VMS deposits in the geological sequence.

### *Exploration*

Exploration history of the property is directly linked to the history of the discovery and development of the Troilus deposit discussed above under the title "History". In addition to the drilling completed in 2018 and 2019, Troilus compiled historical data and carried out a field mapping and prospecting program.

A review of all the lithogeochemical data by Inmet indicated that a large halo with gold values greater than 200 ppb occurs around Z87 and J4. Compilation of drill hole data for holes drilled away from the Troilus deposit has shown that there are a number of holes with gold values greater than 200 ppb over 10 m. Systematic drilling of all these zones was undertaken between 1997 and 2004. No zones of economic mineralization having

both the size and grade of the Troilus deposit were found, however, a 500 m long anomalous gold envelope, named the Southwest Zone, with similar characteristics to Z87 was discovered in 2000, at the southwest end of the Troilus Diorite. Several holes were drilled in early 2005 using Ingersoll Rand DML downhole hammer drill rigs (DML) to investigate the potential of having near surface mineralized material that could be mined and trucked to the Troilus mill. The thick overburden prevented testing the full extent of the zone. Additional diamond drill holes will be required.

In J4, gold grade contouring suggests that the mineralization is thickening down plunge and that there is a good potential for finding higher grade gold mineralization below a 200 m vertical depth. In 1999 and 2000, drilling confirmed that the gold mineralization extended down plunge, where hole TN-26 intersected a 24 m wide gold-enriched zone averaging 4.95 g/t Au and including a higher-grade section that assayed 34.7 g/t Au over three metres.

Field mapping and prospecting work in 2018 confirmed that the Troilus deposit is affected by the regional D1 deformation event and amphibolite-grade metamorphism. The S1 foliation is oriented 60°/210° on average in the deposit area and is associated with a downdip 60°/322° L1 stretching lineation. The deposit gold zones are strongly transposed parallel to the foliation, forming folded planar and relatively thin bodies at a low angle with the foliation. High-strain zones are preferentially located in the biotite and muscovite altered gold zones. The high strain environment resulted in the rotation of fold axes and boudins parallel to the stretching lineation, forming downdip high-grade gold shoots within the gold zones.

Tight isoclinal F1 folds are associated with an axial planar S1 foliation, and some of these F1 folds can be rootless (Z87), illustrating that strong transposition occurred during D1. Fold axes are subparallel to the stretching lineation indicating a strong transposition. This orientation is likely to produce a downdip plunge of gold mineralization parallel to the stretching lineation. The intensity of the deformation and the tight and isoclinal nature of the folds hamper the observation of F1 fold hinges, however, folding in the Troilus deposit is probably ubiquitous at various scales.

A small rock sample collected during the 2018 drilling campaign north of Zone J4 displays a refolded fold, indicating that structural history at Troilus is probably more complex, with at least two episodes of folding. The gold mineralization is interpreted to have been primarily emplaced pre- to early-D1. Gold was emplaced within or close to the Troilus intrusion and preferentially within diorite breccia. Felsic dikes acted as fluids barriers and contributed in the focus of hydrothermal fluids and the concentration of gold deposition. Minor syn- to post-D1 gold mineralization was emplaced within and at the vicinity of the main gold zones, likely from the remobilization of the pre- to early-D1 gold.

In 2018, Troilus investigated the potential to extend the known gold mineralization in zones J4 and J5 further to the north and at depth. As gold mineralization is still present in the northernmost 2018 boreholes, the potential for a continuation of both zones to the north is open. Because of the higher deformation intensity to the north, gold mineralization is likely to be affected by a stronger transposition relative to that at Zones 87, J4, and J5. Boudinage of the gold trend is more intense, which decreases the continuity of the gold

zones along trend. Mapping of the favourable host rocks is critical to understand the continuity of this gold mineralization along trend.

The geometry of the gold zones favours overall grade continuity along strike following the folded and transposed geometry, and the downdip continuity of high-grade gold shoots following fold axes and the stretching lineation. The main exploration opportunities proposed are the extension of zone J4 at depth, and the extension of zone 87S at depth and to the southwest. The continuity of zone 87 at depth to the north requires the extension of prospective lithologies to the north. Zones J4 and J5 are likely to extend to the north, but the proximity of the Parker pluton will induce structural complexity. Zone J4 is likely to extend toward zone 87 to the south rather than continuing along trend.

The southern portion of the Troilus intrusion represents a prospective exploration target due to the presence of gold in historical boreholes, and favorable lithologies and alteration in outcrops. The sand pit outcrop located in Zone 86S was discovered during the summer of 2018. The main outcrop is dominantly composed of an auriferous breccia intruded by a series of intrusions, including felsic dikes. This setting is similar to that of zones 87, J4, and J5. A series of amphibolite outcrops are present to the southeast, and diorite (un-brecciated) is present to the northwest.

The breccia and sulphides are strongly transposed, and some remnants of folds can be observed, which indicates a pre- to early-D1 emplacement of the sulphides. They are preferentially hosted in the breccia matrix. Highly transposed felsic dikes are present. The felsic dikes are altered, but only minor quartz-sulphide veins crosscut them, while the host breccia contains disseminated sulphides. This illustrates that felsic dikes could have acted as barriers to auriferous fluids.

### *Drilling*

Since 1986, Inmet and its predecessor companies have used similar procedures for drilling. The table below summarizes the drilling programs completed on the property to the end of 2007. There has been no drilling on the property since 2007. The current drill hole database contains 645 drill holes totaling 127,454 m and most of the drill holes targeted Z87 and J4.

## SUMMARY OF HISTORICAL DRILLING

Years	Contractor	Core Size
1986-1989	Morissette Diamond Drilling	BQ
1990	Morissette Diamond Drilling	NQ
	Benoit Diamond Drilling	
	Chibougamau Diamond Drilling	
1991-1993	Benoit Diamond Drilling	NQ
	Chibougamau Diamond Drilling	
1995	Benoit Diamond Drilling	NQ ("KN" holes)
	Morissette Diamond Drilling	BQ ("TN" holes)
1997	Chibougamau Diamond Drilling	NQ ("KN" holes)
		BQ ("TN" holes)
1999	Forages Mercier	NQ
2000	Chibougamau Diamond Drilling	NQ (on Z87 and J4 zones)
		BQ (elsewhere)
2002	Chibougamau Diamond Drilling	NQ
2003-2005	Forages Mercier	NQ
2007	Forages Mercier	NQ

Almost all holes were drilled perpendicular to the stratigraphy, towards southeast or mine grid east, and have dips varying from 45° to 90°. In the earlier programs, AQ and BQ size core was used. NQ coring started in the early 1990s. From 1986 to 1996, all casings were left in the ground. From 1997 to 1999, all casings from "KN" holes drilled during that period and located in the immediate Z87 and J4 area were removed, while casings for other "KN" holes and all "TN" holes were left in place. Between 2000 and 2005, all casings for "KN" holes were removed after completion and those for holes starting with "TN" were left in the ground.

From 1986 to 1997, the core was split and half of the core was laid out in wood boxes that were tagged with Dymo tape. The drill core for holes drilled up to 1996 is stored outside in core racks at the Opemiska Mine site in the town of Chapais and the more recent core (post-1997) is stored in racks and pallets at the Troilus Mine site. Some holes were moved from Chapais to Troilus. Core racks are made of steel or wood and steel. There is no roofing to cover the racks and there is no fencing around the core racks. Since the introduction of the new sampling and assay protocol in 1999, whole core has been sent for assay and a 10 cm to 20 cm length of core has been retained.

The older holes (pre-1990) were converted to the metric system and verified by Inmet prior to inserting them into the database. All holes have had some sort of survey test taken downhole. From 1986 to 2002, acid dip tests and Tropari instruments were used systematically. In 2003, a Reflex Multishot digital survey started to be used. All holes drilled in the vicinity of the Troilus deposit were surveyed using the mine grid coordinate system. For exploration holes outside the mine area, cut line grid coordinates were

converted to the mine grid system. Elevation for these holes was taken from topographic maps.

All drill holes were used for geological interpretation. Drill holes on the Z87 and J4 zones are generally on cross-sections at 50 m spacing, with some in-fill holes on intermediate sections spaced 25 m apart.

Core logging was done for major and minor lithologies, alteration type, and mineralization. Sample lengths in the earlier programs (pre-1990) were not constant and depended on mineralization and geology (dikes, contacts, etc.). In the subsequent programs, it was found that the mineralization was very diffuse throughout the geological units and thus systematic one-metre long samples were taken, regardless of the geology. Rock Quality Designation (RQD) measurements were systematically taken during the 1991 drilling campaign. In the following drill programs, RQD was done only on a few holes selected on each section drilled. In 2005, RQD measurements were again systematically taken. Core recovery is excellent and averages over 95%.

Lithogeochemical sampling was carried out sporadically throughout the different drilling programs.

