



**TRILLIUM GOLD™**

**TRILLIUM GOLD MINES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**THREE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021**

**(EXPRESSED IN CANADIAN DOLLARS)**

**(UNAUDITED)**

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**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

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**Trillium Gold Mines Inc.****Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian Dollars)****(Unaudited)**

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	As at September 30, 2022	As at June 30, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,910,650	\$ 472,268
Amounts receivable (note 4)	181,088	737,711
Prepaid expenses and deposits	262,235	278,978
<b>Total current assets</b>	<b>3,353,973</b>	1,488,957
<b>Non-current assets</b>		
Furniture and equipment (note 5)	6,759	7,553
Exploration and evaluation assets (notes 6 & 7)	12,408,667	11,598,377
Right-of-use assets (note 11)	361,607	383,341
<b>Total assets</b>	<b>\$ 16,131,006</b>	<b>\$ 13,478,228</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 8 & 10)	\$ 1,766,316	\$ 1,650,255
Lease liabilities - current portion (note 11)	49,984	61,187
<b>Total current liabilities</b>	<b>1,816,300</b>	1,711,442
<b>Non-current liabilities</b>		
Flow-through premium liability (note 9)	303,554	185,364
Lease liabilities - non-current portion (note 11)	323,311	331,928
<b>Total liabilities</b>	<b>2,443,165</b>	2,228,734
<b>Shareholders' equity</b>		
Share capital (note 9)	59,559,699	56,129,138
Reserves (note 9)	8,332,138	7,691,625
Accumulated deficit	(54,203,996)	(52,571,269)
<b>Total shareholders' equity</b>	<b>13,687,841</b>	11,249,494
<b>Total liabilities and shareholders' equity</b>	<b>\$ 16,131,006</b>	<b>\$ 13,478,228</b>

**Nature and Continuance of Operations** (note 1)**Subsequent Events** (note 16)**Approved on behalf of the Board:**

(Signed) "Luke Norman" \_\_\_\_\_ Director

(Signed) "David Velisek" \_\_\_\_\_ Director

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

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**Trillium Gold Mines Inc.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

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	<b>Three Months Ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Expenses</b>		
Consulting and management fees (note 10)	\$ 244,575	\$ 296,589
Depreciation (notes 5 & 11)	22,528	26,579
Exploration and evaluation expenditures (note 7)	1,041,995	1,978,740
Financing costs (note 11)	8,412	10,010
Insurance	16,806	12,921
Marketing and investor relations	47,920	199,373
Meals, entertainment and travel	10,916	1,783
Office expenses	18,543	23,282
Professional fees	17,965	5,806
Share-based compensation (note 9)	278,982	281,057
Shareholder information and filing fees	44,326	66,390
<b>Net loss before other items</b>	<b>(1,752,968)</b>	<b>(2,902,530)</b>
Interest and miscellaneous income	-	5,898
Recognition of flow-through premium liability (note 9)	120,241	454,052
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,632,727)</b>	<b>\$ (2,442,580)</b>
<b>Net loss per share - basic and diluted</b> (note 12)	<b>\$ (0.03)</b>	<b>\$ (0.06)</b>
<b>Weighted average number of common shares</b>		
<b>outstanding - basic and diluted</b> (note 12)	<b>61,363,496</b>	<b>40,958,836</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

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**Trillium Gold Mines Inc.****Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****(Unaudited)**

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**Three Months Ended  
September 30,  
2022                      2021**

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**Operating activities**

Net loss for the period	\$ (1,632,727)	\$ (2,442,580)
Adjustments for:		
Depreciation	22,528	26,579
Interest income	-	(5,898)
Interest expense on lease liabilities	7,040	9,090
Recognition of flow-through premium liability	(120,241)	(454,052)
Share-based compensation	278,982	281,057
Changes in non-cash working capital items:		
Amounts receivable	556,623	346,201
Prepaid expenses and deposits	16,743	139,938
Amounts payable and accrued liabilities	110,735	(268,119)
Due to shareholders	5,326	-
	<b>(754,991)</b>	<b>(2,367,784)</b>

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**Investing activities**

Exploration and evaluation assets	(565,130)	(10,000)
Interest received	-	5,898
	<b>(565,130)</b>	<b>(4,102)</b>

