TROILUS GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2022 and 2021

Management's Discussion and Analysis

For the three and nine months ended April 30, 2022

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, 2022 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended April 30, 2022, as well as the audited annual consolidated financial statements and MD&A for the year ended July 31, 2021. 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 9, 2022 unless otherwise indicated. References to the 1st, 2nd and 3rd quarters of 2022 or Q1-, Q2- and Q3-2022, and the 1st, 2nd and 3rd quarters of 2021 or Q1-, Q2- and Q3-2021 mean the three months ended October 31, 2021, January 31, 2022 and April 30, 2022, and the three months ended October 31, 2020, January 31, 2021 and April 30, 2021 respectively. Unless otherwise noted, all references to currency in this MD&A refer to Canadian dollars.

Kyle Frank, P.Geo, Manager 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. Frank is an employee of Troilus and is therefore not considered to be independent under National Instrument 43-101. Mr. Gordon Zurowski, P. Eng Principal Mining Engineer with AGP Mining Consultants ("AGP"), who is an independent Qualified Person as defined under NI 43-101, has reviewed and approved the technical information pertaining to the Preliminary Economic Assessment ("PEA").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

Forward-looking information is provided for the purpose of providing information about management’s expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ‘‘Risk and Uncertainties’’ section of the Annual Information Form dated October 14, 2021 and the Management Information Circular dated November 8, 2021 (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 Company holds a strategic land position of 1,420 km^2 and includes the former Troilus mine.

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

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

In May 2021, the Company acquired 100% of the issued and outstanding shares of UrbanGold Minerals Inc. ("UrbanGold"), which added over 35,000 hectares to the Company's current land package. Included in the land package acquired are claims subject to a 50-50 Joint Venture. In October 2021, the Company effected a statutory amalgamation with UrbanGold.

The Company also has a local office in the city of Chibougamau, Quebec and an information center in the Cree Nation town of Mistissini. On February 1, 2022, the Company relocated its head office to Montreal, Quebec from Toronto, Ontario. The Company's registered office remains in Toronto, Ontario.

ACCOMPLISHMENTS AND OUTLOOK

The Company has:

- Raised approximately $168.4 million since the start of operations with a strong institutional shareholder base.
- Completed regional exploration field work including rock and soil sampling, trenching and an airborne survey on its claims, including those subject to the Joint Venture.
- The Company has been drilling since September 2020, having since drilled over 149,000 metres, approximately 75,000 metres during the nine months ended April 30, 2022. The cut-off for drill data from the Southwest Zone as well as definition drilling in the Z87 and J Zone for inclusion in the mineral resource estimate and PFS was reached in March 2022. The Company is now expanding drilling into the Gap Zone.
- Reported excellent metallurgical recovery results for the J Zone, where Knelson gravity separation and column flotation tests achieved gold, copper and silver recoveries of 92.9%, 90.4% and 88.8%, respectively.
- Promoted Ms. Jacqueline Leroux to Vice-President of Environment and Permitting.
- Promoted Mr. Blake Hylands, formerly Senior Vice President, Exploration, to President.

The Company is currently:

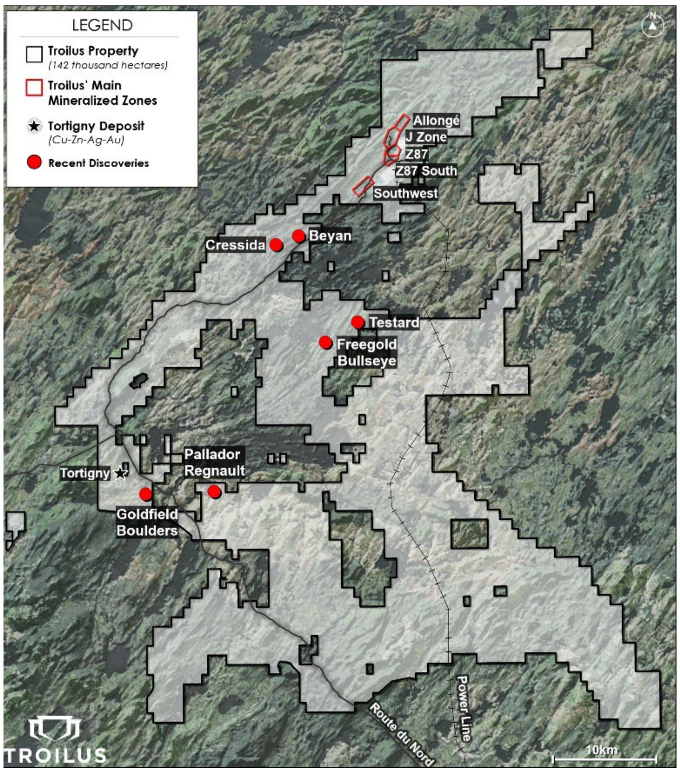
- Updating its mineral resource targeting release for July 2022.
- Progressing the Pre-feasibility Study ("PFS") which is planned to be published in July 2022. The PFS will further refine the engineering plans, metallurgical test work and economic viability of the Troilus project.
- Planning its summer field exploration program.