A number of geologists have logged the Troilus core. Over the years, the lithological names evolved, generally from volcanic origins to more intrusive origins. The Troilus geology department has assembled a diamond drill core reference suite of the main lithological units and alteration products on the property to standardize the more recent nomenclature. In 2018, as knowledge evolved, some lithological naming was updated to fit with new mindset.

RPA recommended that Troilus scan and build an electronic archive of the historical drill logs and core photographs. RPA also recommends adding a year field to the drill hole database.

### *Sampling, Analyses and Data Verification*

During the earlier (pre-1990) drilling programs, core sample intervals were selected based on visible mineralization and geological contacts. After 1990, one-metre samples were taken systematically in the mineralized zones, regardless of the geology. Also, resampling of the pre-1990 holes was carried out to fill in gaps in the sampling and to bring the assay sections as close as possible to one metre. In 1999, a new sampling and metallic sieve-based assay protocol was introduced. This protocol included increasing the sample length to three metres and was applied to all samples located within mineralized zones. The sample length for samples located outside the mineralized zones was set at two metres, and these samples used a sampling protocol that involved fire assaying a 30 g sub-sample. Since 1999, most of the Z87 diamond drill core samples were three metres in length and most of the J4 Zone samples were 2.5 m in length. For the 2002 J4 zone drilling, the mine laboratory adjusted the protocol to a 2.5 m length. In 2004, all sample lengths were reduced to two-metre lengths.

Before 1999, drill core samples were split into two parts with a hydraulic splitter: one part for the assay and the other put back in the core boxes for future reference, metallurgical work, or additional check assaying. Since the mineralization consisted essentially of disseminated pyrite and given that there was not a good correlation between pyrite abundance and gold grade, it was impossible to visually estimate gold grades. Consequently, either split half was representative of the sample and no bias could be introduced by selecting one half instead of the other.

In 1999, following the studies and recommendations by Pitard (1999), a new sampling protocol was applied to all subsequent drilling programs. It recommended taking three-metre lengths of whole core instead of one-metre lengths of split core. Again, this was done systematically, without considering geological contacts or dikes. Pitard strongly suggested that this sampling procedure would be more appropriate for the type of mineralization at Troilus than the previous method used, and should significantly reduce the sampling error. Assay data compilation from the 2004 and 2005 diamond drilling programs shows that reducing the sampling length to two metres did not increase the sampling error significantly. In 2018, all core was sawn in half and one metre samples were bagged, with minor exceptions.

#### *Sample Preparation and Analytical Protocols*

Since 1986, a consistent sample preparation protocol has been employed at Troilus prior to shipping samples for analysis. All core samples are marked, tagged, placed in plastic bags, sealed, and temporarily stored in the secure core shack. When sufficient samples are accumulated, they are shipped by truck to the assay laboratory. Prior to 1997, samples were shipped off site to certified assay laboratories. Since 1997, samples have been assayed on-site.

Several laboratories and different assay techniques have been used at Troilus over time. During the first drilling programs (1986 to 1991), several laboratories, including Swastika Laboratories (Swastika), were used for assaying the core samples. Bondar-Clegg and Chimitec used a half assay-ton (AT) fire assay technique with a Direct Coupling Plasma (DCP) finish. Following an extensive assaying comparison program in 1992 between several laboratories using different techniques, Swastika was retained to do most of the analyses from 1992 to 1997, when the Troilus laboratory became operational. It was determined that the one-AT fire assay with gravimetric finish technique used by Swastika was more accurate for assaying gold than the half AT method used at the other laboratories. Consequently, from 1992 to 1999, all samples were assayed for gold by one-AT fire assay with a gravimetric or atomic absorption (AA) finish depending on the size of the "doré bead". If the bead was visually judged too small to be weighed, then the bead was dissolved and an AA finish was used. Copper and silver were analyzed by AA spectrometry.

Prior to assaying, the original one-metre split core sample, weighing approximately 2.7 kg, was entirely crushed down to 0.25 in. Then, 350 g was pulverized to -150 mesh (105 microns) and a one-AT (29.17 g) fire assay was done. The rest of the sample (pulp and reject) was stored for future use.

In 1999, along with the new sampling method, a new assay protocol was introduced, based on the recommendations by Pitard (1999). The new assay protocol involved assaying a much larger sample than that used for the standard fire assay in the previous programs (1,000 g versus 30 g). This protocol was designed to reduce the Fundamental Error (i.e., error generated by sample and sub-sample weights), the Grouping and Segregation Error (i.e., error generated by gold segregation and the way samples and sub-samples are split), the Extraction Error (i.e., error generated by poor sample recovery), and the Preparation Error (i.e., error generated by excessive loss of fines). The "Pitard Protocol" for assaying Troilus diamond drill core is summarized below:

1. Crush the entire 3 m NQ core sample (14 kg) down to 16 mesh (0.04").
2. Split a 1 kg sample using a rotary divider.
3. Pulverize the entire 1 kg sample for no longer than 90 seconds to minimize smearing.
4. Screen the entire 1 kg sample using a 150-mesh screen.
5. Perform one-AT fire assay on the entire +150 mesh fraction, which may need more than one fire assay.
6. Perform two one-AT fire assays on the –150 mesh fraction.
7. The final assay value is the weighted average of the results from both fractions.

Starting in 2004, the Pitard Protocol for diamond drill core was adjusted to two-metre core length (10 kg). The rest of the procedure remains the same.

In 2018, the Pitard Protocol was not used. One metre sawn core was processed with standard crushing to 85% passing 75 microns on 500 g splits. Samples were assayed by one-AT (30 g) fire assay with an AA finish and if results were higher than 3.5 g/t Au, assays were redone with a gravimetric finish. For quality assurance/quality control (QA/QC) samples, a 50 g fire assay was done. In addition to gold, both laboratories carried out multi-element analysis by AA, AGAT for 23 elements and ALS for 33. Troilus retained an external consultant, Jack Stanley of Analytical Laboratory Consultant Ltd., to carry out an audit of both laboratories, who concluded that both facilities were following industry standards.

In 2019, the gold analyses were by metallic sieve. A fine crushing 70% <2mm is performed. The sample is divided so that 1.2 to 1.5 kg is used for analysis. The sample of 1.2 to 1.5 Kg is then 95% pulverized <106 mesh. 50 g is recovered for ME-ICP61 analysis of 33 elements four acid ICP-AES. The remainder of the sample is sent to the screen to divide the fraction larger and smaller than 106 mesh. The portion smaller than 106 mesh is analyzed in 50 g by Fire Assay. The portion larger than 106 mesh is fully analyzed. The values are then combined by weighted calculation.



In RPA's opinion, the assays that support the Mineral Resource estimate are based on sample preparation and analytical protocols that meet or exceed standard industry practice. The mine laboratory was equipped with modern state-of-the-art equipment and staffed with highly qualified personnel. Established assay laboratories were used for the earlier and 2018 drill programs.

#### *Quality Control and Quality Assurance*

Several laboratories and assay methods were used in the course of the different drilling programs, and a number of re-assay and check assay programs were carried out over the years. Also, several studies on the heterogeneity and/or nugget effect of gold were carried out and are listed in Boily et al. (2008). From 1997 onward, Inmet operated an internal assay laboratory where they reconciled gold and copper grades with head grades from the operating mill.

Prior to 1999, during the assaying process, each laboratory did a systematic check assay every 10 to 15 samples. All samples assaying more than 1.0 g/t Au were re-assayed from a second pulp and all those assaying greater than 2.0 g/t Au were assayed a second time from the rejects. All assay laboratories routinely inserted in-house reference materials and certified standards.

Since 1993, Inmet has inserted in-house reference materials, CANMET Certified Standards and blanks in each shipment to the assay laboratories. Over 20 different in-house reference materials and Certified Standards have been used by Inmet over time. All these in-house control samples are first pulverized and bagged (35 g) and then inserted after every 50 samples using the same sequential numbers as the core samples. After approximately every 10 control samples, a CANMET Certified Standard or a blank was inserted instead of the in-house control sample.

Following the introduction of a new sampling and assay protocol in 1999 (Pitard Protocol), modifications were made to Troilus quality control procedures. In addition to the insertion of reference material and/or Certified Standards, approximately 10% of all the samples assayed were randomly selected and their rejects sent back to the laboratory to be re-assayed using the same assay protocol (duplicates).

Results from quality control programs (reference samples, standards, re-assays, and duplicate assays) are used to qualify reliable assay data. There are no data on the standards used by the off-site laboratories prior to 1993 and/or the results of their quality control. However, no major problems were reported in the assays from the drilling programs and differences between the original values and the second assays and/or duplicates were judged to be acceptable.

In a report dated March 1994, the Coopers & Lybrand Consulting Group compiled the different studies on the accuracy and precision of the assays carried out by Inmet and concluded that the relative accuracy for the gold grade at Troilus is  $\pm 15\%$ . After 1994, a number of tests and studies on the heterogeneity of gold at Troilus were carried out for Inmet by various consulting firms. Pitard (1999) reviewed this work and concluded that a

target of  $\pm 15\%$  variance in the gold assay results was achievable and that a sampling protocol modification was required to reduce sampling error to this level.