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**Financing activities**

Proceeds from private placements	4,081,510	-
Payment of lease obligations	(26,860)	(31,060)
Share issuance costs	(296,147)	(81,662)
	<b>3,758,503</b>	<b>(112,722)</b>

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<b>Net change in cash</b>	<b>2,438,382</b>	<b>(2,484,608)</b>
<b>Cash, beginning of period</b>	<b>472,268</b>	<b>6,738,742</b>
<b>Cash, end of period</b>	<b>\$ 2,910,650</b>	<b>\$ 4,254,134</b>

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**Non-cash investing and financing activities**

Finders' fee warrants	\$ 73,300	\$ -
Shares issued for exploration and evaluation assets (note 7)		
Warrants issued for private placement (note 9)		
Capitalization of right-of-use assets and lease liabilities (note 11)		
Residual value to warrants (note 9)		

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

**Trillium Gold Mines Inc.****Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	<u>Share Capital</u>		Reserves	Deficit	Total
	Number of Shares	Amount			
<b>Balance, June 30, 2021</b>	<b>40,935,548</b>	<b>\$ 48,203,655</b>	<b>\$ 6,243,223</b>	<b>\$ (39,529,348)</b>	<b>\$ 14,917,530</b>
Share issuance costs	-	(81,662)	-	-	(81,662)
Shares issued for property acquisition	100,000	95,000	-	-	95,000
Share-based payments	-	-	281,057	-	281,057
Net loss and comprehensive loss for the period	-	-	-	(2,442,580)	(2,442,580)
<b>Balance, September 30, 2021</b>	<b>41,035,548</b>	<b>\$ 48,216,993</b>	<b>\$ 6,524,280</b>	<b>\$ (41,971,928)</b>	<b>\$ 12,769,345</b>
<b>Balance, June 30, 2022</b>	<b>58,825,837</b>	<b>\$ 56,129,138</b>	<b>\$ 7,691,625</b>	<b>\$ (52,571,269)</b>	<b>\$ 11,249,494</b>
Shares issued for:					
Private placement	9,678,150	1,790,458	145,172	-	1,935,630
Flow-through private placement	9,537,244	2,002,821	143,059	-	2,145,880
Share issuance costs	-	(369,447)	73,300	-	(296,147)
Shares issued for property acquisition	1,021,500	245,160	-	-	245,160
Share-based payments	-	-	278,982	-	278,982
Flow-through premium liability	-	(238,431)	-	-	(238,431)
Net loss and comprehensive loss for the period	-	-	-	(1,632,727)	(1,632,727)
<b>Balance, September 30, 2022</b>	<b>79,062,731</b>	<b>\$ 59,559,699</b>	<b>\$ 8,332,138</b>	<b>\$ (54,203,996)</b>	<b>\$ 13,687,841</b>

*The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.*

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# **Trillium Gold Mines Inc.**

## **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Trillium Gold Mines Inc. (the "Company" or "Trillium") was incorporated on November 3, 2005 under the Business Corporations Act (British Columbia) and trades on the TSX Venture Exchange ("TSX-V") under the symbol "TGM". The Company's principal business activity is the exploration and evaluation of mineral assets.

The head office and principal address of the Company is located at Suite 2250 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

The amounts shown as exploration and evaluation assets represent net acquisition costs to date, less any amounts amortized and/or written down and any additional amounts required to place these assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company's ability to obtain the required additional financing necessary to develop these assets in the Red Lake, Ontario district.

The Company has a working capital as at September 30, 2022 of \$1,537,673 and an accumulated deficit of \$54,203,996.

These unaudited condensed interim consolidated financial statements have been prepared under the assumptions of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses from inception and does not currently have the financial resources to maintain its operations indefinitely. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds from these operations and/or raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These unaudited condensed interim consolidated financial statements do not give effect to the likely material adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going concern.

