TROILUS GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended
April 30, 2020 and 2019

Management's Discussion and Analysis

For the three and nine months ended April 30, 2020

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Troilus Gold Corp. ("we", "our", "us", "Troilus", "Troilus Gold" or the "Company") for the three and nine months ended April 30, 2020 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended April 30, 2020, as well as the Company's audited annual consolidated financial statements and MD&A for the year ended July 31, 2019. The financial statements and related notes of Troilus have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain Non-IFRS measures are discussed in this MD&A and are clearly disclosed as such. Additional information, including our press releases, has been filed electronically on SEDAR and is available online under the Company's profile at www.sedar.com and on our website at www.troilusgold.com.

This MD&A reports our activities through June 4, 2020 unless otherwise indicated. References to the 1st, 2nd and 3rd quarters of 2020 or Q1-, Q2- and Q3-2020, and the 1st, 2nd and 3rd quarters of 2019 or Q1-, Q2- and Q3-2019 mean the three months ended October 31, 2019, January 31, 2020 and April 30, 2020, and October 31, 2018, January 31, 2019 and April 30, 2019 respectively. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

Blake Hylands, P.Geo, Vice-President of Exploration for Troilus, is the in-house Qualified Person under National Instrument 43-101 and has reviewed and approved the scientific and technical information in this MD&A. Mr. Hylands is an employee of Troilus and is therefore not considered to be independent under National Instrument 43-101.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ''Risk and Uncertainties'' section of the Annual Information Form dated October 17, 2019 and the Management Information Circular dated November 8, 2019 (both filed on SEDAR) and this MD&A. These factors are not intended to represent a complete list of the factors that could affect the Company. Economic analyses (including mineral reserve and mineral resource estimates) in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. Troilus disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.

TROILUS GOLD PROPERTY

The Troilus Gold property is located northeast of the Val-d'Or mining district, within the Frotêt-Evans Greenstone Belt in Quebec, Canada. The property consists of 1,566 mineral claims and one surveyed mining lease that collectively cover approximately 84,000 hectares and includes the former Troilus mine.

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

The Troilus Gold property was acquired in various transactions. The first consisted of the acquisition from First Quantum of 81 mineral claims and one surveyed mining lease that collectively covered approximately 4,700 hectares and included the former Troilus Mine. The second transaction consisted of the acquisition from Emgold Mining Corporation ("Emgold") of 209 mineral claims that covers approximately 11,300 hectares (see November 28, 2018 press release entitled "Troilus Gold Corp. to Triple Land Position With Acquisition of Troilus North Project From Emgold Mining Corporation" as well as a December 5, 2018 press release entitled "Troilus Gold Corp. Completes Acquisition of Troilus North Project from Emgold Mining Corporation"). The next transaction consisted of the acquisition of 3 mining claims from O3 Mining Inc. ("O3") that fall within the boundaries of the northern block of the Troilus Gold property and cover approximately 150 hectares. During Q3-2020, the Company acquired 627 claims from O3 representing approximately 33,000 hectares. In addition, the Company staked 646 claims covering an area of approximately 35,000 hectares.

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

ACCOMPLISHMENTS AND OUTLOOK

Since November 2017, the Company has:

- Raised approximately $66 million with a strong institutional shareholder base, including $12.8 million raised through a private placement financing of common and flow-through shares during Q3-2020.
- Successfully completed the acquisition of the Troilus Gold property from First Quantum.
- Completed the acquisition and construction of a 50-person exploration camp, and increased capacity to 75 from 50.
- Signed a Pre-Development agreement with the Cree Nation of Mistissini.
- Opened an information centre in Mistissini and an office in Chibougamau.
- Reported an update to its mineral resource estimate in November 2019 with a 69% increase from the previously reported 2018 mineral resource estimate in the pit-constrained indicated category, and total estimated indicated mineral resource of 4.71 million ounces AuEq and total estimated inferred mineral resource of 1.76 million ounces AuEq.
- Successfully graduated from the TSX Venture Exchange to the Toronto Stock Exchange ("TSX").
- Successfully completed the acquisition from Emgold of an additional 209 mineral claims adjacent to the Troilus Gold property.
- Acquired 3 mining claims from O3 that fall within the boundaries of the northern block of the Troilus project.
- Acquired 627 claims from O3 and staked 646 claims primarily to the south of the Company's existing claims.
- Completed approximately 80,000 metres of drilling over four drilling programs.
- Continued compiling data, tests, and design work to be incorporated into a Preliminary Economic Assessment ("PEA") for a targeted summer 2020 release.