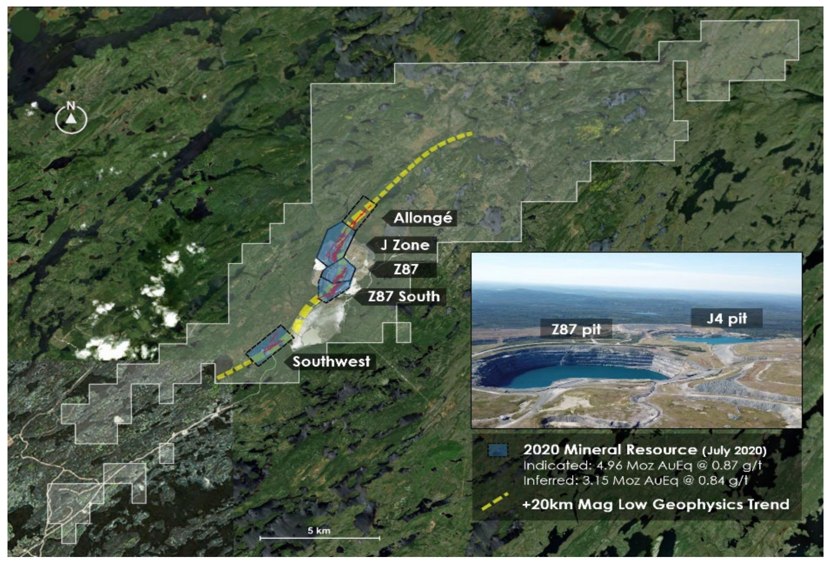
Subsequent to the end of the quarter, the Company:

- Filed the Initial Project Description and the Project Notice for the Troilus Project with both the federal and provincial levels of government. The filing of the Initial Project Description and the Project Notice are the first step in the Environmental and Social Impact Assessments ("ESIA").
- Continues to further evaluate proximal regional targets that could impact the mine life and/or scale of Troilus.
- Is continuing ongoing community engagement and consultation, particularly with the Cree Nation of Mistissini and Cree Nation Government to ensure our stakeholders voices and knowledge are included in our decision making and planning as we continue to move forward.

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. This, as well as recent developments with the war in the Ukraine, continue to generate uncertainty and volatility with respect to the global economy and the financial markets. The Company's focus has been on the health and safety of its employees and contractors, and the communities surrounding its operations. The Company has been closely monitoring the ongoing impact of Covid-19 and has policies and procedures in place to mitigate the risk of exposure to and spread of the virus.

EXPLORATION ACTIVITIES





Drilling Programs

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

The Company commenced drilling again in September 2020 with the objective being to upgrade current mineral resource estimates and continue the expansion and exploration of mineralization across the Troilus property, following the discovery of the Southwest zone in early 2020. Drilling included exploration holes in the Southwest Zone, and infill and geotechnical drilling in both the J Zone and Z87 Zone.

Results from the J Zone have expanded the footprint of the new western extension by 150 metres to the northeast. The strike length of this new mineralized zone has grown to 850 metres. A newly identified parallel zone in the hanging wall demonstrates mineral continuity parallel to the main ore body. Several step-out holes extended down dip mineralization below the pit shell proposed in the PEA maintaining consistent grades and thicknesses.

Assay results from the Southwest Zone showed significant extensions of gold mineralization beyond the PEA whittle pit, as well as confirmed continuity of mineralization within previously undrilled areas of the pit, suggesting the potential for continued resource growth. With each step-out hole drilled, the system extended further to the northeast towards the current limits of Z87 South, an area we now identify as the "Gap Zone", which was a continued major focus of work throughout the spring and summer of 2021. The Company commenced an 11,000-metre drill program in the spring of 2022 to be completed over the summer months to improve the geological understanding of this area and test for additional mineralization.

The Southwest Zone demonstrates an ongoing trend of higher-grade gold intercepts within a much broader disseminated mineralized zone, similar to the main Z87 zone. Parallel zones of mineralization continue to be discovered as drilling is extended along strike and at depth. These footwall mineralized intervals are showing how the Southwest Zone is not just extending along strike back towards the mine complex, but also adding width to previous mineral interpretations. Thrusting and folding in the area are likely the control on these parallel systems and are confirming the structural interpretation of the geology team. These results confirm the team's geological modelling suggesting mineral continuity well beyond the southern extent of Southwest Zone, replacing a previous "narrow hinge" model in which it was thought to taper off. Latest results have improved confidence in strong mineral continuity to the northeast with improved drill density and step out holes that have further expanded the Southwest Zone over 200 metres beyond the previously known boundary of mineralization, approximately 900 metres beyond the pit shell modelled in the PEA. The Company has focused its drilling in this area to further improve drill density and define the extent of the zone for proper representation in the PFS.

The Company released an updated mineral resource estimate in July 2020, which was effective July 20, 2020 (see Current Mineral Resource Estimate). Total estimated indicated mineral resource increased to 4.96 million ounces AuEq (177 Mt with an average grade of 0.87 g/t AuEq) and total estimated inferred mineral resource increased to 3.15 million ounces AuEq (116.7 Mt with an average grade of 0.84 g/t AuEq). Pit-constrained estimated mineral resources in the indicated mineral resource category increased by 601,000 ounces AuEq from the previous estimate released on November 12, 2019. The Southwest Zone contributed 583,000 ounces AuEq to inferred mineral resources which included 8,500 metres of drilling. Since then, approximately 100,000 metres have been drilled in the Southwest Zone.