### **2. BASIS OF PRESENTATION**

#### **Statement of compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 25, 2022, the date on which the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2022. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

#### **Basis of presentation**

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

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# Trillium Gold Mines Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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### 2. BASIS OF PRESENTATION (continued)

#### Significant accounting estimates and judgments (continued)

##### Basis of consolidation

These unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company, Trillium Red Lake Gold Ontario Inc. and Trillium Gold Ontario Inc., the Company's wholly owned subsidiaries, and both 1106877 B.C. Ltd. and Canadian Shield Developments Corp. up to the date of amalgamation on January 1, 2021. Subsidiaries are all entities (including structured entity) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases. All significant intercompany transactions and balances have been eliminated.

##### Significant accounting estimates and judgments

The preparation of these unaudited condensed interim consolidated financial statements in accordance with IFRS requires the Company to use judgment in applying its accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and in the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in these unaudited condensed interim consolidated financial statements within the next financial year are discussed below:

##### Acquisition of Assets

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The transactions with Canadian Shield Developments Corp. and 1106877 B.C. Ltd. were determined to constitute acquisitions of assets (note 6).

##### Impairment of Exploration and Evaluation Assets

The carrying values of capitalized exploration and evaluation assets are reviewed annually, or when indicators of impairment are present. In the case of undeveloped properties, there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for the development of such a property. If a mineral property does not prove viable, all unrecoverable costs associated with the property are charged to profit or loss at the time the impairment determination is made.

##### Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

# Trillium Gold Mines Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended September 30, 2022 (Expressed in Canadian Dollars)

### 2. BASIS OF PRESENTATION (continued)

#### Significant accounting estimates and judgments (continued)

##### COVID-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company's business, financial condition, results of operations and cash flow, and exposure to credit risk. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim consolidated financial statements have been prepared based on accounting policies and methods of computation consistent with those applied in the Company's audited consolidated financial statements for the year ended June 30, 2022.

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current and future reporting periods.

### 4. AMOUNTS RECEIVABLE

	As at September 30, 2022	As at June 30, 2022
GST - value added tax	\$ 181,088	\$ 737,711
	\$ 181,088	\$ 737,711

### 5. FURNITURE AND EQUIPMENT

Cost	Computer	Furniture and Fixtures	Total
Balance, June 30, 2021	\$ 7,497	\$ 4,641	\$ 12,138
Balance, June 30, 2022 and September 30, 2022	\$ 7,497	\$ 4,641	\$ 12,138

#### Accumulated depreciation

Balance, June 30, 2021	\$ 1,314	\$ 94	\$ 1,408
Depreciation	2,249	928	3,177
Balance, June 30, 2022	\$ 3,563	\$ 1,022	\$ 4,585
Depreciation	562	232	794
Balance, September 30, 2022	\$ 4,125	\$ 1,254	\$ 5,379

#### Net book value

Balance, June 30, 2022	\$ 3,934	\$ 3,619	\$ 7,553
Balance, September 30, 2022	\$ 3,372	\$ 3,387	\$ 6,759



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## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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#### 6. ACQUISITIONS

##### South-West Red Lake Properties and Shining Tree Property

On May 5, 2020, the Company completed the acquisition of Canadian Shield Developments Corp. ("Canadian Shield") which holds the South-West Red Lake Properties and the Shining Tree Property (collectively, the "CS Properties") (note 7). The Company acquired 100% of the issued and outstanding common shares of Canadian Shield by agreeing to issue an aggregate of 6,500,000 common shares to the shareholders of Canadian Shield in two tranches as follows:

- (a) On May 5, 2020, the Company issued the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the "First Tranche"); and
- (b) Nine months following closing and upon meeting certain conditions, the Company will issue the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the "Second Tranche"). On March 12, 2021, the Company issued 3,250,000 common shares with a fair value of \$1,608,750.

The Company's acquisition of Canadian Shield is being accounted for as an acquisition of net assets as the transaction did not qualify as a business combination under IFRS 3 Business Combinations. The allocation of the consideration to the assets and liabilities acquired are as follows:

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#### Consideration

Value of 6,500,000 common shares issued	\$ 3,217,500
Transaction costs	22,631

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**\$ 3,240,131**

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#### Net assets acquired

Cash	\$ 613
Exploration and evaluation assets	3,280,303
Accounts payable	(12,285)
Due to shareholders	(28,500)

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**\$ 3,240,131**

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##### Red Lake Gold Mining District, Ontario

On June 28, 2019, the Company completed the acquisition of 1106877 B.C. Ltd. (the "Privco") which held certain exploration properties (note 7). The Company acquired 100% of the issued and outstanding common shares of the Privco by issuing 2,250,000 common shares to the shareholders of the Privco.