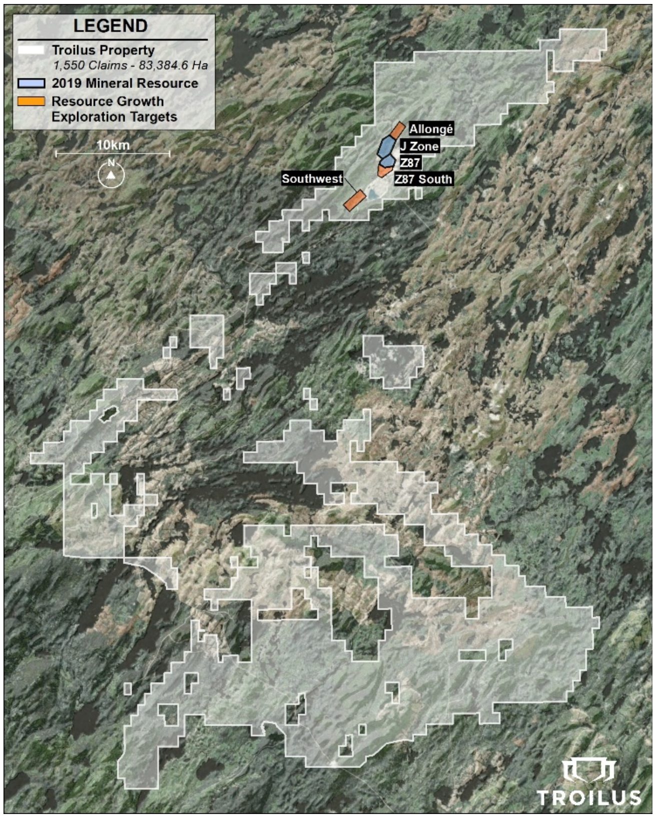
In March 2020, the World Health Organization characterized the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", as a global pandemic, and governments around the world have legislated measures to combat its spread. The Quebec and Ontario provincial governments had both declared the closure of non-essential services in March 2020, resulting in the Company minimizing non-essential activities at site, and its temporary closure of the Toronto head office, the Chibougamau site office and the Mistissini information centre. The Company's focus has been on the health and safety of its employees and contractors, and the communities surrounding its operations. Employees of the Company have been working from home during these closures, and the physical shutdown has not impacted the anticipated timeline for the release of the Company's PEA. However, the Company has been closely monitoring the ongoing impact of Covid-19 and preparing for the potential future impact on the exploration of its properties.

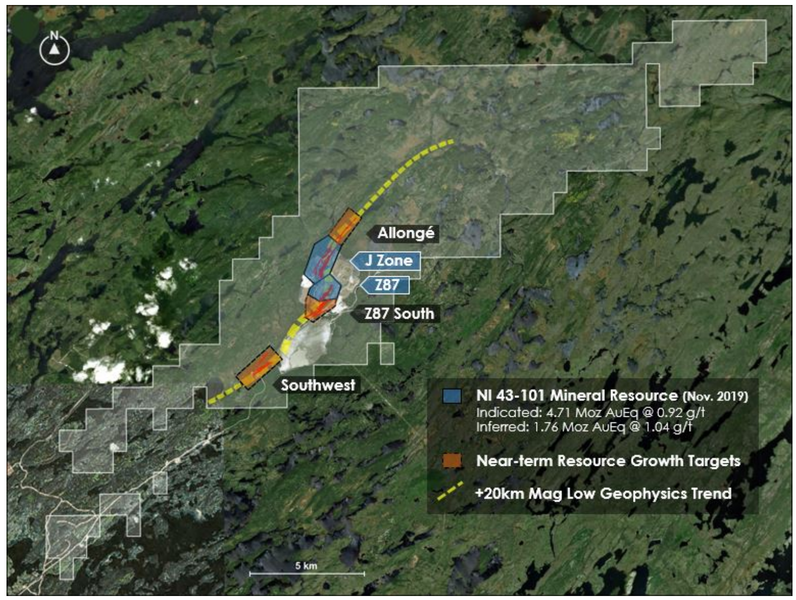
Subsequent to the end of the quarter:

- As a result of Covid-19, the Company has postponed its originally planned spring and summer 2020 drill program and expects to resume drilling in the fall of 2020 or earlier if possible. The Company is planning a summer exploration field work program to gain better knowledge of the recently acquired claims.
- As part of its plans to resume operations, the Company has begun implementing various physical distancing measures to ensure the health and safety of its employees and contractors at site and its office locations.

- The Company plans to release its PEA later in the year, as well as a revised mineral resource estimate which will include results from drilling in the Southwest zone.
- The Company will continue work on a Pre-Feasibility Study.

EXPLORATION ACTIVITIES





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

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

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

The Company released an updated mineral resource estimate, which was effective October 31, 2019. Total estimated indicated mineral resource increased to 4.71 million ounces AuEq and total estimated inferred mineral resource increased to 1.76 million ounces AuEq. Pit-constrained estimated mineral resources in the indicated mineral resource category increased by 910,000 ounces AuEq from the previous estimate dated November 19, 2018. Underground tonnage decreased by 24% while underground grade in the indicated mineral resource category improved from 1.5 g/t AuEq to 1.86 g/t AuEq from the 2018 mineral resource estimate. See Current Mineral Resource Estimate.

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

In November 2019, the Company submitted an environmental impact study to MELCC (Ministère de l'Environnement et de la Lutte contre les Changements Climatiques du Québec) for the dewatering of the J4 and 87 pits at the Troilus property. The Company has received supplemental questions from the Ministry and has submitted its responses. Dewatering the pits is expected to take 1 to 2 years if approved and will allow the Company to access drilling targets that are currently underwater to continue exploration of the property.

The Company is planning a small drill program to start later in 2020 once it is practical and safe to do so. The Company incurred its required exploration expenditures in relation to its flow-through financing completed during Q1-2020. As a result of the Company's flow-through financing in Q3-2020, the Company is required to spend approximately $5,500,000 on qualified exploration expenditures before December 2021. As at April 30, 2020, the Company has spent $1,206,992 against this requirement, and expects to meet its exploration expenditure commitment before the deadline. At the end of January 2020, prior to the Covid-19 outbreak, the Company had anticipated spending upwards of $12,000,000 on exploration and PFS costs for the balance of the year, subject to financing. In light of the Covid-19 outbreak, the Company has cut back and delayed most of its exploration plans in the short term and is currently revising its exploration plans for the balance of 2020, anticipating exploration expenditures of approximately $7,000,000 for the balance of the calendar year. This number is subject to revision, up or down, depending on financing ability and how the Covid-19 outbreak evolves through the balance of 2020.