An internal Inmet report (Boily, 2005), based on external check assays and the mine laboratory gold reference standards, concluded that the Troilus laboratory assays were not biased.

In late 1998 and early 1999, some 1,427 m of core from the mineralized zones from 12 holes were re-sampled and assayed in two separate programs. Independent laboratories used for the assaying included SGS Lakefield Research Limited and the Centre de Recherche Minérale. This program was designed to compare the newly introduced 1,000 g screen metallic sampling and assays (Pitard Protocol) with the historical 30 g sampling assay protocol. From this program, Inmet concluded that the relative difference between the two data sets was less than 2% and that there was no overall bias between the two protocols. It was concluded that the 1,000 g screen metallic protocol reduced the sampling error and therefore provided a much better estimate of the gold contained in any given sample and improved the ability to estimate grades locally. This protocol was adopted as the sampling protocol going forward.

In 1997, external check assays at Swastika and Chimitec indicated that the Troilus laboratory was underestimating gold values by approximately 10% to 15%. The Swastika and Chimitec assays were within 5%. The 1997 drilling program targeted Z87 close to the pit limits.

The 2018 QA/QC program was in line with what was done previously. The insertion rates for certified reference material (CRM) and blanks was modified. Troilus has inserted OREAS CRMs and in-house blanks (granite from the Parker Lake intrusion) in each shipment to the assay laboratories. A total of five CRMs has been used by Troilus (OREAS 92, 922, 209, 215, and 217). All of the CRMs are individually packaged in 30 g envelopes and then randomly inserted within the 25 sample batches using the same sequential numbers as the core samples. Blanks are either granite drill core coming from end of holes or broken rock coming from an outcrop well inside the Parker Lake granite. They are also inserted within 25 sample batches.

In 2018, a complete re-assay program was carried out at both laboratories.

In 2019, the gold analyses were by metallic sieve. A fine crushing 70%  $< 2\text{mm}$  is performed. The sample is divided so that 1.2 to 1.5 kg is used for analysis. The sample of 1.2 to 1.5 Kg is then 95% pulverized  $< 106$  mesh. 50 g is recovered for ME-ICP61 analysis of 33 elements four acid ICP-AES. The remainder of the sample is sent to the screen to divide the fraction larger and smaller than 106 mesh. The portion smaller than 106 mesh is analyzed in 50 g by Fire Assay. The portion larger than 106 mesh is fully analyzed. The values are then combined by weighted calculation. For both type results are transmitted to Troilus Gold by a certificate certified by the laboratory.

The ratios have been defined by RPA based on its historic knowledge of the project. The third-party check assays are on pulps from the primary laboratory that are re-assayed by a second laboratory, i.e., AGAT pulps were re-assayed by ALS and vice versa.

RPA is of the opinion that the check assay data do not reveal any major biases in the historical Troilus drilling program gold assays that could have a significant negative effect on the Troilus Mineral Resource grade estimates. Overall, past production data reconciled well with the previous resource models.

#### *Data Verification*

RPA is of the opinion that the drill hole database is acceptable to support the Mineral Resource estimate. In 2003, Inmet and RPA personnel did extensive work together to validate and verify the original Z87 Gemcom diamond drill hole database which was used to estimate the January 2003 open pit Z87 Mineral Resources and Mineral Reserves. Approximately 10% of all of the Z87 assays were verified with the original assay certificates. No significant data entry problems were found.

In January 2004, the Gemcom header, survey, and assay data related to the 50 new drill holes were verified. A number of minor data entry problems in the header, survey, and assay tables were identified and corrected.

Inmet and RPA personnel also worked together to validate and verify the Z87 underground Gemcom diamond drill hole database, which was used for the April 2006 underground Z87 Mineral Resources and Mineral Reserves (Evans, 2006).

Inmet and RPA used a number of queries in MS Access, the Gemcom data validation routine, and 3D visual inspection to validate the drill hole database header, survey, and assay tables. A number of minor data entry problems in the survey and assay tables were identified and corrected.

The lithology table data has not been validated. The rock code nomenclature needs to be standardized and overlapping primary and secondary rock codes in the lithology table should be rectified in the future. RPA believes that the current state of the lithology table will not have a material impact on the Mineral Resource estimates.

Mr. Bernard Boily, Inmet Senior Mine Geologist, verified all of the Troilus UG drill hole database header and survey records, and most of the assay records (Boily, 2005). No significant data entry problems were found. All of the assay results are provided by the mine laboratory in digital format. The downhole survey results are also generated directly in digital format. RPA checked the resource assays in four of the more recent drill holes (KN-653, KN-661, KN-666, and KN-673) and found no errors.

In 2018, Troilus retrieved the historic GEMS database. Before the grade interpolation step was initiated, a complete new and clean database was created by Troilus personnel. A complete review of the dataset was carried out including running a number of queries in MS Access and the GEMS data validation routine and carrying out 3D visual inspection to validate the drill hole database header, survey, and assay tables. A small number of minor

data entry problems in the survey and assay tables were identified and corrected. No major issues were encountered.

Troilus staff carried out an in-house validation of the 2018 dataset before providing the data to RPA. Approximately 10% of the dataset was checked against the assay certificates and no major issues were found.

#### *Mineral Processing and Metallurgical Testing*

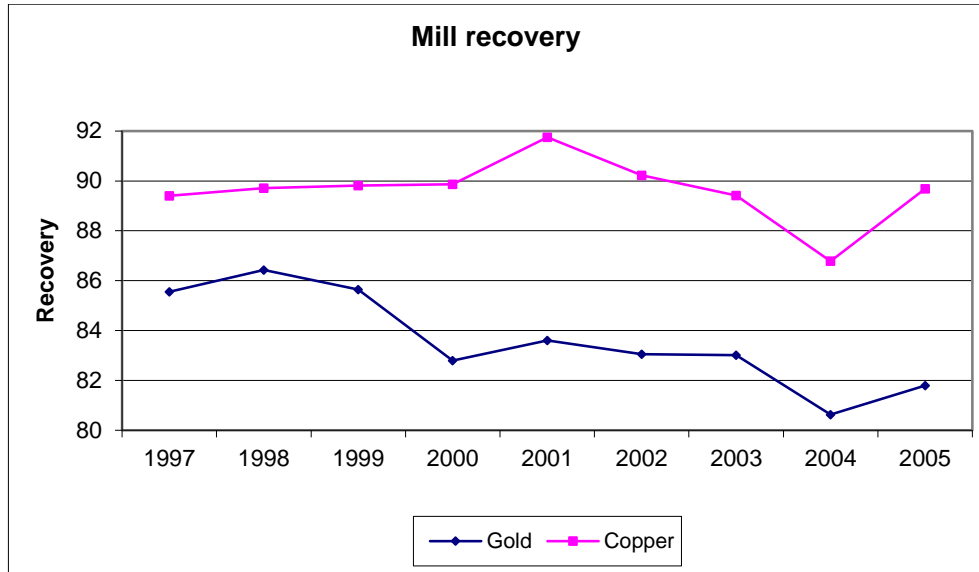
The mill was originally designed to treat gold, copper, and silver at a rate of 10,000 tpd using a flowsheet consisting of a gravimetric, flotation, and cyanidation circuit. Copper concentrate and doré bars were produced on site. The Troilus mill was commissioned in 1996, with commercial production achieved in April 1997 at a rate of 10,000 tpd, with recoveries of 86% Au and 90% Cu and a concentrate grade of 18% Cu. At the end of 1998, the plant reached production of 10,850 tpd with similar metallurgical results.

At the beginning of 1998, a decision was made to increase mill capacity to 15,000 tpd using a coarser grind. A crushing and screening plant was constructed and became operational in early 1999. The objective was to reduce the critical size material in the feed down to less than two inches. The cyanidation portion of the flowsheet was dropped in 1999, since it was found to be uneconomic. Removing the cyanidation circuit decreased the gold recovery by 2%, while coarser grind was responsible for approximately a 1% to 1.5% decrease. Since 1999, the plant has been operational with gold recoveries in the 82.5% to 84% range.

At the end of 2001, after replacement of the pebble crusher and ball mill pump and the successful implementation of instrumentation upgrade and flowsheet changes, the plant reached its target tonnage capacity. Similarly, steps were undertaken in 2000 to improve copper metallurgy, particularly concentrate grade. A column cell was commissioned, and modifications were carried out to the copper cleaner and thickening circuit. These changes led to improvements in the concentrate grade by 3% copper and recovery improvements by 1% to 2%. More importantly, this permitted the mill to operate more efficiently in a wider range of copper feed grades.

Plant recoveries in 2005 were approximately 82% for gold and 90% for copper as outlined below. In 2004, the plant reached a new milestone of 18,000 tpd.