As a result of the Company's ongoing drilling success, demonstrating particularly important technical developments and growth in the Southwest and J Zones, the mineral resource estimate is targeted for completion in July 2022, in conjunction with the Pre-Feasibility Study, and is being prepared by G Mining Services Inc. In March 2022, the Company reached the cut-off for drilling to be included in the updated mineral resource and PFS ensuring it will meet the delivery timeline. The impact of recent results on the overall future mine could be significant, and the updated timeline allowed for the inclusion of the recent drill data as the size and extent of these ore bodies are defined.

Regional Exploration Program

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

Beyan is located along strike of the Troilus Mine, outlining the fact mineralization can be found across several kilometres of the Troilus Mine trend. Grab samples returned up to 9.7 g/t gold and 32.5 g/t silver from Beyan.

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

The Company's geological team identified several mineralized outcrops on the main Testard Block, assaying up to 203 g/t gold and 2,440 g/t silver. The Testard showing is characterized by quartz veining in distinct brittle east-west shear zones, cross cutting a large tonalite unit over a distance of 30 metres. The Testard area is almost entirely till covered with limited outcrop exposure, however local stripping has traced similar Testard mineralization in outcrop up to 400 metres from the main showing. Further regional exploration in summer 2021 identified a potential major north-east south-west shear zone about 400 metres west of the main surface showing. It was believed this could be a main pathway for mineralization and plumbing to the mineralized east-west mineralized quartz veins found and sampled at surface.

During the summer of 2021, the Company completed a small scout drilling program of approximately 1,200 metres at Testard. The goal of this program was to drill test the mineral continuity at depths of up to 100 metres below the surface showings. As well, it was designed to test interpreted structural intersections of east-west features with north-east south-west trending shearing identified in the field and in geophysical data up to 400m from the main surface showing. Results from this program have demonstrated that the high-grade showings discovered during the regional sampling work extend below surface, and also outline that mineralization is present in repeating structures up to 400m from the main surface showing. The Company looks to build out from this initial success to further understand the orientation and extent of mineralization in the Testard area, and the importance of these mineralized structures regionally to this area of the belt.

With the acquisition of UrbanGold, the Company acquired over 35,000 hectares of land adjacent to the Company's existing claims. These include the highly prospective Cressida block directly adjacent to Beyan and the Freegold-Bullseye project in the general vicinity of the Testard showing. The Company completed regional exploration work in some of these areas through late summer and fall 2021 which included field mapping and prospection, mechanical trenching and channeling, drone mapping, soil sampling and airborne magnetic surveys. Over 2,400 rock samples and over 6,000 soil samples were collected. The program helped to develop, test and refine a new exploration model for regions distal to the main Troilus trend.

With respect to the Company's flow-through financing in June 2021, the Company is committed to spending approximately $35.0 million in exploration expenditures. As at April 30, 2022, the Company has spent approximately $29.6 million and is required to spend an additional $5.4 million by December 31, 2022 plus any expected Quebec tax credits to be received.

<u>Current Mineral Resource Estimates</u>

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

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

Notes:

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

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

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

<u>Preliminary Economic Assessment ("PEA")</u>

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

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

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

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

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

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

The PEA capital and operating cost estimates for the project are summarized below. The Initial CAPEX (net of existing infrastructure) is US$333 million and Sustaining CAPEX over the life of the mine is an additional US$506 million. The underground mine will require US$240 million of underground development CAPEX in years 6 to 8 and US$175 million in sustaining capital to maintain the underground operation. The underground will start development with first mill feed projected to come online in Year 8. All in Sustaining Cost ("AISC") is US$850 per ounce AuEq pre-tax and US$1,051 per ounce AuEq post-tax.

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

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

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

Average Life-of-Mine Operating Cost	USD$
Mining - Open Pit	$9.35/tonne milled
Mining - Underground	$14.36/tonne milled
Processing	$4.99/tonne milled
G&A	$1.42/tonne milled
Concentrate Transport	$0.23/tonne milled
Total Operating Cost	$17.10/tonne milled
Cash Operating Cost, pre-tax**	$719/oz AuEq
Cash Operating Cost, post tax**	$919/oz AuEq
All in Sustaining Cost, pre-tax **	$850/oz AuEq
All in Sustaining Cost, post-tax **	$1,051/oz AuEq

** see Non-IFRS Financial Measures

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

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

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

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

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

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

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

Pre-Feasibility Study

In December, 2020, the Company initiated a PFS with Lycopodium. The PFS scope of work included a trade-off study to select the preferred processing option for an open pit only mining scenario, as well as a throughput analysis. The selected option is a process facility utilizing primary crushing secondary crushing, tertiary high pressure grinding rolls, ball milling, gravity recovery, flotation, concentrate dewatering, on-site doré production, tailings thickening, and tailings deposition in a tailings management facility. AGP has been engaged to address mining, and Golder Associates to provide mine geotechnical, hydrogeological and tailings design and deposition methodology.