Current Mineral Resource Estimates

PIT-CONSTRAINED AND UNDERGROUND MINERAL RESOURCE ESTIMATE
Troilus Gold Corp. - Troilus project
effective as of October 31, 2019

Classification	Tonnage (MT)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Contained AuEq (Moz)	Contained Au (Moz)	Contained Copper (Mlb)	Contained Silver (Moz)
Total Pit-constrained and Underground									
Indicated	159.1	0.92	0.78	0.09	1.19	4.71	3.97	301.15	6.07
Inferred	52.7	1.04	0.90	0.08	1.01	1.76	1.53	94.89	1.71
Total Pit-constrained									
Indicated	140.8	0.80	0.67	0.08	1.19	3.61	3.02	242.70	5.39
Inferred	36.2	0.67	0.56	0.06	1.17	0.78	0.66	51.30	1.36
Total Pit-constrained Z87 Zone									
Indicated	63.8	0.94	0.78	0.09	1.41	1.92	1.60	130.58	2.89
Inferred	12.6	0.70	0.59	0.06	1.48	0.29	0.24	17.11	0.60
Total Pit-constrained J Zone (J4 & J5)									
Indicated	77.0	0.68	0.57	0.07	1.01	1.69	1.42	112.12	2.50
Inferred	23.5	0.66	0.55	0.07	1.00	0.50	0.41	34.19	0.75
Total Underground Z87 Zone									
Indicated	18.3	1.86	1.62	0.15	1.16	1.09	0.95	58.45	0.68
Inferred	16.6	1.82	1.63	0.12	0.67	0.97	0.87	43.60	0.36

Notes:
1. CIM (2014) definitions were followed for estimated mineral resources.
2. Pit-constrained 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 US$20 per ounce silver; and an exchange rate of US$1.00 = C$1.25.
4. High grade capped values vary from 2 g/t Au to 14 g/t Au and 1 g/t Ag to 9 g/t Ag based on mineralized lens.
5. Z87 Zone gold equivalent was calculated with formula AuEq = Au grade + 1.546 * Cu grade + 0.01 * Ag grade, and the J Zone (J4 & J5) gold equivalent was calculated with formula AuEq = Au grade + 1.47 * Cu grade + 0.013 * Ag grade.
6. A recovery of 83% for gold, 92% for copper, and 76% for silver was used at Z87 Zone; a recovery of 82% for gold, 88% for copper, and 76% for silver was used at the J Zone (J4 & J5).
7. Bulk density varies from2.77 g/cm^3 to 2.86 g/cm^3.
8. Due to rounding, some columns or rows may not compute exactly as shown.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

The updated mineral resource estimate was completed in accordance with the CIM (2014) Definition Standards incorporated by reference in NI 43-101 by Roscoe Postle and Associates ("RPA") and has been reviewed internally by the Company. The full technical report in respect of the updated mineral resource estimate (the "Technical Report") was filed on December 23, 2019 on SEDAR (www.sedar.com) under the Company's issuer profile.

Exploration and evaluation expenses on the Troilus Gold project:

	Three months ended April 30,		Nine months ended April 30,	
	2020	2019	2020	2019
Exploration and evaluation expenses:				
Drilling, assaying and geology	$ 773,886	$ 2,424,099	$ 2,619,572	$ 4,082,842
Salaries, payroll costs and consultants	949,713	1,232,067	3,580,941	3,681,147
Site and camp costs	193,708	190,021	719,979	603,517
Support and other costs	102,668	173,784	356,509	565,705
Studies	487,999	76,544	1,368,365	467,871
Government and community relations	16,371	24,155	52,576	76,467
Travel	19,263	46,609	130,370	163,413
Depreciation	108,577	56,024	400,222	156,914
Tax credits	54,306	-	(458,694)	-
Property acquisition costs	1,442,820	-	1,673,699	2,518,750
	$ 4,149,311	$ 4,223,303	$ 10,443,539	$ 12,316,626

For the three months ended April 30, 2020:

Exploration and evaluation expenses for the three months ended April 30, 2020 are detailed in the table above. During Q3-2020, the Company completed a 6000-metre program in the Southwest Zone, drilling for approximately one third of the quarter. The Company had planned to commence a drill program in April 2020 but suspended that program because of the Covid-19 pandemic. During the three months ended April 30, 2019, the Company was in the middle of its 36,000-metre 2019 drill program. The relative sizes and timing of the two programs resulted in the decrease in drilling, assaying and geology costs during the comparable quarters.

Salaries, payroll costs and consultants decreased by 23% for Q3-2020 compared to Q3-2019 as a result of a decrease in consulting labour during the Covid-19 outbreak.

Site and camp costs remained relatively stable during Q3-2020 compared to the Q3-2019. The Company worked on maintenance projects during the beginning of the quarter before work stoppage due to Covid-19. Travel costs decreased by 59% during Q3-2020 compared to Q3-2019 with decreased travel to and from site during the latter portion of the current quarter.

Support and other costs decreased by 41%, however this includes the IFRS 16 impact (see page 10) where operating leases (like site office rent and vehicle leases) have been capitalized in Q3-2020 but were expensed in Q3-2019. If these leases were not capitalized, support and other costs would have decreased by 12% due to the decreased activity at site. The IFRS 16 impact also explains the variance in Government and community relations with respect to the office lease in Mistissini.

Costs for studies were significantly higher during Q3-2020 compared to Q3-2019. Covid-19 did not impact the Company's work on progressing the PEA, and this work has been the main focus during the period. The Company incurred costs for metallurgical work and resource estimate refinement for the PEA, environmental studies to facilitate exploration as well as costs associated with its collaboration with the Western University. During the comparative quarter, less work on studies was done with the focus on the drill program, and costs included final work on resource modelling and environmental studies to facilitate exploration.