## HISTORICAL GOLD AND COPPER MILL RECOVERIES



**2005 METALLURGY SUMMARY**  
**Troilus Mine**

Material	Weight %	Assays		Distribution	
		%Cu	g/t Au	%Cu	%Au
Mill Feed	100	0.07	0.98	100	100
Concentrate	0.40	17.33	128.76	89.68	54.43
Gravity					27.36
Final Tails	99.60	0.008	0.17	10.32	18.21

*Crushing*

The run-of-mine ore was hauled by 150 t trucks and dumped directly to a 54 in. x 74 in. gyratory AC crusher. Prior to crushing, large blocks were broken by a rock hammer in the crusher chamber to less than 1.2 m. The product from the crusher at 100% -200 mm was temporarily accumulated in a pocket, which is fed to a conveyor through an apron feeder. The dust generated in the crushing area is controlled by three dust collectors. Crushed material was conveyed to a dual deck vibrating screen to remove the +2 in. and -7 in. size fraction for secondary crushing. Pre-crusher discharge was then returned to the screen oversize and undersize fractions and conveyed to the coarse ore stockpile.

*Grinding*

The reclaim circuit was supplied by three variable speed belt feeders located under the stockpile. The disposition of the belt feeders minimized the segregation effect on the stockpile by feeding the conveyor of the semi-autogenous grinding (SAG) mill with a relatively stable ratio of fine particles.

The SAG mill (30 ft x 13 ft) was driven by a 7000 HP fixed speed synchronous motor, which was operational in a bi-directional mode. The mill was lined with chrome-molybdenum steel.

The mill was typically operated with a 20% to 25% volume using a steel charge of 10% to 12% 5.25 in. grinding balls. Grate discharge at 2.5 in. overflowed on a dual deck vibrating screen. The +12 mm screen oversize was recycled to the pebble crusher by conveyor. Pebble crusher discharge was added to the SAG mill feed conveyor. The -12 mm screen undersize was pumped to the ball mill circuit. This operation was carried out to relieve the mill of critical sized material.

The primary ball mill (18 ft x 28.5 ft) was driven by a 6000 HP synchronous motor that was in closed circuit (450% C.L.) with a cluster of 26 in. cyclones. The primary cyclone overflow fed the secondary ball mill circuit. This ball mill (16 ft by 22 ft), driven by a 4,300 HP synchronous motor, was in closed circuit (250% C.L.) with a cluster of 15 in. cyclones. The product (80% passing 90 µm) fed the flotation circuit.

### *Gravity Concentration*

A 15% bleed of primary ball mill circulating load fed a gravimetric circuit consisting of four 30 in. Knelson concentrators. Screen feed at 2,000 µm was supplied to the Knelson concentrators on three-hour cycles. The concentrate from the Knelson concentrators was accumulated in a storage tank to be later fed to a magnetic separator and further upgraded on a Gemini table. Middlings from the Gemini table were fed in a 12 in. closed circuit Knelson. Gold concentrates were produced at 40% to 70% gold and refined in an induction furnace. The gravimetric circuit generally recovered 24% to 32% gold.

### *Flotation*

The overflow from the secondary cyclones went to rougher column flotation before supplying two parallel banks of 43 m<sup>3</sup> flotation cells (GL&V). Each bank had seven cells in a 2+2+3 arrangement. The seven cells operated as a bulk sulphide flotation. The collection was done in an alkaline (pH 10.0) circuit.

The floating sulphides containing gold and copper from the flash flotation cell, the rougher column flotation, and the rougher/scavenger cells were further liberated in a regrind mill (10.5 ft x 12 ft). This 600 HP regrind mill was in closed circuit with a cluster of 10 in. cyclones. Cleaner circuit feed was typically 89% passing 40 µm. A Falcon concentrator was fed by one cyclone underflow to recover the fine free gold before feeding the cleaning circuit. Cleaning circuit pH was maintained at 10.5 to 11 to depress pyrite.

The cleaning circuit was comprised of four stages. The first and second stages had five cells of 2.8 m<sup>3</sup>, the third stage had four cells of 1.4 m<sup>3</sup>, and the fourth stage was a column flotation. Concentrate from the column was typically 22% and was shipped as final concentrate.

### *On-Stream Analyzer*

At the beginning of 1998, an on-stream analyzer (Courier 30 AP) was purchased in order to improve the flotation control and copper concentrate grade. Six streams were analyzed for process control. Better control permitted an increase of 1% to 2% in concentrate grade.

### *Filtering*

The copper concentrate was filtered by a pressure filter. The filter was a 25 m<sup>2</sup> Larox that produced a concentrate with less than 8% humidity. It was stored in a 400-t capacity bunker and shipped to Chibougamau by truck and further to the Horne Smelter by rail. Production was typically 2,500 tonnes per month.

### *Tailings Disposal*

The pond was constructed with a 2.5 km till starter dike. Winter discharge was done linearly with a single high spot. Beaches were produced in the summer by spigotting along

the dike and were further raised with a granular material on a yearly basis, with follow-up spigotting.

A water treatment plant has been functional since the end of 1998, after initial operation revealed suspended solid control problems. It uses a new technology (ACTIFLO) based on polymer addition and agitation followed by high speed sand assisted lamellar decantation and reduces suspended solids to concentrations below 15 ppm, the monthly average regulation limit.

### *Mineral Resource Estimate*

#### *Summary*

The current mineral resource estimate for the Troilus Project includes open pit resources for Z87, J4, and J5, and underground resources for Z87. The estimate is supported by a Geovia GEMS 6.8 block model sized 5 m by 5 m by 5 m. The resources are constrained by 3D mineralized wireframes. A resource shell was used to define the open pit resources. The underground resources are reported below the resource shell for Z87 at a higher cut-off, from mineralized areas with contiguous blocks above the underground cut-off grade. No mineral reserves have been estimated for the property.

The mineral resource estimate has an effective date of November 19, 2018. RPA estimated combined underground and open pit indicated mineral resources to total 121.7 Mt grading 0.87 g/t Au and 0.086% Cu containing 3.4 Moz of gold and 231.8 Mlb of copper. In addition, combined underground and open pit inferred mineral resources were estimated to be 36.1 Mt grading 0.88 g/t Au and 0.083% Cu containing 1.0 Moz of gold and 66 Mlb of copper.

RPA is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral resource estimate.

The Troilus drill hole database for Z87, J4 and J5 for the resource estimate comprised 725 surface diamond drill holes with a total length of 163,044 m. There were 98,445 assay records totalling 119,947.5m sampled. This included historical drilling performed until 2006 and some data from the 2018 drilling campaign. Samples from 626 holes were used in the resource estimate, representing 35,505 samples with a total length of 43,859 m. The Z87 wireframes capture data from 404 holes, while samples for J4 and J5 were collected from 222 holes.

The Z87, J4 and J5 open pit mineral resource estimate effective as of November 19, 2018 is summarized in the table below. The mineral resources are reported at a 0.3 g/t AuEq cut-off grade and are constrained by a Whittle pit shell. The Z87 underground mineral resource estimate effective as of November 19, 2018 is also summarized in the table below. Blocks above 0.9 g/t AuEq, located below the pit shell in Z87 area, and in zones of contiguous higher grades were included in the Z87 underground resource. The combined open pit and underground mineral resource estimate for the Troilus Project is also outlined in the table below.



**OPEN PIT AND UNDERGROUND ESTIMATED MINERAL RESOURCES – NOVEMBER 19, 2018**  
**Troilus Gold Corp. – Troilus Project**

<b>Classification</b>	<b>Tonnage (Mt)</b>	<b>Au (g/t)</b>	<b>Cu (%)</b>	<b>AuEq (g/t)</b>	<b>Contained Gold (Moz)</b>	<b>Contained Copper (Mlb)</b>	<b>Contained AuEq (Moz)</b>
<b>Total Open Pit and Underground</b>							
Indicated	121.7	0.87	0.086	1.00	3.40	231.8	3.92
Inferred	36.1	0.88	0.083	1.01	1.02	66.2	1.17
<b>Total Open Pit</b>							
Indicated	97.5	0.76	0.078	0.88	2.37	167.0	2.7
Inferred	21.7	0.60	0.062	0.69	0.42	29.7	0.5
<b>Total Open Pit Z87</b>							
Indicated	56.6	0.83	0.096	0.98	1.51	119.4	1.8
Inferred	12.1	0.58	0.066	0.68	0.23	17.5	0.3
<b>Total Open Pit J4-J5</b>							
Indicated	40.8	0.66	0.053	0.74	0.86	47.6	1.0
Inferred	9.6	0.61	0.058	0.70	0.19	12.2	0.2
<b>Total Underground</b>							
Indicated	24.2	1.32	0.121	1.50	1.02	64.8	1.2
Inferred	14.4	1.31	0.115	1.49	0.61	36.5	0.7

Notes:

1. CIM definitions were followed for mineral resources.
2. Open pit mineral resources were estimated at a cut-off grade of 0.3 g/t AuEq and were constrained by a Whittle pit shell. Underground mineral resources were estimated at a cut-off grade of 0.9 g/t AuEq.
3. Mineral resources were estimated using long-term metal prices of US\$1,400 per ounce gold and US\$3.25 per pound copper; and an exchange rate of US\$1.00 = C\$1.25.
4. AuEq = Au Grade + 1.546 \* Cu grade.
5. A recovery of 83% was used for gold and 92% for copper.