Metallurgical test work on representative composite samples from the J Zone, 87 Zone and Southwest Zone is being finalized at Eriez and Base Metallurgical Laboratories to provide inputs to the PFS. The Company received strong final results from the J Zone composite subsequent to the end of the quarter. Knelson gravity separation and column flotation tests achieved gold, copper and silver recoveries of 92.9%, 90.4% and 88.8% respectively, which exceed the recoveries used in the PEA. The composite samples were prepared using coarse assay rejects and/or ¼ sawn core to duplicate the composition of the various PEA zones. The J Zone composite was prepared using coarse assay rejects from 1,358 intervals. Composite from the SW Zone was prepared using coarse assay rejects from 1,785 intervals and 1,425 intervals of sawn ¼ core. The Z87 Zone composite was prepared using 1,327 intervals of coarse assay rejects and 1,485 intervals of sawn ¼ core. Testing of the Southwest and Z87 Zones are currently being finalized.

The PFS is expected to be completed in July 2022. Other consultants and laboratories are also being used to support the work of the major consultants listed above.

Environment and Stakeholder Engagement

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

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

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

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

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

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

In October 2021, the Company published its inaugural Sustainability Report, highlighting the achievements and efforts the Company has made over the last year to place the Company at the forefront of ESG initiatives among Quebec-based exploration and development companies. The 2021 Sustainability report can be found in full on the Company's website in French and English at www.troilusgold.com in the Sustainability section.

The Company engaged Quebec-based Tugliq Energy Corp. ("Tugliq") to conduct an inventory of its historical and current GHG emissions and develop a roadmap towards a future carbon neutral mining operation. While the Company's fully operational electrical substation already provides a renewable source of energy which will help minimize the Company's carbon footprint, some fossil fuel use is still anticipated, and this roadmap will help identify opportunities to reduce or eliminate the use of such fuels.

Subsequent to the end of the quarter, in May 2022, the Company filed the Initial Project Description for the Troilus project with the Impact Assessment Agency of Canada ("IAAC") at the federal level, and filed the Initial Project Notice with the Ministère de l'Environnement et de la Lutte contre les Changements Climatiques ("MELCC") at the provincial level. These filings are the first step in the Environmental and Social Impact Assessments ("ESIA"), approval of which are required under Canadian and Quebec law in order for a mining project to proceed into construction and into production. The ESIA assesses the environmental, social and economic impacts of a proposed mining project and includes extensive consultations with local stakeholders, and in particular First Nations.

Exploration and evaluation expenses on the Troilus project:

	Three months ended April 30,		Nine months ended April 30,	
	2022	2021	2022	2021
	Q3-2022	*Q3-2021*	*YTD-2022*	*YTD-2021*
Exploration and evaluation expenses:				
Drilling, assaying and geology	$ 7,047,597	$ 3,932,482	$ 16,875,839	$ 9,312,267
Salaries, payroll costs and consultants	2,031,057	1,287,077	6,098,296	4,438,744
Site and camp costs	766,150	525,928	2,048,076	1,250,422
Support and other costs	216,516	134,152	539,267	362,426
Studies	690,366	901,121	1,865,912	2,151,839
Government and community relations	31,700	16,724	110,215	83,159
Travel	155,879	88,955	444,554	241,288
Property acquisition	-	166,125	(102,500)	166,125
Depreciation	274,055	224,987	807,415	641,691
Tax credits	(3,069,645)	(1,618,029)	(4,034,709)	(2,902,971)
	$ 8,143,675	$ 5,659,522	$ 24,652,365	$ 15,744,990

For the three months ended April 30, 2022 (Q3-2022):

Exploration and evaluation expenses for the three months ended April 30, 2022 are detailed in the table above and totaled $8,143,675 during Q3-2022 compared to $5,659,522 during Q3-2021, for an increase of $2,484,153 or 44%.

Drilling, assaying and geology increased by $3,115,115 or 79% during Q3-2022 compared to Q3-2021. The Company drilled approximately 28,500 metres during the current three months ended April 30, 2022, compared to approximately 23,173 metres during the three months ended April 30, 2021. Drilling contractor costs increased and fuel surcharges were imposed during the current period. As well, the Company incurred rush fees in order to receive some assay results in time to include in the PFS.

Salaries, payroll costs and consultants increased by $743,980 or 58% for Q3-2022 compared to Q3-2021 as a result of the increased activity at site. The Company has hired new staff, and salary costs are also increasing somewhat as a result of a robust labour market for geologists and support staff.

Site and camp costs increased by $240,222 or 46%during Q3-2022 compared to Q3-2021. Supplies, like kitchen services to feed the camp and hydro costs increased with the higher activity at site during the current period. The Company increased space at camp with trailer rentals due to a higher number of people at site.

Support and other costs increased by $82,364 or 61% during Q3-2022 compared to Q3-2021 due to higher claim maintenance costs which is a result of the Company's larger land package, as well as fuel price increases.

Travel costs related to exploration increased by $66,924 or 75% during Q3-2022 compared to Q3-2021 as a result of the increased staff levels outside of the Chibougamau area, and increased use of charters this period to fly staff to site from Montreal, Quebec City or Toronto. Due to Covid-19, air travel schedules are more restrictive and less flexible.