Depreciation costs related to exploration and evaluation activity increased during Q3-2020 compared to Q3-2019 as a result of a gradual increase in the asset base over the previous year.

During Q3-2020, the Company received tax credits from the Government of Quebec related to the 2018 fiscal year which required an adjustment to the accrual that was initially recorded as a tax credit receivable. Accruals for tax credit receivable are recorded against the exploration expenses they relate to, and as a result, the Company recorded a reversal of the tax credit of $54,306 during Q3-2020 (Q3-2019: $nil).

During Q3-2020, the Company acquired 627 mining claims from O3 by issuing 1,700,000 common shares of the Company. The value of the shares was $1,428,000 which represented the fair market value on the date of purchase. In addition to these claims, the Company staked 646 new claims in the area.

<u>For the nine months ended April 30, 2020:</u>

Exploration and evaluation expenses for the nine months ended April 30, 2020 are detailed in the table above. During the current period, the Company completed a regional exploration program (summer of 2019) and drilling at the Southwest zone (December 2019 and February 2020). During the nine months ended April 30, 2019, the Company completed its 2018 drill program by the summer of 2018, completed a regional exploration program (summer of 2018) and commenced the 2019 drill program (February 2019).

Salaries, payroll costs and consultants was relatively stable when comparing the costs for the nine months ended April 30, 2020 and April 30, 2019. Despite decreases in costs in Q3-2020, increases in the previous quarters of this current fiscal year reduced that impact, compared to last year.

Site and camp costs increased by 19% in the nine months ended April 30, 2020 compared to the nine months ended April 30, 2019 mostly as a result of increased costs for various maintenance projects at the site.

Support and other costs decreased by 37%, however this includes the IFRS 16 impact (see page 10) where operating leases (like site office rent and vehicle leases) have been capitalized during the nine months ended April 30, 2020 but were expensed in the nine months ended April 30, 2019. If these leases were not capitalized, support and other costs would have decreased by 7% as a result of the reduced activity at site during Q3-2020.

Costs for studies increased by 192% during the nine months ended 2020 compared to the same period in 2019. During 2020, the Company incurred costs for its resource estimate update and refinement, metallurgical testwork, environmental studies to facilitate exploration, as well as costs associated with its collaboration with the Western University. During the comparative quarter, costs included work on the resource update estimate for 2018, and environmental studies.

Depreciation costs related to exploration and evaluation activity increased during the nine months ended April 30, 2020 compared to the nine months ended April 30, 2019 as a result of a gradual increase in the asset base over the previous year.

The Company accrued tax credits receivable during the period which was recorded against exploration expenditure on which the tax credits are based.

During the nine months ended 2020, the Company acquired 630 mining claims from O3 in two separate transactions, and staked 646 new claims in the area, for a total cost of $1,673,699, of which $1,629,000 was the value of 2,000,000 shares issued as consideration for claims. During the same period in 2019, the Company acquired the claims from Emgold Mining Corporation with the issuance of shares at a value of $2,268,750 and cash of $250,000.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 3 of its audited annual consolidated financial statements for the year end July 31, 2019.

New accounting policies

IFRS 16 – Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). IFRS 16 is effective for annual periods beginning on or after January 1, 2019 and may be applied retrospectively to each prior period presented (full retrospective approach) or with the cumulative effect of adoption recognized at initial application (modified retrospective approach). The Company has adopted this policy effective August 1, 2019 and has used the modified retrospective approach.

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether the contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset ("ROU" asset) and a lease liability at the commencement date. The ROU asset is initially measured at cost, based on the initial measurement of the lease liability and includes any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and restoration costs. The assets are depreciated to the earlier of the end of the useful life of the ROU asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. The ROU asset is periodically adjusted for certain remeasurements of the lease liability. The Company has elected to separate non-lease components. ROU assets are included in property and equipment in the condensed interim consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments, if there is a change in the Company's estimate of the amount to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset.

The Company does not recognize ROU assets and lease liabilities for leases of low-value assets, leases with terms that are less than 12 months and arrangements for the use of land that grant the Company the right to explore, develop, produce or otherwise use the mineral resource contained in that land. Payments for these leases are recognized on a straight-line basis as an expense in the consolidated statement of operations.

Impact of transition to IFRS 16:
Effective August 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for the comparative period has not been restated and remain as previously reported under IAS 17. The cumulative effect of initial application is recognized in deficit at August 1, 2019.

The Company leases various assets including office space, vehicles and equipment. On initial application, the Company recorded ROU assets based on the corresponding lease liabilities, which have been measured by discounting future lease payments at either the implicit rate or the incremental borrowing rate at August 1, 2019. The incremental borrowing rate applied was 15% per annum and represents the Company's best estimate of the rate of interest it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment.

The Company has elected to use the following practical expedients permitted by the standard:

- the accounting for leases with a remaining lease term of less than 12 months as at August 1, 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the ROU asset at the date of initial application.

In the comparative period, the Company classified leases that transfer substantially all of the risks and rewards of ownership as financing arrangements. Assets held under other leases were classified as operating leases and were not recognized in the Company's statement of financial position. Payments made under operating leases were recognized in profit or loss on a straight-line basis over the term of the lease.