*Capping Levels*

Historically, all high-grade gold resource assays at Z87 have been capped to 6.0 g/t Au prior to compositing. High grade copper assays are rare and copper assays have not historically been capped at the Troilus Project. Reconciliation work in 2003 and 2004 indicated that the 6.0 g/t Au capping level was appropriate; however, RPA considers the 6.0 g/t Au capping level to be conservative for higher grade areas such as the deeper parts of Z87. Accordingly, a gold assay capping strategy by mineralized lens was used for

the current estimate. No capping was applied to copper assays. Gold assays were capped before compositing.

### *Block Models*

The mineral resource estimate is supported by a block model setup in Geovia GEMS 6.8. The extent of the block model covers both Z87 and J4-J5 areas. The information carried in the block model includes: (i) rock type for mineralized and waste material; (ii) interpolated gold, copper, and gold equivalent grades for mineralized blocks; (iii) the percentage of the mineralization wireframe model that is in each block; (iv) the mineralization density; (v) classification; (vi) the distance to the closest composite used during interpolation; (vii) number of composites and drill holes used for interpolation; (viii) pass number; and (ix) open pit or underground flagging.

Full blocks were flagged with the rock codes of the modelled solids. In order to reflect the volume of the mineralized wireframes, a threshold percent of block inside a wireframe was applied during the block selection process. The volume of flagged blocks was then compared to the mineralized wireframe analytical volume. The thresholds used for rock type block flagging was minimum 48% for Z87 Main and South. For J4 the minimum percent varied between 48% and 50%, while for J5, with narrower overall wireframes, threshold values were 45% to 48% depending on wireframe.

RPA applied various methods to validate the block model, including: (i) visual inspection and comparison of block grades with composite and assay grades; (ii) statistical comparison of resource assay and block grade distributions; and (iii) inspection of swath plots with composites and block grades elevations and northings.

RPA compared the block grades with the composite grades on sections and plans and found good overall visual correlation. Occasional minor grade smearing and banding occur locally when changes in wireframe dip or strike restrict the access to composites. As the project advances and closer spaced definition drilling becomes available, additional refinements would be possible to the mineralized domains and interpolation procedure. RPA considers that the Troilus Z87 and J4-J5 block model is valid, reasonable, and appropriate for supporting the mineral resource estimate.

### *Cut-Off Grade and Whittle Parameters*

For the mineral resource estimate, RPA estimated an open pit discard cut-off grade of 0.3 g/t AuEq for mineralization situated within the Whittle pit shell for both Z87 and J4-J5, and an underground bulk mining cut-off grade of 0.9 g/t AuEq for Z87 mineralization lying below the pit shell.

Metal prices used are based on consensus, long term forecasts from banks, financial institutions, and other sources. RPA's metal price, operating cost, and recovery assumptions are summarized in the table below.

RPA used the indicated and inferred mineral resource block NSR values and the input assumptions in the table to generate an open pit shell in Whittle to provide a constraint for

the open pit resource that complies with the CIM (2014) resource definition requirement for “reasonable prospects for economic extraction”. RPA converted the gold and copper grade models into NSR block values using the following equation:

$$NSR (\$/t) = 44.99 \times Au \text{ grade} + 69.55 \times Cu \text{ grade}$$

RPA notes that the discard cut-off grade is only applicable to the resource blocks situated inside the Whittle open pit shell constraint. Mining costs are incorporated in the Whittle process and are not included in the discard cut-off grade calculation.

### CUT-OFF GRADE AND WHITTLE ASSUMPTIONS

#### Troilus Gold Corp. – Troilus Project

Input Parameter	Units	Value
Gold Price	US\$/oz	1,400
Copper price	US\$/lb	3.25
Exchange rate	C\$/US\$	0.80
Recovery – Gold	%	83
Recovery – Copper	%	92
Open pit mining Cost	US\$/t	3.00
Underground mining Cost	US\$/t	28.00
Processing and G&A Cost	US\$/t	12.00
Pit Slopes – Z87 north & south walls	Degrees	56
Pit Slopes – Z87 east wall	Degrees	49.5
Pit Slopes – Z87 west wall	Degrees	53
Pit Slopes – J4 and J5 E walls	Degrees	50
Pit Slopes – J4 and J5 N, S, & W walls	Degrees	60

All classified resource blocks located between the current topography surface and the Whittle open pit shell constraint with grades greater than 0.3 g/t AuEq are included in the mineral resource estimate. The Z87 underground resource consists of blocks situated below the Whittle shell, in areas with contiguous blocks of grade 0.9 g/t AuEq or higher. A manual override was applied to discard scattered blocks or patches of isolated higher-grade blocks.

#### Mineral Resource Validation

RPA used various methods to validate the block model, including:

1. Visual inspection and comparison of block grades with composite and assay grades.
2. Statistical comparison of resource assay and block grade distributions.
3. Inspection of swath plots with composites and block grades elevations and northings.

RPA compared the block grades with the composite grades on sections and plans and found good overall visual correlation. Occasional minor grade smearing and banding occur locally when changes in wireframe dip or strike restrict the access to composite. As the project advances and closer spaced definition drilling becomes available, additional refinements would be possible to the mineralized domains and interpolation procedure. The comparison between composites and interpolated block values shows a slight, normal decrease of average grades for both gold and copper. For J4-J5 the differences in average grade of the different types of data is minimal, while for Z87 occasional larger differences are observed as is the case for the South extension mineralized lenses, where drill hole spacing is wider and the lenses thinner, however, the comparison includes all the interpolated blocks, prior to classification.

RPA examined in swath plots by northing and by elevation the distribution of gold and copper composite, and block grades interpolated using OK and inverse distance squared (ID2). No problems were found with the distribution of interpolated grades.

RPA considers that the Troilus Z87 and J4-J5 block model is valid, reasonable, and appropriate for supporting the Mineral Resource estimate.

Mineral Resource Reporting

RPA estimated Mineral Resources for the Troilus Project and reported open pit resources at a cut-off grade of 0.3 g/t AuEq and underground resources at a cut-off grade of 0.9 g/t AuEq.

*Recommendations Under the Technical Report*

Under the Technical Report, RPA recommended that Troilus continue to evaluate the technical and economic viability of the Troilus Project. RPA recommended that a preliminary economic assessment (or “PEA”), additional drilling, and engineering studies be completed in 2019. RPA recommended a two-phase program and budget for the above work, with Phase 2 contingent on positive results from Phase 1.

**RECOMMENDED PROGRAM AND BUDGET – PHASE 1  
Troilus Gold Corp. – Troilus Project**

<b>Item</b>	<b>Total (C\$)</b>
<b>Phase 1</b>	
Exploration Drilling (20,000 m at \$200/m)	4,000,000
Environmental Work	100,000
Preliminary Economic Assessment	300,000
Claims and Mining Lease Renewal Fees	100,000
Contingency	200,000
<b>Total Phase 1</b>	<b>4,700,000</b>

**RECOMMENDED PROGRAM AND BUDGET – PHASE 2**  
**Troilus Gold Corp. – Troilus Project**

<b>Item</b>	<b>Total (C\$)</b>
<b>Phase 2</b>	
Exploration Drilling (10,000 m at \$200/m)	2,000,000
Geotechnical Data and Study	500,000
Metallurgical Study	300,000
Environmental Work	200,000
Prefeasibility Study	1,000,000
Contingency	500,000
<b>Total Phase 2</b>	<b>4,500,000</b>

RPA recommended the following work: (i) complete a PEA; (ii) continue diamond drilling to potentially upgrade and expand the current resources; (iii) carry out geotechnical studies; (iv) carry out metallurgical studies; (v) carry out environmental studies; (vi) assess the potential for new mineralized zones on the Troilus property that are outside the current areas with resources; and (vii) review the site monitoring results and re-assess the site restoration plan schedule and cost.

*Updated Information since the Technical Report*

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 section.

The Corporation’s short- and long-term goals to advance mineral expansion of the Troilus Project and potentially restart the mine include:

- Completion of ~36,000 metre drill program, which commenced in early February 2019. This drill program was completed in July 2019;
- Continue with a regional exploration program using the funds from the recently completed flow through financing;
- Medium term, the Corporation plans to complete a Preliminary Economic Assessment (“PEA”) to understand the economics of a possible reopening of the Troilus mine. It is targeted that this PEA will be completed in the first half of 2020, following the release of an updated mineral resource estimate planned for release by the end of 2019; and
- Upon completion of the PEA, management will expand drilling and continue engineering to the Preliminary Feasibility Study and Bankable Feasibility Study stages.