Depreciation costs related to exploration and evaluation activity increased by 22% during Q3-2022 compared to Q3-2021 as a result of an increase in the asset base over the previous year.

Accruals for tax credit receivable are recorded against the exploration expenses they relate to. During Q3-2022, the Company accrued and adjusted its tax credits receivable by $3,069,645 compared to $1,618,029 during Q3-2021.

<u>For the nine months ended April 30, 2022 (YTD-2022):</u>

Exploration and evaluation expenses for the nine months ended April 30, 2022 are detailed in the table above and totaled $24,652,365 during 2022 compared to $15,744,990 during 2021, for an increase of $8,907,375 or 57%.

Drilling, assaying and geology increased by $7,563,572 or 81% during the nine months ended April 30, 2022 compared to the nine months ended April 30, 2021. The Company drilled almost 75,000 metres during the current nine months ended April 30, 2022, compared to approximately 43,800 metres during the nine months ended April 30, 2021. Per metre drill costs were higher during the current period compared to the comparative period.

Salaries, payroll costs and consultants increased by $1,659,552 or 37% for YTD-2022 compared to YTD-2021 as a result of the increased activity levels at site.

Site and camp costs increased by $797,654 or 64% during YTD-2022 compared to YTD-2021. Supplies, like kitchen services to feed the camp increased with the higher activity at site during the current period. This also necessitated trailer rentals to increase the size of the camp.

Support and other costs increased by $176,841 or 49% during YTD-2022 compared to YTD-2021 due to higher claim maintenance costs, which is a result of the Company's larger land package, as well as higher fuel costs.

Travel costs related to exploration increased by $203,266 or 84% during YTD-2022 compared to YTD-2021 as a result of the increased use of charters to fly staff to site.

During YTD-2022, the Company received shares valued at $102,500 as consideration on an option agreement to sell a non-core UrbanGold property. During the comparative period, the Company incurred a cost of $166,125 related to initial acquisition costs for UrbanGold.

Depreciation costs related to exploration and evaluation activity increased by 26% during YTD-2022 compared to YTD-2021 as a result of an increase in the asset base over the previous year.

RESULTS OF OPERATIONS

	Three months ended April 30,		Nine months ended April 30,	
	2022	2021	2022	2021
	Q3-2022	*Q3-2021*	*YTD-2022*	*YTD-2021*
Expenses				
Exploration and evaluation expenses	$ 8,143,675	$ 5,659,522	$ 24,652,365	$ 15,744,990
Royalty buyout	-	-	-	20,000,000
Reclamation estimate	(168,677)	(303,325)	(265,704)	(302,055)
General and administrative expenses	1,336,663	1,053,262	4,795,779	4,348,714
Share-based payments	1,166,319	1,214,900	4,643,818	4,171,617
Total expenses before other items	10,477,980	7,624,359	33,826,258	43,963,266
Other (income)/expenses				
Interest income	(41,969)	(16,896)	(149,893)	(20,904)
Interest on lease liabilities	33,865	35,870	98,563	122,426
Flow-through share premium	(2,591,220)	(2,157,064)	(6,587,450)	(4,145,193)
Accretion of reclamation provision	38,920	31,980	75,774	60,471
Other (gains) and losses	12,478	(197,352)	146,401	(903,471)
Net loss and comprehensive loss for the period	$ 7,930,054	$ 5,320,897	$ 27,409,653	$ 39,076,595

For the three months ended April 30, 2022 (Q3-2022):

The Company recorded a net loss of $7,930,054 for the three months ended April 30, 2022 (three months ended April 30, 2021: $5,320,897).

Exploration and evaluation expenses increased by 44% and 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. A credit of $168,677 was recorded as reclamation estimate to the statement of operations for Q3-2022 (Q3-2021: $303,325). The liability decreased since the previous quarter as a result of an increase to the discount rate over the quarter, resulting in a credit to the statement of operations. The discounting is accreted over time and $38,920 has been recorded as accretion to the statement of operations for Q3-2022 (Q3-2021: $31,980).

General and administrative expenses are detailed below:

	Three months ended April 30, 2022	2021
	Q3-2022	*Q3-2021*
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 542,526	$ 560,910
Professional costs	84,570	70,424
Shareholder communications	440,736	204,152
Office and general	127,366	130,394
Travel	58,345	32,329
Depreciation	83,120	55,053
	$ 1,336,663	$ 1,053,262

- Salaries, payroll costs and consultants and professional costs did not experience marked fluctuations during Q3-2022 compared to Q3-2021.

- Shareholder communications includes regulatory costs, as well as investor relations programs, conferences, marketing, and the travel related to these efforts. These costs were $236,584 or 116% higher for Q3-2022 compared to Q3-2021. The Company has been using various third-party programs to increase the Company's profile in the investment community.

- Corporate travel costs increased by $26,016 or 80% during Q3-2022 compared to Q3-2021 as a result of travel to the Company's new head office and renewed travel overall as Covid restrictions began to lift. During the comparative period, travel was minimized.