The Company's acquisition of the Privco was accounted for as an acquisition of net assets as the transaction did not qualify as a business combination under IFRS 3 Business Combinations.

The allocation of the consideration to the assets and liabilities acquired are as follows:

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#### Consideration

Value of 2,250,000 common shares issued	\$ 1,035,000
Transaction costs	6,701

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**\$ 1,041,701**

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#### Net assets acquired

Cash	\$ 5,678
Exploration and evaluation assets	1,115,698
Loans payable	(79,675)

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**\$ 1,041,701**

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## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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#### 7. EXPLORATION AND EVALUATION ASSETS

The schedule below summarizes the acquisition costs incurred on each property as at September 30, 2022 and June 30, 2022:

	As at September 30, 2022	As at June 30, 2022
<b>Acquisition</b>		
Newman Todd Property	\$ 1,675,001	\$ 1,675,001
Red Lake Gold Mining District	1,167,698	1,167,698
South-West Red Lake Properties and Shining Tree Property	3,280,303	3,280,303
Caribou Creek, Moose Creek and Copperlode Properties	633,660	633,660
Confederation Lake and Birch-Uchi Greenstone Belts	2,457,090	1,666,800
Pistol Bay	1,115,556	1,095,556
Rivard Property	421,000	421,000
Gold Centre Property	985,000	985,000
Willis Property	673,359	673,359
	<b>\$ 12,408,667</b>	<b>\$ 11,598,377</b>

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The schedule below summarizes the exploration and evaluation expenditures incurred on each property for the periods ended September 30, 2022 and 2021:

	Three Months Ended September 30,	
	2022	2021
<b>Expenses</b>		
Newman Todd Property	\$ 141,038	\$ 475,180
Red Lake Gold Mining District	-	814
South-West Red Lake Properties and Shining Tree Property	2,325	3,485
Caribou Creek, Moose Creek and Copperlode Properties	-	42,555
Confederation Lake and Birch-Uchi Greenstone Belts	244,823	61,185
Pistol Bay	550,288	516,834
Rivard Property	67,208	294,784
Gold Centre Property	36,313	583,903
	<b>\$ 1,041,995</b>	<b>\$ 1,978,740</b>

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## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Newman Todd Project

On December 29, 2020, the Company exercised its pre-emptive right to acquire from Heliostar Metals Ltd. (“Heliostar”) its 16.5% interest in the Newman Todd properties (the “NT Project”) which resulted in the Company holding a 100% interest in the NT Project.

Pursuant to a purchase agreement dated November 24, 2020, the Company paid \$700,000 in cash and issued 650,000 common shares valued at \$975,000 to Heliostar to acquire the remaining 16.5% interest in the property. In addition, if at any point after closing there is 1,000,000 or more ounces of gold in measured and indicated reserves and resources on the NT Project, the Company has agreed to make an additional \$1,000,000 cash payment to Heliostar.

The Project is subject to a 2% net smelter return (“NSR”) and a 15% net carried interest. The latter interest does not receive payment until all capital expenditures have been recovered with interest.

The Company also owns an effective 50% interest in certain other claims adjacent to the Newman Todd Project.