In February 2019, the Corporation commenced a 36,000-metre drill program. Troilus engaged the services of Forages Chibougamau Ltée, and drills were mobilized on site in early February. The program focused on Z87, Z87S and the J Zone. The key goals and objectives of the exploration program were to expand near-surface mineralization and

improve geological understanding to support a possible open-pit mine development scenario.

Highlights of the completed drill program include:

- Meaningful extensions of mineralization identified outside of current resource envelope, along strike and down dip in all targeted zones;
- J Zone drilling demonstrates a broadening mineralized zone beyond the limit of historic drilling;
- Significantly extended borders of known mineralization to the northeast and southwest in the J4 Zone, well beyond the formerly mined J4 pit;
- Discovery of Zone 87 South, a new area of gold mineralization extending over 800 metres southwest of the main Zone 87, which remains open to the southwest; and
- High grade gold trends within a broader mineralized envelope becoming apparent throughout the entire ore body.

## **DIVIDENDS**

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The constating documents of the Corporation do not limit the Corporation's ability to pay dividends on the Common Shares. However, the Corporation has not paid any dividends since incorporation and does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Board.

## **DESCRIPTION OF CAPITAL STRUCTURE**

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The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of October 17, 2019, there were 69,097,478 Common Shares issued and outstanding.

### **Common Shares**

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a *pro rata* basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a *pro rata* basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a *pro rata* basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

## MARKET FOR SECURITIES

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### Trading Price and Volume

The Common Shares have traded on the TSX under the symbol “TLG” since October 17, 2018. Prior to listing on the TSX, the Common Shares traded on the TSX-V under the symbol “TLG” since January 3, 2018.

The following table sets out the monthly price range and average daily volume traded for the Common Shares for the Common Shares for each month during the financial year ended July 31, 2019:

<b>Period</b>	<b>High(\$)</b>	<b>Low(\$)</b>	<b>Volume</b>
August 2018	1.25	0.95	3,232
September 2018	1.20	0.85	16,247
October 2018	0.95	0.40	10,386
November 2018	0.77	0.40	78,618
December 2018	0.75	0.55	308,684
January, 2019	0.86	0.63	249,850
February, 2019	0.90	0.66	233,316
March, 2019	1.16	0.82	74,395
April, 2019	1.02	0.61	82,819
May, 2019	0.67	0.53	66,741
June, 2019	0.86	0.60	90,190
July, 2019	0.88	0.73	59,782

### Prior Sales

During the most recently completed financial year ended July 31, 2019, the Corporation issued the following securities:

<b><u>Transaction Date</u></b>	<b><u>Number of Securities</u></b>	<b><u>Type of Securities</u></b>	<b><u>Issue/ Exercise Price (\$)</u></b>
September 18, 2018	660,000	Options	1.20
December 5, 2018	3,750,000	Common Shares	0.605
May 2, 2019	8,236,000	Common Shares	0.85
June 18, 2019	25,000	Common Shares	0.40
June 21, 2019	1,237,356	Common Shares	0.78
June 26, 2019	75,000	Common Shares	0.40
October 7, 2019	5,813,900	Common Shares	0.86
October 7, 2019	1,223,000	Common Shares	1.00

## **DIRECTORS AND OFFICERS**

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The following table sets forth the name, province of residence, position held with the Corporation and principal occupation of each person who is a director or an executive officer of the Corporation. All directors hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

<b>Name and Province of Residence</b>	<b>Position(s) with Corporation and Period of Service as a Director (if applicable)</b>	<b>Principal Occupation</b>
Diane Lai <sup>(1)(2)(3)</sup> (Ontario, Canada)	Chair and Director since January 21, 2019	Business Executive
Justin Reid (Ontario, Canada)	CEO and a Director since December 20, 2017	CEO and Director of the Corporation
Tom Olesinski <sup>(1)(2)</sup> (Ontario, Canada)	Director since December 20, 2017	Business Executive
Hon. Pierre Pettigrew, p.c. <sup>(2)(3)</sup> (Ontario, Canada)	Director since December 20, 2017	Executive Advisor, International with Deloitte & Touche LLP
Bruce Humphrey <sup>(1)(3)</sup> (Ontario Canada)	Director since September 14, 2018	Mining Executive
Andrew Cheatle (Ontario, Canada)	Director since July 10, 2019	Mining Executive
Jamie Horvat (Ontario, Canada)	Director since September 20, 2019	Mining/Finance Executive
Paul Pint (Ontario, Canada)	President since January 8, 2018	President of the Corporation
Denis Arsenault (Quebec, Canada)	Chief Financial Officer & Senior Vice President, Quebec, since December 20, 2017	CFO of the Corporation
Ian Pritchard (Ontario, Canada)	Senior Vice President, Technical Services since January 8, 2018	Officer of the Corporation



Blake Hylands (Ontario, Canada)	Vice President, Exploration since January 8, 2018	Officer of the Corporation
Brianna Davies (Ontario, Canada)	Corporate Secretary since January 8, 2018	Officer of the Corporation
Caroline Arsenault (Ontario, Canada)	Vice President, Corporate Communications since January 8, 2018	Officer of the Corporation
Daniel Bergeron (Quebec, Canada)	Vice President, Quebec Operations since May 1, 2019	Officer of the Corporation
Catherine Stretch (Ontario, Canada)	Vice President, Corporate Affairs since September 1, 2019	Officer of the Corporation

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee
- (3) Member of the Governance Committee

The directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over 4,781,279 Common Shares, representing approximately 6.9% of the issued and outstanding Common Shares of the Corporation as of the date hereof, based on their SEDI reports.

The principal occupations, businesses or employments of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies below.

*Diane Lai, Chair & Director.* Ms. Lai is a seasoned executive and entrepreneur with 20+ years of global marketing and product management experience in the technology sector. She began her career in product development, working for Vodaphone in the UK, returning to North America after six years she went to work for Entrata Communications based out of San Diego, California. After a successful exit she relocated to Toronto for FloNetwork as their Director of Product Marketing (acquired by DoubleClick and then Google). In 2010 Diane founded an organic skincare company to address severe allergies and medical challenges of her son. More recently Diane served as the Vice President of Marketing and IT for Yellow Pages Media (TSX: Y), and Chief Operating Officer for ARHT Media Inc. (TSXV: ART). Diane currently teaches at the University of Toronto in the Entrepreneurship Program and consults for the Bank of Montreal Agile Center of Excellence. Diane also serves on the board of the Flato Markham Theatre. Diane graduated from the University of Waterloo, earned an MBA from the Kellogg School of Management and received the ICD.D designation by the Institute of Corporate Directors.

*Justin Reid, CEO and Director.* Mr. Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the resource space. From February 2013 to August 2014, Mr. Reid served as President of Sulliden Gold Corporation Ltd. From the sale of Sulliden Gold Corporation Ltd. to Rio Alto Mining Limited, Mr. Reid served as the CEO of Sulliden Mining Capital Inc. until the completion of the RTO. Mr. Reid holds a B.Sc from the University of Regina, an M.Sc from the University of Toronto and MBA from the Kellogg School of Management at Northwestern University. Mr. Reid started his career as a geologist with the SGS and Cominco Ltd after which he became a partner and senior mining analyst at Cormark Securities in Toronto. In 2009, Mr. Reid was named Executive General Manager at Paladin Energy responsible for leading all merger and acquisition, corporate and market related activities. He returned to Canada in early 2011 assuming the role of Managing Director Global Mining Sales at National Bank Financial, where he directed the firm's sales and trading in the mining sector.

*Honourable Pierre Pettigrew, p.c., Director.* From January 1996 to February 2006, Pierre Pettigrew served as a member of the Government of Canada where he led a number of senior government departments in successive federal Canadian governments. Among other positions, he has served Canada as the Minister of Foreign Affairs, Minister for International Trade and the Minister for International Cooperation. Pierre Pettigrew presently works with Deloitte & Touche, LLP in the role of Executive Advisor, International and he serves as a director of several public companies.

*Tom Olesinski, Director.* Mr. Olesinski, CPA, CMA, has over 20 years of finance and management experience. Mr. Olesinski worked as a managing forensic accountant for BDO Dunwoody, where he earned a Certified Fraud Examiner designation, before moving into the marketing communications industry, where he worked for Cossette Communication Group in various roles, including Director of Finance and Operations. Mr. Olesinski currently serves as Chief Executive Officer of Havas Media Canada as well as Chief Financial Officer of Havas Worldwide Canada.

*Bruce Humphrey, Director.* Mr. Humphrey brings over 45 years of experience as a mining engineer. He served as the President and Chief Executive Officer of Desert Sun Mining Corp. from October 2004 to April 2006. From May 1998 to May 2004, Mr. Humphrey served as Senior Vice President and Chief Operating Officer of Goldcorp Inc. He is a member of the Professional Engineers of Ontario. He also serves as a director of several public companies in the resource sector.