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

Share-based payments expense for Q3-2022 was $1,166,319 compared to $1,214,900 for Q3-2021. The value recorded represents an accrual for unvested RSU's on a front-loaded basis, based on the fair market value on the date of grant. During Q3-2022, no RSU's were granted. During Q3-2021, 190,000 RSU's were granted.

Interest income increased during Q3-2022 compared to Q3-2021 as a result of higher cash balances earning interest income. The Company continues to invest excess cash in highly liquid GIC's should these rates be favourable.

As a result of the Company's flow-through financings, the Company records a flow-through liability on the statement of financial position representing the premium on the share issuances. As the Company incurs eligible expenditures against this liability, the Company reduces the liability and records this as a flow-through share premium recovery on the statement of operations. During Q3-2022, the Company recorded a flow-through share premium recovery of $2,591,220 (Q3-2021: $2,157,064).

Other gains and losses recorded for Q3-2022 include the fee charged by the insurer of the reclamation bond and bank fees related to the Letter of Credit, as well as unrealized gains and losses on investments. During Q3-2022, the Company recognized $21,956 in unrealized gains compared to $226,167 during Q3-2021.

For the nine months ended April 30, 2022 (YTD-2022):

The Company recorded a net loss of $27,409,653 for the nine months ended April 30, 2022 (nine months ended April 30, 2021: $39,076,595).

Exploration and evaluation expenses increased by 57% as detailed in the Exploration Activities section of this report above.

During the comparative nine-month period in 2021, the Company paid $20,000,000 to buy back the sliding royalty on the 81 claims acquired from First Quantum.

The Company's reclamation provision is updated regularly for changes in estimate and changes in discount and inflation rates. A credit of $265,704 was recorded as reclamation estimate to the statement of operations for YTD-2022 (YTD-2021: $302,055). The liability decreased since the year ended July 31, 2021 as a result of an increase to the discount rate over the period. While inflation also increased, the impact from the discount rate increase was greater as an average rate of inflation is used. The discounting is accreted over time and $75,774 has been recorded as accretion to the statement of operations for YTD-2022 (YTD-2021: $60,471).

General and administrative expenses are detailed below:

	Nine months ended April 30, 2022 *YTD-2022*	Nine months ended April 30, 2021 *YTD-2021*
General and administrative expenses :		
Salaries, payroll costs and consultants	$ 2,314,223	$ 2,787,765
Professional costs	293,533	259,891
Shareholder communications	1,264,549	720,801
Office and general	423,782	313,161
Travel	279,643	106,422
Depreciation	220,049	160,674
	$ 4,795,779	$ 4,348,714

- Salaries, payroll costs and consultants decreased by $473,542 or 17% compared to YTD-2021 as a result of lower bonuses granted during the current period.

- Professional costs increased by $33,642 or 13% over the comparative period as a result of increased strategic consulting.

- Shareholder communications includes regulatory costs, as well as investor relations programs, conferences, marketing, and the travel related to these efforts. During YTD-2022, costs increased by $543,748 or 75% as a result of additional third-party marketing programs in advance of the PFS release.

- Office and general costs increased by $110,621 or 35% during YTD-2022 compared to YTD-2021 as a result of new office rentals, donations and increased insurance costs.

- Corporate travel costs increased by $173,221 or 163%during YTD-2022 compared to YTD-2021 as a result of staff events, travel to the Company's new head office, and renewed travel overall as Covid restrictions lifted.

Share-based payments expense for YTD-2022 was $4,643,818 compared to $4,171,617 for YTD-2021. The value recorded represents an accrual for unvested RSU's on a front-loaded basis, based on the fair market value on the date of grant. During YTD-2022, 3,708,750 RSU's were granted. During YTD-2021, 8,610,000 RSU's were granted.

As a result of the Company's flow-through financings, the Company records a flow-through liability on the statement of financial position representing the premium on the share issuances. As the Company incurs eligible expenditures against this liability, the Company reduces the liability and records this as a flow-through share premium recovery on the statement of operations. During YTD-2022, the Company recorded a flow-through share premium recovery of $6,587,450 (YTD-2021: $4,145,193).

SUMMARY OF QUARTERLY RESULTS

	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021
	Q3-2022	Q2-2022	Q1-2022	Q4-2021
Interest income	$41,969	$41,989	$65,935	$10,774
Net loss and comprehensive loss	(7,930,054)	(11,053,737)	(8,425,862)	(35,878,569)
Basic and diluted net loss per share	($0.04)	($0.06)	($0.04)	($0.22)
Total assets	36,574,714	43,679,242	56,504,574	66,149,500
Non-current financial liabilities	541,411	612,820	670,074	711,998

	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020
	Q3-2021	Q2-2021	Q1-2021	Q4-2020
Interest income	$16,896	($31,632)	$ 35,640	$ 39,930
Net loss and comprehensive loss	(5,320,897)	(27,547,356)	(6,208,342)	(3,652,901)
Basic and diluted net loss per share	($0.04)	($0.22)	($0.05)	($0.04)
Total assets	23,288,129	27,959,902	34,771,052	39,979,833
Non-current financial liabilities	787,827	814,344	708,435	587,782

Total assets in general decrease due to cash expenditures on exploration properties as the Company does not capitalize these costs. During Q2-2021, while the Company raised $20.17 million net of issue costs from bought-deal financings, $20.0 million was paid to buy out the First Quantum royalty. During Q4-2021, the Company completed a bought-deal financing and a private placement financing resulting in the 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. During Q1- and Q2-2021, the Company traded in leased vehicles and entered into new leases resulting in an increase to non-current financial liabilities for those periods.