RESULTS OF OPERATIONS

	Three months ended April 30,		Nine months ended April 30,	
	2020	2019	2020	2019
Expenses				
Exploration and evaluation expenses	$ 4,149,311	$ 4,223,303	$ 10,443,539	$ 12,316,626
Reclamation estimate	(122,747)	(89,000)	(53,282)	86,380
General and administrative expenses	1,246,465	1,617,239	4,064,534	4,335,980
Share-based payments	320,971	-	1,405,136	594,000
Total expenses before other items	5,594,000	5,751,542	15,859,927	17,332,986
Other (income)/expenses				
Interest income	(30,602)	(40,991)	(84,638)	(178,918)
Interest on lease liabilities	46,647	9,031	153,327	31,836
Flow-through share premium	(476,725)	(1,258,511)	(1,289,737)	(2,930,491)
Accretion of reclamation provision	4,774	28,493	30,848	35,069
Other expenses	27,278	83,339	90,751	95,475
Net loss and comprehensive loss for the period	$ 5,165,372	$ 4,572,903	$ 14,760,478	$ 14,385,957

For the three months ended April 30, 2020:

The Company recorded a net loss of $5,165,372 for Q3-2020 (Q3-2019: $4,572,903).

Exploration and evaluation expenses are detailed in the Exploration Activities section of this report above.

The Company's reclamation provision is recognized from previous activity at the Troilus mine based on an estimate of anticipated future costs for reclamation. As costs are incurred, they are applied against the reclamation liability. The liability is updated regularly for changes in estimate and changes in discount and inflation rates. As a result, a credit of $122,747 was recorded as reclamation estimate to the statement of operations for Q3-2020, mostly as a result of a decreasing inflation rate (Q3-2019: a credit of $89,000). The discounting is accreted over time and $4,774 has been recorded as accretion to the statement of operations for Q3-2020 (Q3-2019: $28,493).

General and administrative expenses are detailed below:

	Three months ended April 30, 2020	2019
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 808,353	$ 785,527
Professional costs	103,294	16,964
Shareholder communications	169,863	265,772
Office and general	73,958	551,653
Travel	43,252	(12,127)
Mining claim costs, non-core properties	2,250	9,450
Depreciation	45,495	-
	$ 1,246,465	$ 1,617,239

- Salaries, payroll costs and consultants increased by 3% for Q3-2020 compared to Q3-2019.

- Professional costs increased by $86,330 for Q3-2020 compared to Q3-2019 as a result of legal costs incurred from the acquisition of claims.

- Shareholder communications includes regulatory costs, as well as investor relations programs, conferences, marketing and the travel related to these efforts. These costs decreased for Q3-2020 compared to Q3-2019 by 36% or $95,909 as a result of decreased marketing travel, which is partly attributed to the Covid-19 outbreak.

- Office and general costs decreased by $477,695 during Q3-2020 compared to Q3-2019. The Company paid a contract termination payment during Q3-2019 resulting in this decrease.

- Corporate travel costs increased by $55,379 during Q3-2020 compared to Q3-2019 in part because of an accrual reversal during the comparative period, and in part due to a corporate site visit during the current period.

- Depreciation expense charged to General and administrative expenses relates to the depreciation of the Company's head office lease in accordance with IFRS 16 for right of use assets, as well as depreciation of office furniture and leasehold improvements. During Q3-2019, the Company was not leasing its current office space.

Share-based payments expense for Q3-2020 was $320,971 compared to $nil for Q3-2019 as a result of RSU grants in November 2019 and March 2020. The value recorded represents the fair market value on the date of grant for both vested RSU's and an accrual for unvested RSU's on a front-loaded basis. For the comparative quarter, no RSU's or stock options were granted.

The Company earned interest income of $30,602 during Q3-2020 compared to $40,991 during Q3-2019. The Company has invested excess cash in highly liquid, high-interest GIC's resulting in this interest income. While the Company's average cash balances this quarter compared to the comparative quarter were 16% higher, the decrease in interest income is a result of lower interest rates during the current quarter.

Interest expense on leases for Q3-2020 was $46,647 compared to $9,031 for Q3-2019 which increased in part as a result of IFRS 16.

As a result of the Company's flow-through financings in October 2019 and February 2020, the Company recorded a flow-through liability on the statement of financial position representing the premium on the share issuances. As the Company incurs eligible expenditures against this liability, the Company reduces the liability and records this as flow-through share premium recovery on the statement of operations. During Q3-2020, the Company recorded a flow-through share premium recovery of $476,725 (Q3-2019: $1,258,511).

Other expenses recorded for Q3-2020 include $24,831 related to the fee charged by the insurer of the reclamation bond (Q3-2019: $24,831), Part XII.6 tax accrued on unspent flow-through expenditures, as well as miscellaneous charges for both periods.

For the nine months ended April 30, 2020:

The Company recorded a net loss of $14,760,478 for the nine months ended April 30, 2020 (nine months ended April 30, 2019: $14,385,957).

Exploration and evaluation expenses are detailed in the Exploration Activities section of this report above.

The Company's reclamation provision is updated regularly for changes in estimate and changes in discount and inflation rates. As a result, a credit of $53,282 was recorded as reclamation estimate to the statement of operations for the nine months ended April 30, 2020 (nine months ended April 30, 2019: a charge of $86,380). The discounting is accreted over time and $30,848 has been recorded as accretion to the statement of operations for the nine months ended April 30, 2020 (nine months ended April 30, 2019: $35,069).

General and administrative expenses are detailed below:

	Nine months ended April 30, 2020	Nine months ended April 30, 2019
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 2,414,619	$ 2,425,764
Professional costs	231,007	159,459
Shareholder communications	898,785	954,557
Office and general	274,912	749,941
Travel	96,109	36,809
Mining claim costs, non-core properties	2,250	9,450
Depreciation	146,852	-
	$ 4,064,534	$ 4,335,980

- Salaries, payroll costs and consultants remained stable over both reporting periods.

- Professional costs increased by $71,548 or 45% for the nine months ended April 30, 2020 compared to the same period in 2019 mostly in relation to the claims acquired from O3.

- Shareholder communications decreased for the nine months ended April 30, 2020 compared to 2019 by 6% or $55,772. During the comparative nine-month period, the Company paid additional costs to list on the TSX. This, as well as decreased marketing travel during the current period contributed to this decrease in cost.