*Andrew Cheatle, Director* Mr. Cheatle (P.Geo. FGS, MBA) is a mining industry executive and professional geoscientist with over 30 years of international mining experience in the junior and senior mining sectors. Mr. Cheatle was the Executive Director ('CEO') of the Prospectors and Developers Association of Canada (PDAC) from February 2015 to November 2017. From 2011 to 2015 he was President and CEO of Unigold Inc., where he oversaw the delivery of an initial mineral resource of two million ounces of gold at its flagship property in the Dominican Republic. Mr. Cheatle's career has also included the roles of CEO and Director for a group of companies within a private merchant bank; Principal Geologist at AMEC plc; Chief Geologist at Goldcorp Inc./Placer Dome Inc.; and Mineral Resource Manager with Anglo American Corporation. He is currently a Non-Executive Director of Condor Gold plc. Mr. Cheatle volunteers with not-for-profit

organizations. He currently sits on the advisory councils of the Development Partner Institute and the Canada-International Finance Corporation Africa Local Economic Development Partnership and is a director of International Women in Mining. He formerly held the position of President of the Association of Professional Geoscientists of Ontario. Mr. Cheatle is a graduate of the Royal School of Mines, Imperial College, London.

*Jamie Horvat, Director.* Mr. Horvat is a Senior Executive who has had a highly successful, twenty-year career in asset management with extensive experience within the North American and Global marketplace. His mandates have included resources and precious metals, all-cap and small-cap, hedge funds and alternative investments. In addition, Jamie has managed various institutional mandates for clients based in Europe, Asia, the Middle East and North America. Mr. Horvat brings extensive capital markets expertise including financial analysis, capital budgeting, stakeholder engagement, as well as environmental, social and governance (ESG) acumen. Throughout his career Jamie has been acknowledged for his achievements, winning numerous awards for his investment performance. Jamie holds an MSc Finance from the London School of Economics and Political Science, a B. Com (Hons) from McMaster University and a Mechanical Engineering Technology Diploma from Mohawk College.

*Paul Pint, President.* Mr. Pint is a capital markets professional with over 20 years of experience. He was previously President of Sulliden Mining Capital Inc. from January 2016 until the RTO. Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investments banks in Canada. Mr. Pint is a chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

*Denis Arsenault, Chief Financial Officer.* Mr. Arsenault is a Chartered Professional Accountant with more than 38 years of professional experience who has held senior financial positions in various sectors including the mining industry. Mr. Arsenault has extensive experience with mining companies developing mining projects, negotiating with financial institutions for funding requirements and with managing all aspects and financial reporting for companies with operating mines. Mr. Arsenault was previously the Chief Financial Officer of Sulliden Gold Corporation Ltd., which was acquired by Rio Alto Mining Inc. in August 2014. Prior to working with Sulliden Gold Corporation Ltd. he was the Chief Financial Officer of Central Sun Mining Inc. which was acquired by B2Gold Corp. in March 2009.

*Ian Pritchard, Senior Vice-President Technical Services.* Mr. Pritchard has over 30 years of experience in project and operations management in the mining industry both in North America as well as internationally, including, in particular, Brazil. Mr. Pritchard's mining experience includes the management of pre-feasibility and feasibility studies, engineering, procurement and construction management projects. He has held senior executive positions at various organizations worldwide including SNC-Lavalin and De Beers Canada.

*Blake Hylands, P.Geo., Vice-President Exploration.* Mr. Hylands is a professional geologist with experience in gold, base metals and iron ore in Canada and internationally.

He has held technical positions for several junior mining companies, including Coastal Gold from 2010 to 2015, where he developed grassroots mapping and sampling programs, managed large scale drill programs, and helped transition projects from early exploration to resource definition stage. Mr. Hylands holds a B.Sc in Geology from Western University in London, Ontario.

*Brianna Davies, J.D., Legal Counsel & Corporate Secretary.* Ms. Davies is a corporate securities lawyer with over 13 years' experience working as corporate secretary and legal counsel to various publicly traded junior mining companies. Ms. Davies has a broad range of international experience in the mining industry having held roles with companies with projects in North America, South America, Russia, Australia, Mali, Ethiopia and Burkina Faso. Brianna received her Juris Doctorate from the University of Toronto, Faculty of Law in 2005 and an Honours B.A in Economics from McMaster University in Hamilton, Canada in 2002.

*Caroline Arsenault, B.Des., Vice-President Corporate Communications* Miss Arsenault has been managing Investor Relations and Corporate Communications for various mining companies since 2008. From 2009-2014 she was Manager of Investor Relations for Sulliden Gold Corp., a publicly traded gold development company with projects in Peru and Quebec. She currently provides consulting services to Belo Sun Mining and Euro Sun Mining, and formerly worked for Central Sun Mining, Mason Graphite, Copper One Mining, and Dacha Strategic Metals. She holds a Bachelor of Industrial Design from OCAD University in Toronto.

*Daniel Bergeron, Vice-President, Quebec Operations.* Mr. Bergeron, M.Sc., has been actively involved in northern Quebec for over 20 years where he worked closely with major mining companies focused on building positive partnerships with First Nation communities, including the development of an economic training program for First Nations across the province of Quebec. He has held senior roles as head of community affairs for various mining companies, including Goldcorp, actively working with Comex, Cofex and the Cree Grand Council to facilitate the Impact Benefit Negotiations. Mr. Bergeron formerly sat on the Board of Eeyou Istchee James Bay Regional Government (Greibj) key organizations involved with territory management and economic development in Northern Quebec. He is a former director of the Board of the Natural Resources Commission of Nord-du-Quebec as Territory Commissioner (2014-2018) and of Administration regional Baie James (ARBJ) (2012 to 2017), and currently serves as director for the Fond regional de solidarité FTQ (Investment board, 2016-present).

*Catherine Stretch, Vice-President, Corporate Affairs.* From 2015 to 2019, Ms. Stretch was Chief Commercial Officer of Aguiá Resources Limited, an ASX and TSX Venture listed company developing phosphate and copper assets in Brazil. Catherine has 20 years of experience in capital markets with a particular focus on the formation, development and operation of resource companies and was previously a partner and the Chief Operating Officer of a Canadian investment firm which had \$1 billion in assets under management. She is also currently a Director of TSX Venture listed companies Emerita Resources Corp. and AnalytixInsight Inc and TSX listed UEX Corporation. Ms. Stretch has a Bachelor of Arts in Economics and History from Western University and a Master of Business Administration from the Schulich School of Business at York University.

## **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer is, as at the date of this AIF, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or
- (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days,

No director executive officer or shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation

(i) is, as at the date of this AIF, or has been within ten years before the date of the AIF, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(ii) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Troilus, or a shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **Conflicts of Interest**

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of the Corporation also serve as directors, please see the Corporation's management information circular for its upcoming shareholders meeting or the directors' and insider's profile available on SEDI at [www.sedi.ca](http://www.sedi.ca). To the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Corporation making the assignment. Under the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

## **AUDIT COMMITTEE DISCLOSURE**

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National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation to have a written audit committee charter and to make the disclosure required by Form 52-110F1. Please find attached as Schedule A hereto, a copy of the Charter of the Audit Committee, which has been adopted by the Board to properly define the role of the Audit Committee in the oversight of the financial reporting process of the Corporation. Nothing in the Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

### **Composition of the Audit Committee**

The Audit Committee is currently comprised of three directors, namely Tom Olesinski (Chair), Bruce Humphrey and Diane Lai. Each member of the Audit Committee is independent of the Corporation and financially literate, as such terms are defined in NI 52-110.

### **Relevant Education and Experience**

Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Corporation's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general

application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. See “*Directors and Officers*” above for information concerning the relevant education and experience of the Audit Committee members.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation’s most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

#### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on any of the exemptions regarding the Audit Committee provided in National Instrument 52-110.

#### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

#### **External Auditor Service Fees**

##### *Audit Fees*

UHY McGovern Hurley LLP billed Troilus approximately \$45,000 for the fiscal year ended July 31, 2018.

UHY McGovern Hurley LLP billed Troilus approximately \$45,900 for the fiscal year ended July 31, 2019.

##### *Audit-Related Fees*

UHY McGovern Hurley LLP billed Troilus \$ 5100 for audit-related services for the fiscal year ended July 31, 2018.

UHY McGovern Hurley LLP billed Troilus \$7,140 for audit-related services for the fiscal year ended July 31, 2019.

#### *Tax Fees*

UHY McGovern Hurley LLP billed Troilus \$ 24,200 for tax compliance, tax advice and tax planning for the fiscal year ended July 31, 2018.

UHY McGovern Hurley LLP billed Troilus \$8,000 for tax compliance, tax advice and tax planning for the fiscal year ended July 31, 2019.

#### *Other Fees*

UHY McGovern Hurley LLP did not bill Troilus in the fiscal year ended July 31, 2018 for any other fees.

UHY McGovern Hurley LLP billed Troilus \$39,270 in the fiscal year ended July 31, 2019 for any other fees in relation to the May Offering.