Net loss and comprehensive loss fluctuates in response to the level of exploration carried out, which can vary period to period. Costs increased in Q1-2021 with increased activity due to the regional exploration program on the Company's newly acquired properties, as well as the start of drilling. Drilling has continued non-stop since then. However, $20 million of the increase in net loss during Q2-2021 relates to the First Quantum royalty buyout, and $24.4 million of the increase in net loss during Q4-2021 relates to the acquisition of UrbanGold.

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 $21,380,220 as at April 30, 2022 (July 31, 2021: $52,395,887) including cash and cash equivalents of $20,281,705 (July 31, 2021: $53,460,390).

The Company's existing leases include office leases, vehicle leases and equipment leases, with terms between 3 months and 2.7 years. Total lease liabilities as at April 30, 2022 are $1,182,541, where $641,130 is current and $541,411 is long-term (July 31, 2021: total lease liabilities of $1,230,724, $518,726 current and $711,998 long-term). The Company entered into office lease and equipment lease agreements for a value of $377,893 during the nine months ended April 30, 2022 (nine months ended April 30, 2021: $665,352).

The Company's lease commitments include:

		Payments due by period			
Liability	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Lease liabilities	$ 1,182,541	$ 641,130	$ 541,411	$ -	$ -

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 $3,324,217 as at April 30, 2022, of which $154,065 has been recognized as current (July 31, 2021: $3,595,467, $115,228 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 for an annual fee. During 2020, the Company entered into a bonding facility with a new insurance company pursuant to which the Company further reduced its cash deposit to 20% of the reclamation deposit, or $794,595, incurring the same annual fee. The Company deposited $794,595 into a Guaranteed Investment Certificate ("GIC") secured by a Letter of Credit. 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, 2022 was $32,262,397 compared to $38,348,417 for the nine months ended April 30, 2021. During the nine months ended April 30, 2022, the Company used $28,675,116 in cash, the majority of which was spent on exploration and evaluation expenses and administrative expenses as described earlier in this report (nine months ended April 30, 2021: $39,574,362 which included $20,000,000 for a royalty buy-back). Non-cash working capital used $3,587,281 during the nine months ended April 30, 2022 (nine months ended April 30, 2021: provided $1,225,945). The net change in non-cash working capital reported on the cash flow statement identifies the changes in current assets and current liabilities that occurred during the period. An increase in a liability (or a decrease in an asset) is a source of funds, while a decrease in a liability (or an increase in an asset) account is a use of funds.

Cash used by financing activities during the nine months ended April 30, 2022 was $262,834 compared to providing $19,627,138 during the nine months ended April 30, 2021. The Company paid $111,500 in cost of issue related to its financing from July 2021 and received $274,742 from the exercise of the former UrbanGold warrants. During the comparative period, the Company raised $22,087,760 in financing proceeds paying $1,914,949 in cost of issue. The Company also paid $426,076 in lease payments during the nine months ended April 30, 2022 (nine months ended April 30, 2021: $545,673).

Cash used by investing activities during the nine months ended April 30, 2022 was $653,454 (nine months ended April 30, 2021: $1,189,281). The Company spent $653,454 on property and equipment during the current period (nine months ended April 30, 2021: $478,972). During the comparative period, the Company paid $1,504,904 for investments in securities, and received its initial deposit of $1,589,190 after paying $794,595 to secure a Letter of Credit in relation to its reclamation deposit.

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, 2021.

NON-IFRS MEASURES

<u>Working Capital</u>
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, 2022 and July 31, 2021.

		April 30, 2022		July 31, 2021
Current assets:				
Cash and cash equivalents	$	20,281,705	$	53,460,390
Tax credit receivable		7,542,000		4,217,478
Amounts receivable		998,749		1,159,276
Investments		215,685		133,538
Prepaid expenses		872,886		514,910
	$	29,911,025	$	59,485,592
Current liabilities:				
Accounts payable and accrued liabilities		6,390,441		6,455,751
Current portion of lease liabilities		641,130		518,726
Current portion of reclamation provision		154,065		115,228
Flow-through share premium liability		1,345,169		-
	$	8,530,805	$	7,089,705
Working capital/(deficiency), current assets less current liabilities	$	21,380,220	$	52,395,887

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

CAPITAL RISK MANAGEMENT

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended April 30, 2022.

COMMITMENT AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $2,300,000 and additional contingent payments of approximately $5,700,000 upon the occurrence of a change of control. As well, as of the date of this report, there are 14,276,657 RSU's outstanding to directors, officers and employees of the Company that vest in October 2022, January 2023, August 2023, January 2024 and October 2024. Upon a change of control, any unvested RSU's would vest immediately. As a triggering event for a change of control has not taken place, the contingent payments have not been reflected in these audited annual financial statements.