- Office and general costs decreased by $475,029 for the current period compared to last year as a result of a contract termination payment made during the comparative period.

- Travel costs increased by $59,300 during the nine months ended April 30, 2020 compared to the nine months ended April 30, 2019 in part due to corporate site visits during the nine months ended April 30, 2020.

Share-based payments expense for the nine months ended April 30, 2020 was $1,405,136 compared to $594,000 for the nine months ended April 30, 2019. RSU's were granted during the current period, and their value was recorded as the fair market value on the date of grant for both vested RSU's and an accrual for unvested RSU's on a front-loaded basis. For the comparative nine-month period, no RSU's were granted, however 660,000 stock options were granted.

The Company earned interest income of $84,638 during the nine months ended April 30, 2020 compared to $178,918 during the nine months ended April 30, 2019. The Company has invested excess cash in highly liquid, high-interest GIC's resulting in this interest income. The Company's average cash balances were 42% lower during 2020 compared to 2019 resulting in lower interest income.

Interest expense on leases for the nine months ended April 30, 2020 was $153,327 compared to $31,836 for the nine months ended April 30, 2019 which increased in part as a result of IFRS 16 and as a result of new financing arrangements.

During the nine months ended April 30, 2020, the Company recorded a flow-through share premium recovery of $1,289,737 (2019: $2,930,491) against the liability generated from the October 2019 and February 2020 flow-through share issuances.

Other expenses recorded for the nine months ended April 30, 2020 include $74,493 related to the fee charged by the insurer of the reclamation bond (the nine months ended April 30, 2019: $24,831), Part XII.6 tax accrued on unspent flow-through expenditures, as well as miscellaneous charges for both periods.

SUMMARY OF QUARTERLY RESULTS

	April 30 2020 Q3-2020	January 31, 2020 Q2-2020	October 31, 2019 Q1-2020	July 31, 2019 Q4-2019
Interest income	$ 30,602	$ 26,074	$ 27,962	$ 52,000
Net loss and comprehensive loss	(5,165,372)	(6,193,806)	(3,401,300)	(5,262,781)
Basic and diluted net loss per share	($0.06)	($0.09)	($0.05)	($0.10)
Total assets	19,917,230	11,996,161	17,731,058	13,127,071
Non-current financial liabilities	652,372	716,031	781,773	15,060

	April 30, 2019 Q3-2019	January 31, 2019 Q2-2019	October 31, 2018 Q1-2019	July 31, 2018 Q4-2018
Interest income	$ 40,991	$ 60,685	$ 77,242	$ 64,163
Net loss and comprehensive loss	(4,572,903)	(6,140,800)	(3,672,254)	(1,545,474)
Basic and diluted net loss per share	($0.09)	($0.12)	($0.08)	($0.03)
Total assets	12,793,315	17,889,504	22,725,908	27,698,332
Non-current financial liabilities	91,560	228,905	358,646	171,575

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

Net loss during Q4-2018 includes a flow-through share premium recovery of $799,683, an adjustment to stock-based compensation expense, and a reduction of $1,044,979 to exploration and evaluation expenditures as a result of the tax credit receivable recorded during the quarter. Net loss during Q1-2019 includes drilling and assaying costs as the Company completed its 2018 drill program as well as $594,000 in stock-based compensation expense, offset by a flow-through share premium recovery of $877,938. During Q2-2019, costs increased by approximately $2,500,000 from Q1-2019 as a result of the acquisition of the Troilus North property from Emgold. Costs in Q3- and Q4-2019 include the 2019 drill program costs. Net loss decreased in Q1-2020 with no drilling, however increased in Q2- and Q3-2020 with the two drilling campaigns in the Southwest Zone. Net loss Q3-2020 also includes property acquisition costs of approximately $1,400,000.

LIQUIDITY AND CAPITAL RESOURCES

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

The Company had working capital (see Non-IFRS Measures) of $9,279,010 as at April 30, 2020 (July 31, 2019: $6,813,681) including cash and cash equivalents of $11,091,878 (July 31, 2019: $6,337,689).

The Company completed a private placement financing in October 2019, raising $6,017,373 net of issue costs. In February 2020, the Company completed a private placement financing raising $12,145,678 net of issues costs.

During the three and nine months ended April 30, 2020, the Company received $593,926 in tax credit refunds from the Government of Quebec in relation to expenditures on its exploration properties. The Company applies for these tax credits when filing its annual tax returns. As at April 30, 2020, a balance of $696,932 is estimated to be received in further tax credits.

The Company made a strategic investment in a private company, Kenorland Minerals Inc. ("Kenorland"), during the nine months ended April 30, 2020. The Company has classified this investment as long term as the Company intends to hold these shares for the foreseeable future.

The Company's existing leases include office leases, vehicle leases and leases for certain infrastructure, with terms between 1 month and 4 years. Total lease liabilities as at April 30, 2020 are $1,160,414, where $508,042 is current and $652,372 is long-term (July 31, 2019: total lease liabilities of $547,193, $532,133 current and $15,060 long-term). The Company acquired $453,553 in equipment during the nine months ended April 30, 2020 through lease financing arrangements (April 30, 2019: $600,010). As a result of the initial application of IFRS 16, $1,075,254 in lease liabilities were recognized at transition on August 1, 2019.

The Company's lease commitments include:

		Payments due by period			
Liability	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Lease liabilities	1,160,414	508,042	441,102	211,270	-

The Company has reclamation and water treatment obligations at the Troilus Gold property from historical mining activities. The Company has recorded a total obligation of $3,580,058 as at April 30, 2020, of which $117,039 has been recognized as current (July 31, 2019: $3,672,395, $91,654 being current). This estimate assumes that future mining operations will not resume and as management continues its exploration program and works towards a future mining scenario, the reclamation provision will be adjusted accordingly.