### **PROMOTERS**

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To the best of the Corporation's knowledge, no person is a promoter of the Corporation, or has been a promoter the Corporation within the two financial years preceding the date of this AIF.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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To the best of the Corporation's knowledge, there are no current material legal proceedings and there were no material legal proceedings during the year ended July 31, 2019 to which the Corporation was a party or of which any of the Corporation's property was subject, nor, to the best of the Corporation's knowledge, are there any such material legal proceedings contemplated.

There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended July 31, 2019, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision in the Corporation. The Corporation has not entered into any



settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended July 31, 2019.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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None of the directors, executive officers or principal shareholders of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Corporation or any of its subsidiaries.

## **TRANSFER AGENTS AND REGISTRARS**

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The Corporation's transfer agent is TSX Trust Company, located in Toronto, Ontario.

## **MATERIAL CONTRACTS**

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Other than the amalgamation agreement dated October 31, 2017 among Pitchblack, 2630210 Ontario Inc., Sulliden, 250 Ontario, 251 Ontario and the shareholders of 251 Ontario in connection with the RTO described under "*General Development of the Business – RTO*" a copy of which is available at [www.sedar.com](http://www.sedar.com), the option agreement for the Troilus Project, which has been fully exercised and the Underwriting Agreement (a copy of which is available at [www.sedar.com](http://www.sedar.com)), there are no other contracts of the Corporation, other than contracts entered into in the ordinary course of business, that are material to the Corporation and that were entered into by the Corporation within the applicable most recently completed financial year or before the applicable most recently completed financial year if the material contract is still in effect.

## **INTERESTS OF EXPERTS**

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Mr. Luke Evans MSC., P. Eng. authored the Technical Report, which is referred to in this AIF. Mr. Luke Evans is a qualified person as defined by NI 43-101 and is independent of the Corporation.

The aforementioned firms and persons held either less than one percent or no securities of the Corporation or of any associate or affiliate of the Corporation when they prepared the technical reports or information referred to.

Mr. Blake Hylands, P. Geo, Vice-President of Exploration for Troilus, is the in-house Qualified Person under National Instrument 43-101 who has reviewed and approved the scientific and technical information in this AIF.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation, other than Mr. Hylands who is an employee of the Corporation. Mr. Hylands holds 168,632 Common Shares and warrants exercisable into 9146 Common Shares.

UHY McGovern Hurley LLP, are the external auditors of the Corporation with its office located at 251 Consumers Road, Suite 800, Toronto, Ontario, M2J 4R3.

In connection with their audit, UHY McGovern Hurley LLP has confirmed that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

### **ADDITIONAL INFORMATION**

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Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management information circulars under the Corporation's profile on SEDAR [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the financial statements and management discussion and analysis (MD&A) of the Corporation, which are available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## Schedule A

### TROILUS GOLD CORP. AUDIT COMMITTEE CHARTER

#### *Audit Committee Charter*

(Implemented pursuant to National Instrument 52-110)

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

#### **PART 1**

**Purpose:** The purpose of the Committee is to:

- a) provide oversight of the Corporation's financial reporting process;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

#### **1.1 Definitions**

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Troilus Gold Corp.;

"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“Control Person” means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

"executive officer" means an individual who is:

- a) the chair of the Corporation;
- b) the vice-chair of the Corporation;
- c) the President of the Corporation;
- d) the vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

"immediate family member" means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual's home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means National Instrument 52-110;

"MD&A" has the meaning ascribed to it in the National Instrument;

“Member” means a member of the Committee;

"National Instrument 51-102" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"non-audit services" means services other than audit services;

## **1.2 Meaning of Independence**

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation.

2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member's independent judgement.

3. Despite subsection 2 and without limitation, individuals set out in sections 1.4 (3) and 1.5 of National Instrument 52-110 shall be considered to have a material relationship with the Corporation.

**1.3 Meaning of Financial Literacy** - For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

## **PART 2**

**2.1 Audit Committee** – The Board has established the Committee for, among other purposes, compliance with the Instrument.

**2.2 Relationship with External Auditors** – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:

- a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- b) the compensation of the external auditor.

2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
- b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
- c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;

- f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - g) reviewing interim unaudited financial statements before release to the public;
  - h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
  - i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
  - j) reviewing the terms of reference of the internal auditor, if any;
  - k) reviewing the reports issued by the internal auditor or external consultant, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
4. The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations*, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
- a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. Provide oversight of the Corporation's policies, procedures and practices with respect to the maintenance of the books, records and accounts, and the filing of reports, by the Corporation with respect to third party payments in compliance with the *Corruption of Foreign Public Officials*

*Act (Canada), the Extractive Sector Transparency Measures Act (Canada) and similar applicable laws.*

11. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

**2.4 De Minimis Non-Audit Services** – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Corporation or the relevant subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

## **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).

2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

## **PART 3**

### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. Every audit committee member shall be independent.
4. Every audit committee member shall be financially literate.

## **PART 4**

**4.1 Authority** – Until the replacement of this Charter, the Committee shall have the authority to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) set and pay the compensation for any advisors employed by the Committee,

- c) communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

## **PART 5**

**5.1 Disclosure in Information Circular** -- The Corporation shall include in its Annual Information Form the disclosure required by Form 52-110F1.

## **PART 6**

### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. A majority of the Members shall constitute a quorum.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting, at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
4. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
5. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
6. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
7. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
8. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend at meetings of the Committee.
9. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose; actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the



- Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
10. The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
  11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

## **Part 7**

### **7.1 Chair of the Committee**

The Chair of the Committee:

- a. provides leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;
- b. chairs meetings of the Committee, unless not present, including in camera sessions, and reports to the Board following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- c. ensures that the Committee meets on a regular basis and at least quarterly;
- d. in consultation with the Chair of the Board and the Committee members, establishes a calendar for holding meetings of the Committee;
- e. establishes the agenda for each meeting of the Committee, with input from other Committee members, the Chair of the Board, and any other parties as applicable;
- f. acts as liaison and maintains communication with the Chair of the Board and the Board to optimize and co-ordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the full Board on all proceedings and deliberations of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- g. reports annually to the Board on the role of the Committee and the effectiveness of the Committee's role in contributing to the objectives and responsibilities of the Board as a whole;
- h. ensures that the members of the Committee understand and discharge their duties and obligations;
- i. fosters ethical and responsible decision making by the Committee and its individual members;
- j. together with the Corporate Governance Committee, oversees the structure, composition, membership and activities delegated to the Committee from time to time;

k. ensures that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approves work to be done for the Committee by consultants;

l. facilitates effective communication between members of the Committee and management; and

m. performs such other duties and responsibilities as may be delegated to the Chair of the Committee by the Board from time to time.

This Charter will be reviewed annually and any recommended changes will be submitted to the Board for approval.

## SCHEDULE B

### GLOSSARY OF TECHNICAL ABBREVIATIONS

The following technical abbreviations used in the description of the Troilus Project have the meanings set out below:

a	annum	kWh	kilowatt-hour
A	ampere	L	litre
bbl	barrels	lb	pound
btu	British thermal units	L/s	litres per second
°C	degree Celsius	m	metre
C\$	Canadian dollars	M	mega (million); molar
cal	calorie	m <sup>2</sup>	square metre
cfm	cubic feet per minute	m <sup>3</sup>	cubic metre
cm	centimetre	μ	micron
cm <sup>2</sup>	square centimetre	MASL	metres above sea level
d	day	μg	microgram
dia	diameter	m <sup>3</sup> /h	cubic metres per hour
dmt	dry metric tonne	mi	mile
dwt	dead-weight ton	min	minute
°F	degree Fahrenheit	μm	micrometre
ft	foot	mm	millimetre
ft <sup>2</sup>	square foot	mph	miles per hour
ft <sup>3</sup>	cubic foot	MVA	megavolt-amperes
ft/s	foot per second	MW	megawatt
g	gram	MWh	megawatt-hour
G	giga (billion)	oz	Troy ounce (31.1035g)
Gal	Imperial gallon	oz/st, opt	ounce per short ton
g/L	gram per litre	ppb	part per billion
Gpm	Imperial gallons per minute	ppm	part per million
g/t	gram per tonne	psia	pound per square inch absolute
gr/ft <sup>3</sup>	grain per cubic foot	psig	pound per square inch gauge
gr/m <sup>3</sup>	grain per cubic metre	RL	relative elevation
ha	hectare	s	second
hp	horsepower	st	short ton
hr	hour	stpa	short ton per year
Hz	hertz	stpd	short ton per day
in.	inch	t	metric tonne
in <sup>2</sup>	square inch	tpa	metric tonne per year
J	joule	tpd	metric tonne per day
k	kilo (thousand)	US\$	United States dollar
kcal	kilocalorie	USg	United States gallon
kg	kilogram	USgpm	US gallon per minute
km	kilometre	V	volt
km <sup>2</sup>	square kilometre	W	watt
km/h	kilometre per hour	wmt	wet metric tonne
kPa	kilopascal	wt%	weight percent
kVA	kilovolt-amperes	yd <sup>3</sup>	cubic yard
kW	kilowatt	yr	year