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

The Troilus project is subject to a variable Net Smelter Royalty ("NSR") held by Nomad Royalty Company of 1.0% on 82 of its claims. The 209 claims acquired from Emgold during the previous year are subject to 1% royalties to Emgold that the Company has a right to purchase for $1,000,000. The three claims acquired from O3 during Q3-2020 are subject to royalties of 2% NSR to O3, half of which can be purchased for $1,000,000 and 2% NSR to an individual, half of which can be purchased for $1,000,000. The 627 claims acquired form O3 during Q3-2020 are subject to a 2% NSR to O3 which can be purchased for $1,000,000, and some of these claims are subject to underlying royalties of 1% and 2%. The 91 claims acquired from Globex are subject to a 2% Gross Metal Sales royalty ("GMR") to Globex, of which half can be repurchased at any time for $1,000,000. The 21 claims acquired from CMH are subject to a 1% NSR, of which half can be repurchased for $500,000 and half can be repurchased for $1,500,000.

As well, as a result of the acquisition of UrbanGold, the Company is subject to royalties on certain of the claims acquired, including a 2% NSR to O3 on 13 Bullseye claims, of which half can be purchased at any time for $500,000; a 2% NSR to Les Ressources Tectonic Inc. on 24 Pallador claims, of which 1.5% can be purchased at any time for $2,000,000; a 1% NSR to Soquem on 77 Pallador claims, of which half can be purchased at any time for $500,000; and a 1% NSR to Geotest Corporation and Wayne Holmstead (0.5% each) on 55 Pallador claims.

As a result of the Company's flow-through financing in June 2021, the Company was committed to incurring qualifying resource expenditures. The Company filed its renunciation forms in January 2022 with a renunciation date of December 31, 2021. As at April 30, 2022, the Company has spent approximately $29.6 million in qualifying expenditures and is required to spend a balance of approximately $5.4 million by December 31, 2022 plus any expected Quebec tax credits to be received.

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 and transactions

During the three and nine months ended April 30, 2022, the Company paid $19,793 and $59,378 respectively (three and nine months ended April 30, 2021: $19,793 and $65,239 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.

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,		Nine months ended April 30,	
	2022	2021	2022	2021
Management salaries and fees	$ 590,080	$ 536,889	$ 2,640,429	$ 2,887,318
Directors fees	82,889	92,500	263,722	277,500
Share-based payments	1,053,995	1,035,368	3,875,283	3,408,313
	$ 1,726,964	$ 1,664,757	$ 6,779,434	$ 6,573,131

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, 2022				
Cash and cash equivalents	$ 5,180,068	$ 15,101,637	$ -	$ 20,281,705
Amounts receivable	9,649	-	-	9,649
Investments	-	215,685	-	215,685
Reclamation deposit	50,000	794,595	-	844,595
Accounts payable and accrued liabilities	-	-	6,390,441	6,390,441
Lease liabilities	-	-	1,182,541	1,182,541

The carrying value of cash and cash equivalents, 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 investments is recorded at an estimated fair value based on a valuation technique using observable or 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, 2022:

	Level 1	Level 2	Level 3	TOTAL
As at April 30, 2022				
Cash equivalents	$ 15,101,637	-	$ -	$15,101,637
Investments	101,985	-	113,700	215,685
Reclamation deposit	794,595	-	-	794,595

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 investment in Level 3 represents the investment in a privately held company that is not quoted on an exchange. The key assumption used in the valuation of this investment is the value at which a recent financing was completed by the investee.

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 nine months ended April 30, 2022.

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, 2022, the Company had current assets of $29,911,025 (July 31, 2020: $59,485,592) to settle current liabilities of $8,530,805 of which $1,345,169 is the non-cash flow-through share premium liability (July 31, 2020: $7,089,705). Approximately $5,500,000 of the Company's financial liabilities as at April 30, 2022 have contractual maturities of less than 30 days and are subject to normal trade terms.

		Payments due by period			
Liability	Total	< 1 year	1 - 3 years	4 - 5 years	> 5 years
Accounts payable and accrued liabilities	$ 6,390,441	$ 6,390,441	$ -	$ -	$ -
Lease liabilities	1,182,541	641,130	541,411	-	-
Reclamation provision	3,324,217	154,065	425,384	425,670	2,319,098

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, 2022, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately $20,000.

SUBSEQUENT EVENTS

In May 2022, the Company granted 5,160,000 RSU’s to directors, officers and employees of the Company where 50% will vest on October 3, 2022 and the remaining 50% will vest on October 1, 2024 provided a feasibility study has been received by the Company on or before October 1, 2024.

OUTSTANDING SHARE DATA

Number of:	As at April 30, 2022	As at June 9, 2022
Common Shares	199,986,685	199,986,685
Options	280,040	280,040
RSU's	9,141,657	14,276,657
Warrants	37,033,524	37,033,524

RISKS AND UNCERTAINTIES

Nature of Mining, Mineral Exploration and Development Projects

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

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

Liquidity Concerns and Future Financings

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

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

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. There was no change in the Company's internal controls over financial reporting that occurred during the nine months ended April 30, 2022 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 nine months ended April 30, 2022, 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 9, 2022