During 2019, the Company withdrew its security deposit with the Government of Quebec in exchange for an underwritten bond from an insurance company. To purchase this insurance, the Company paid a deposit of $1,589,190 to the insurance company and pays an annual fee of 2.5% of the insured amount. The Company also paid an additional $50,000 deposit as security against current and future estimated reclamation obligations on the landfill site on the Troilus Gold property.

CASH FLOWS

Cash used in operating activities during the nine months ended April 30, 2020 was $10,573,976 compared to $14,355,207 for the nine months ended April 30, 2019. The Company used $12,561,342 on exploration and evaluation expenses and administrative expenses as described earlier in this report during the nine months ended April 30, 2020 (April 30, 2019: $14,279,384). Non-cash working capital provided $1,987,366 during the nine months ended April 30, 2020 (April 30, 2019: use of $75,823). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds; while a decrease in a liability (or an increase in an asset) account is a use of funds.

Cash provided by financing activities during the nine months ended April 30, 2020 was $17,247,465 compared to the use of $369,817 during the nine months ended April 30, 2019. The Company raised $19,055,637 from flow-through private placements during the nine months ended April 30, 2020, with issue costs of $892,586 (April 30, 2019: $nil). The Company paid $915,586 in lease payments during the nine months April 30, 2020 (April 30, 2019: $369,817). Lease payments increased in large part as a result of the application of IFRS 16.

Cash used by investing activities during the nine months ended April 30,2020 was $1,919,300 (April 30, 2019: source of $1,803,085). The Company spent $1,669,300 on property and equipment during the current year (April 30, 2019: $530,701). As well, the Company invested in a private company for $250,000 (April 30, 2019: $nil). During the comparative period, the company received $3,972,976 from the Quebec government when it withdrew its reclamation security deposit. The Company then posted a bond with an insurance company paying $1,589,190 to secure the reclamation provision. The Company also paid a $50,000 deposit for landfill obligations during the comparative period.

NON-IFRS MEASURES

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the gold mining industry, it is a common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company’s performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at April 30, 2020 and July 31, 2019.

		April 30, 2020		July 31, 2019
Current assets:				
Cash and cash equivalents	$	11,091,878	$	6,337,689
Tax credit receivable		696,932		832,164
Amounts receivable		189,140		1,275,635
Prepaid expenses		587,140		492,418
	$	12,565,090	$	8,937,906
Current liabilities:				
Accounts payable and accrued liabilities		2,660,999		1,500,438
Current portion of lease liabilities		508,042		532,133
Current portion of reclamation provision		117,039		91,654
	$	3,286,080	$	2,124,225
Working capital/(deficiency), current assets less current liabilities	$	9,279,010	$	6,813,681

CAPITAL RISK MANAGEMENT

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the three and nine months ended April 30, 2020 and 2019.

COMMITMENT AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,720,000 and additional contingent payments of approximately $7,100,000 upon the occurrence of a change of control. As well, there are 3,136,660 RSU’s outstanding to directors, officers and employees of the Company that vest in January 2021 and 2022. Upon a change of control, any unvested RSU’s would vest immediately. As a triggering effect for a change of control has not taken place, the contingent payments have not been reflected in these condensed interim financial statements.

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

The Troilus project is subject to a variable Net Smelter Royalty ("NSR") held by First Quantum Minerals Inc. of 1.5% or 2.5% depending on whether the price of gold is above or below US$1,250 per ounce, as well as an additional 1% royalty held by QuestCap Inc., on 82 of its claims. The 209 claims acquired from Emgold during the previous year are subject to underlying royalties of 1% to Emgold that the Company has a right to purchase for $1,000,000, and 1.5% to three individuals that the Company has a right to purchase for $2,000,000 until 24 months from the start of commercial production and for $3,000,000 thereafter. The three claims acquired from O3 during Q2-2020 are subject to royalties of 2% NSR to O3, half of which can be purchased for $1,000,000 and 2% NSR to an individual, half of which can be purchased for $1,000,000. The 627 claims acquired form O3 during Q3-2020 are subject to a 2% NSR to O3 which can be purchased for $1,000,000, and some of these claims are subject to underlying royalties of 1% and 2%.

As a result of the Company's flow-through financing in October 2019, the Company was committed to incurring $6,222,954 in qualifying resource expenditures. The Company filed its renunciation forms in January 2020. As at April 30, 2020, the Company has met this exploration commitment.

As a result of the Company's flow-through financing in February 2020, the Company was committed to incurring $5,508,699 in qualifying resource expenditures. The Company will file its renunciation forms in January 2021. As at April 30, 2020, the Company has incurred $1,206,992 in qualifying expenditures, with the balance of $4,301,707 to be spent before December 31, 2020.

In connection with the flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow-through expenditure commitments.

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

RELATED PARTY DISCLOSURES

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

Related party balances

During the three and nine months ended April 30, 2020, the Company paid $19,500 and $58,500 respectively to a private company from which it rents its office space in Chibougamau. The Company's VP of Operations, Mr. Daniel Bergeron, owns 50% of this private company.

Approximately $6,000 is payable to directors and officers of the Company at April 30, 2020 (July 31, 2019: $20,000) and included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing with no fixed terms of repayment.