The schedule below outlines the costs incurred on the NT Project as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ 700,001	\$ -	\$ 700,001	\$ -	\$ 700,001
Share issuance	975,000	-	975,000	-	975,000
	<b>\$ 1,675,001</b>	<b>\$ -</b>	<b>\$ 1,675,001</b>	<b>\$ -</b>	<b>\$ 1,675,001</b>
	<b>Cumulative to June 30, 2021</b>	<b>Expenditures during the year</b>	<b>Cumulative to June 30, 2022</b>	<b>Expenditures during the period</b>	<b>Cumulative to September 30, 2022</b>
<b>Exploration and evaluation expenditures</b>					
Assays and reports	\$ 1,645,608	\$ 259,512	\$ 1,905,120	\$ 68,009	\$ 1,973,129
Camp construction	555,986	371,262	927,248	19,613	946,861
Drilling	7,112,066	2,344,110	9,456,176	7,805	9,463,981
Environmental	291,336	-	291,336	-	291,336
Equipment installation	182,206	-	182,206	-	182,206
Equipment and supplies	314,501	308,125	622,626	28,020	650,646
Field expenses	1,227,537	-	1,227,537	-	1,227,537
General administration	221,264	33,412	254,676	5,034	259,710
Metallurgy studies	133,482	-	133,482	-	133,482
Geological consulting	3,282,497	349,255	3,631,752	12,557	3,644,309
Permitting	5,090	783	5,873	-	5,873
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	33,100	-	33,100	-	33,100
Surveys and geophysics	15,791	6,387	22,178	-	22,178
Travel and accommodation	480,250	-	480,250	-	480,250
	<b>\$ 15,510,714</b>	<b>\$ 3,672,846</b>	<b>\$ 19,183,560</b>	<b>\$ 141,038</b>	<b>\$ 19,324,598</b>

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Red Lake Gold Mining District, Ontario

On June 28, 2019, the Company acquired certain exploration properties in the Red Lake Gold Mining District, Ontario (note 6). The Company controls two contiguous properties located in the Red Mining Lake District of Ontario.

The first property is held under an option agreement whereby the Company can acquire a 100% interest in the property, subject to a 1.5% NSR, by making cash payments based on the following schedule totaling \$100,000. The Company can purchase 1/2 of the NSR for \$400,000.

Amount	Due Date
\$13,000 (Paid)	Within 7 days after the effective date (November 21, 2018)
\$12,000 (Paid)	On or before October 31, 2019
\$15,000 (Paid)	On or before October 31, 2020
\$25,000 (Paid)	On or before October 31, 2021
\$35,000	On or before October 31, 2022

The second property is not subject to any cash payments or royalties.

These two properties are collectively called the "Leo Property".

The schedule below outlines the costs incurred on the Leo Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Acquisition costs	\$ 1,142,698	\$ 25,000	\$ 1,167,698	\$ -	\$ 1,167,698
	<b>\$ 1,142,698</b>	<b>\$ 25,000</b>	<b>\$ 1,167,698</b>	<b>\$ -</b>	<b>\$ 1,167,698</b>
	<b>Cumulative to June 30, 2021</b>	<b>Expenditures during the year</b>	<b>Cumulative to June 30, 2022</b>	<b>Expenditures during the period</b>	<b>Cumulative to September 30, 2022</b>
<b>Exploration and evaluation expenditures</b>					
Drilling	\$ -	\$ 814	\$ 814	\$ -	\$ 814
General administration	29,000	2,320	31,320	-	31,320
Geological consulting	47,661	4,000	51,661	-	51,661
Permitting	4,313	-	4,313	-	4,313
Surveys and geophysics	153,329	-	153,329	-	153,329
	<b>\$ 234,303</b>	<b>\$ 7,134</b>	<b>\$ 241,437</b>	<b>\$ -</b>	<b>\$ 241,437</b>

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### South-West Red Lake Properties and Shining Tree Property

On May 5, 2020, the Company acquired the South-West Red Lake Properties and the Shining Tree Property (note 6).

Within the nine-month period following the closing date, May 5, 2020, the Company must:

- (a) Complete exploration expenditures on the South-West Red Lake Properties and the Shining Tree Property of not less than \$200,000.
- (b) Obtain a technical report prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects for one of the CS Properties (the "Technical Report").

In March 2021, the Company entered into an amended agreement to have the above conditions precedent to the Second Tranche be waived.

The schedule below outlines the costs incurred on the South-West Red Lake Properties and the Shining Tree Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Acquisition costs	\$ 3,280,303	\$ -	\$ 3,280,303	\$ -	\$ 3,280,303
	<b>\$ 3,280,303</b>	<b>\$ -</b>	<b>\$ 3,280,303</b>	<b>\$ -</b>	<b>\$ 3,280,303</b>
	<b>Cumulative to June 30, 2021</b>	<b>Expenditures during the year</b>	<b>Cumulative to June 30, 2022</b>	<b>Expenditures during the period</b>	<b>Cumulative to September 30, 2022</b>
<b>Exploration and evaluation expenditures</b>					
Camp construction	\$ -	\$ 10	\$ 10	\$ -	\$ 10
Drilling	-	5,641	5,641	-	5,641
Equipment and supplies	-	220	220	540	760
General administration	1,400	2,520	3,920	1,680	5,600
Geological consulting	9,530	5,600	15,130	105	15,235
Surveys and geophysics	131,664	-	131,664	-	131,664
	<b>\$ 142,594</b>	<b>\$ 13,991</b>	<b>\$ 156,585</b>	<b>\$ 2,325</b>	<b>\$ 158,910</b>