Compensation of key management personnel of the Company

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

	Three months ended April 30, 2020	Three months ended April 30, 2019	Nine months ended April 30, 2020	Nine months ended April 30, 2019
Management salaries and fees	$ 1,412,968	$ 1,043,300	$ 1,880,192	$ 1,452,600
Directors fees	137,500	105,000	173,098	126,875
Share-based payments	752,003	-	752,003	558,000
	$ 2,302,471	$ 1,148,300	$ 2,805,293	2,137,475

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

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities were classified as follows:

	Assets at amortized cost	**Assets at fair value through profit or loss**	**Liabilities at amortized cost**	**Total**
As at April 30, 2020				
Cash and cash equivalents	**$** 1,388,885	**$** 9,702,993	**$** -	**$** 11,091,878
Amounts receivable	1,763	-	-	1,763
Investment	-	250,000	-	250,000
Reclamation deposit	1,639,190	-	-	1,639,190
Accounts payable and accrued liabilities	-	-	2,660,999	2,660,999
Lease liabilities	-	-	1,160,414	1,160,414

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

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

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

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

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

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at April 30, 2020:

	Level 1	Level 2	Level 3	TOTAL
As at April 30, 2020				
Cash equivalents	$ -	$ 9,702,993	$ -	$ 9,702,993
Investment	-	-	250,000	250,000

The investment in Level 3 represents the investment in Kenorland, a privately-held company, that is not quoted on an exchange. This investment was acquired during the three and nine months ended April 30, 2020. The key assumption used in the valuation of this investment is the value at which a recent financing was completed by the investee. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at April 30, 2020. As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. As at April 30, 2020, a 10% change in the fair value of Kenorland would result in a corresponding $25,000 change in income.

There were no transfers among Levels 1, 2 and 3 during the nine months ended April 30, 2020.

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the three and nine months ended April 30, 2020 and 2019.

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

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

As at April 30, 2020, the Company had current assets of $12,565,090 (July 31, 2019: $8,937,906) to settle current liabilities of $3,286,080 (July 31, 2019: $2,124,225). Approximately $1,950,000 of the Company's financial liabilities as at April 30, 2020 have contractual maturities of less than 30 days and are subject to normal trade terms.

Liability	Total	< 1 year	Payments due by period 1 - 3 years	4 - 5 years	> 5 years
Accounts payable and accrued liabilities	$ 2,660,999	$ 2,660,999	$ -	$ -	$ -
Lease liabilities	1,160,414	508,042	441,102	211,270	-
Reclamation provision	3,580,058	117,039	519,166	517,273	2,426,580

Market risk - Interest rate risk
The Company's cash equivalents are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. Based on cash and cash equivalent balances on hand at April 30, 2020, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $11,000.

OUTSTANDING SHARE DATA

Number of:	As at April 30, 2020	As at June 4, 2020
Common Shares	90,289,339	90,289,339
Options	250,000	250,000
RSU's	3,136,660	3,136,660
Warrants	14,030,000	14,030,000

SUBSEQUENT EVENT

On June 2, 2020, the Company entered into an agreement with Cormark Securities Inc., Laurentian Bank Securities Inc. and Stifel GMP, as co-lead underwriters, on behalf of a syndicate of underwriters, pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 21,000,000 units of the Company at a price of $1.05 per unit for gross proceeds to the Company of approximately $22,000,000. Each unit will consist of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant shall entitle the holder to acquire an additional common share at a price of $1.50 for a period of 24 months following the closing of the offering. The Company has agreed to grant the underwriters an option to sell an additional 3,150,000 units, such option being exercisable in whole or in part at any time prior to the date that is 30 days after the closing of the offering, to cover over-allotments, if any, and for market stabilization purposes. In the event that the over-allotment option is exercised in full, the aggregate gross proceeds of the offering will be approximately $25.36 million. The offering is scheduled to close on or before June 23, 2020 and is subject to certain conditions, including but not limited to receipt of regulatory approvals.

RISKS AND UNCERTAINTIES

<u>Nature of Mining, Mineral Exploration and Development Projects</u>
Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these

uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

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

Liquidity Concerns and Future Financings

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

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

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 Company’s operations.

No Mineral Reserves have been estimated at the Troilus Project

The Troilus Gold property is in the exploration stage and sufficient work has not been done to define a mineral reserve. There is no assurance given by the Company that continuing work on the property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral reserve.

Environmental, Health and Safety Risks

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

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

Pandemic or other health crises

The Company's business and operations could be adversely affected by the outbreak of an epidemic or a pandemic or other health crises, including the recent outbreak of COVID-19. Global government actions, including lockdowns, stay-at-home orders and travel restrictions, along with market uncertainty have already impacted global economic conditions, which may in turn impact the Company's ability to operate, the operations of its suppliers, contractors and service providers, the ability to obtain future financing and maintain necessary liquidity, and the ability to explore the Company's mineral properties. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time.

Decommissioning and Reclamation

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

Insurance

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

Metal Prices

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

Moreover, the ability of the Company to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious metals.

Competition

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

Properties May be Subject to Defects in Title

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

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

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

Limited Property Portfolio

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

Property Commitments

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

Licences and Permits, Laws and Regulations

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

Community Relations and License to Operate

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

Key Personnel

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

Dependence on Outside Parties

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

Share Price Fluctuations

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

Conflicts of Interest

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

Current Global Financial Condition

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

No Revenues

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

Public Company and other Regulatory Obligations

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

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

Management of Growth

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, have certified that disclosure controls and internal controls over financial reporting have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Despite Covid-19 forcing corporate and site staff to work from home, there was no change in the Company's internal controls over financial reporting that occurred during the three and nine months ended April 30, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. The audit committee of the Company has reviewed this MD&A and the condensed interim consolidated financial statements for the three and nine months ended April 30, 2020, and the Company's board of directors approved these documents before their release.

CRITICAL ACCOUNTING ESTIMATES

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

June 4, 2020