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Caribou Creek, Moose Creek and Copperlode Properties

On October 20, 2020, the Company entered into an asset purchase agreement to acquire certain claims (the "CMC Purchased Assets"). On December 4, 2020, the Company completed the acquisition.

In consideration for the CMC Purchased Assets, the Company paid an aggregate cash amount of \$180,000; issued an aggregate of 200,000 common shares valued at \$304,000 in the Company; and issued an aggregate of 200,000 common share purchase warrants entitling the holder thereof to purchase one common share per warrant at a price of \$5.00 per common share within two years from the closing date of the transaction.

The schedule below outlines the costs incurred on the Caribou Creek, Moose Creek and Copperlode Properties as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ 180,000	\$ -	\$ 180,000	\$ -	\$ 180,000
Share issuance	304,000	-	304,000	-	304,000
Warrant issuance	149,660	-	149,660	-	149,660
	<b>\$ 633,660</b>	<b>\$ -</b>	<b>\$ 633,660</b>	<b>\$ -</b>	<b>\$ 633,660</b>
	<b>Cumulative to June 30, 2021</b>	<b>Expenditures during the year</b>	<b>Cumulative to June 30, 2022</b>	<b>Expenditures during the period</b>	<b>Cumulative to September 30, 2022</b>
<b>Exploration and evaluation expenditures</b>					
Camp construction	\$ -	\$ 891	\$ 891	\$ -	\$ 891
General administration	1,013	5,492	6,505	-	6,505
Geological consulting	7,350	6,600	13,950	-	13,950
Surveys and geophysics	-	37,755	37,755	-	37,755
	<b>\$ 8,363</b>	<b>\$ 50,738</b>	<b>\$ 59,101</b>	<b>\$ -</b>	<b>\$ 59,101</b>

# Trillium Gold Mines Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Confederation Lake and Birch-Uchi Greenstone Belts

On December 22, 2020, the Company signed an amended and restated purchased option agreement (the "Option Agreement") to acquire an undivided 100% interest in properties in the Confederation Lake and Birch-Uchi greenstone belts in the Red Lake District as well as properties in Larder Lake, Ontario and in the Matagami and Chibougamou areas of Quebec, subject to a 1.5% NSR over each property. Each such NSR will be subject to a buy-back option, at the election of the Company, for 50% of such royalty (being 0.75%) for cash consideration of \$500,000.

On March 17, 2022, the Company decided to focus its exploration efforts in the Red Lake area exclusively and dropped its claims in the SW Fenlon, Jamesie, and Opawica River properties (the "Quebec properties"). All the Quebec properties have the requisite one year in good standing. As a result, the Company wrote off the claims in the Quebec properties and recognized a write-down of exploration and evaluation assets of \$255,500 in profit or loss during the year ended June 30, 2022.

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the Option Agreement.

Asset	Cash	Shares
Larder Lake (Ontario)	\$12,000 – Paid on December 23, 2020 \$15,000 – Paid on December 23, 2021 \$20,000 – Second Anniversary \$40,000 – Third Anniversary	35,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – Issued on January 5, 2022
Karas Lake (Ontario)	\$8,000 – Paid on December 23, 2020 \$10,000 – Paid on December 29, 2021 \$15,000 – Second Anniversary \$25,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – Issued on January 5, 2022
Birch/Uchi – Swain Lake (Ontario)	\$9,000 – Paid on December 23, 2020 \$2,200 – Paid on January 14, 2021 \$15,000 – Paid on December 23, 2021 \$20,000 – Second Anniversary \$30,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – Issued on January 5, 2022
Birch/Uchi – Satterly (Ontario)	\$15,000 – Paid on December 23, 2020 \$20,000 – Paid on December 23, 2021 \$25,000 – Second Anniversary \$40,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – Issued on January 5, 2022
Gerry Lake (Ontario)	\$5,000 – Paid on December 23, 2020 \$10,000 – Paid on December 23, 2021 \$14,000 – Second Anniversary \$24,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – Issued on January 5, 2022

## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended September 30, 2022 (Expressed in Canadian Dollars)

#### 7. EXPLORATION AND EVALUATION ASSETS (continued)

##### Confederation Lake and Birch-Uchi Greenstone Belts (continued)

On April 20, 2022, the Company closed the purchase option agreements in respect of the Uchi Gold Project (the "Uchi Gold Agreement") and the Satterly Gold Project (the "Satterly Gold Agreement") to acquire a 100% undivided interest in the respective areas within the Confederation greenstone belt, subject to a 2% NSR royalty over each property under the Uchi Gold Agreement and a 1.5% NSR royalty over each property under the Satterly Gold Agreement. Each such NSR under the Uchi Gold Agreement will be subject to a buy-back option, at the election of the Company, for 50% of such royalty (being 1%) for cash consideration of \$1,000,000. Each such NSR under the Satterly Gold Agreement will be subject to a buy-back option, at the election of the Company, for 1/3 of such royalty (being 0.5%) for cash consideration of \$500,000.

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the Uchi Gold Agreement and Satterly Gold Agreement.

Common Shares	Cash	Due Date
200,000 (Issued)	\$27,500 (Paid)	On the closing date
Nil	\$37,000	First anniversary
Nil	\$46,000	Second anniversary
200,000	\$68,000	Third anniversary

On June 15, 2022, the Company closed the Wenasaga Property Option Agreement (the "Wenasaga Agreement") to acquire a 100% undivided interest in the Wenasaga Gold Property held by Bounty Gold Corp., subject to a 2% NSR royalty on the claims comprising the Wenasaga Gold Property. The Company has the right to repurchase 50% of the royalty (being 1%) for cash or common share consideration of \$1,000,000.

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the Wenasaga Agreement.

Common Shares	Cash	Due Date
21,500 (Issued)	\$8,500 (Paid)	Upon the later of TSXV approval and an extension on the claims due date granted by the Ontario Mining Recorder
21,500	\$8,500	First anniversary
21,500	\$8,500	Second anniversary

On June 6, 2022, the Company closed an amended Definitive Agreement to acquire the majority of Imagine Lithium Inc.'s ("Imagine Lithium") Eastern Vision property holdings in the Confederation Lake assemblage within the Birch-Uchi greenstone belt in the Red Lake Mining District of Ontario. These property holdings include properties that the Company has acquired directly and others for which the Company has assumed option agreements as optionee.

Upon closing of the Definitive Agreement, the Company issued 2,800,000 common shares of the Company with a fair value of \$784,000 (note 9) and a cash payment of \$175,000 to Imagine Lithium. In addition, the Company assumed Imagine Lithium's cash payment commitments under Imagine Lithium's existing option agreements, while Imagine Lithium retains its original share issuance obligations.

Concurrent with the closing of the Definitive Agreement, the Company issued 100,000 common shares of the Company with a fair value of \$28,000 (note 9) and a cash payment of \$20,000 to Pegasus Resources Inc. ("Pegasus") to earn into certain option agreements that the Company is assuming as optionee from Imagine Lithium under the Definitive Agreement. The cash consideration represents the remaining option payments under said option agreements, while the equity consideration purchases Pegasus' carried interest in the relevant properties such that the Company will be transferred 100% of those properties upon closing of the Definitive Agreement.



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## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Confederation Lake and Birch-Uchi Greenstone Belts (continued)

Pursuant to the remaining option agreements that Trillium Gold is assuming as optionee under the Definitive Agreement, the Company must pay a total of \$186,000 in option payments over approximately two years in order to earn in to and exercise the options.

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the Definitive Agreement.

Cash	Due Date
\$61,000 (Paid)	On the closing date
\$80,000	On or before December 10, 2022
\$15,000	On or before December 30, 2022
\$30,000	On or before December 30, 2023

The Company also entered into a Royalty Purchase Agreement under which it will, concurrently with the closing of the Definitive Agreement, purchase a 2% NSR royalty on the Fredart property from a prospector in consideration for the issuance of 60,000 common shares of the Company with a fair value of \$16,800 (note 9) and cash payment of \$50,000.

On July 13, 2022, the Company closed the purchase and sale agreement (the "Purchase Agreement") to acquire all of the rights and title to the Panama Lake Property (the "Property") held by St. Anthony Gold Corp. ("St. Anthony Gold"). Pursuant to the assignment and assumption agreement entered into following the closing of the Purchase Agreement (the "Assignment Agreement" together with the original option agreement, the "Option Agreement"), among the Company and St. Anthony Gold, St. Anthony Gold has assigned all of its right and obligations under the original option agreement to the Company. In addition, pursuant to the Assignment Agreement, Benton Resources Inc. ("Benton Resources") has agreed to register 100% of the Property's title to the Company while retaining its 50% ownership interest in the Property until such time as the Company fulfills its option to earn the 100% interest.

Pursuant to the closing of the Purchase Agreement, the Company paid St. Anthony Gold \$500,000 in cash, and issued 1,000,000 common shares of the Company. In the event that the Company acquires 100% interest in the Property, St. Anthony Gold may cause the Company to exercise its Buy-Back Right under the Option Agreement to repurchase from Benton Resources one-half of the 2% NSR on the Property and convey such repurchased 1% NSR to St. Anthony Gold in exchange for a cash payment by St. Anthony Gold to the Company of \$1,000,000.

Pursuant to the terms of the Option Agreement, in order for the Company to earn a 70% interest in the Property, it will pay to Benton Resources \$100,000 in cash by October 24, 2022, and complete \$250,000 in exploration expenditures on the Project by April 24, 2023. The Company has the option to earn a 100% ownership of the Property by paying Benton Resources a further \$300,000 in cash and complete \$300,000 in exploration expenditures on the Project in each case by October 24, 2023. Benton Resources has the right to retain a 2% NSR on the Project, subject to the option of the Company to buy back one-half of such NSR (being 1%) for \$1,000,000. In the event that the Company will pay Benton Resources a cash payment, that is determined based on the number of ounces of gold in the NI 43-101 report multiplied by \$0.50.

## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended September 30, 2022 (Expressed in Canadian Dollars)

#### 7. EXPLORATION AND EVALUATION ASSETS (continued)

The schedule below outlines the costs incurred on the Confederation Lake and Birch-Uchi Greenstone Belts Properties as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ 87,200	\$ 450,500	\$ 537,700	\$ 545,130	\$ 1,082,830
Share issuance	331,800	1,052,800	1,384,600	245,160	1,629,760
Write-down	-	(255,500)	(255,500)	-	(255,500)
	<b>\$ 419,000</b>	<b>\$ 1,247,800</b>	<b>\$ 1,666,800</b>	<b>\$ 790,290</b>	<b>\$ 2,457,090</b>
	Cumulative to June 30, 2021	Expenditures during the year	Cumulative to June 30, 2022	Expenditures during the period	Cumulative to September 30, 2022
<b>Exploration and evaluation expenditures</b>					
Assays and reports	\$ -	\$ -	\$ -	\$ 8,112	\$ 8,112
Camp construction	-	-	-	171	171
Drilling	-	104	104	2,150	2,254
Equipment and supplies	-	334	334	2,924	3,258
General administration	-	3,430	3,430	4,996	8,426
Geological consulting	12,713	92,945	105,658	110,593	216,251
Surveys and geophysics	-	47,409	47,409	115,877	163,286
	<b>\$ 12,713</b>	<b>\$ 144,222</b>	<b>\$ 156,935</b>	<b>\$ 244,823</b>	<b>\$ 401,758</b>

#### Pistol Bay (Confederation Belt)

On November 22, 2020, the Company signed an asset purchase agreement to acquire a 100% interest in the Confederation Lake Properties ("Confederation Belt" or "Purchased Assets") from Pistol Bay Mining Inc. ("Pistol Bay").

The purchase price of the Purchased Assets, other than the certain properties which are excluded (the "Exclusion Order Properties"), as defined below, shall be a cash amount of \$500,000. A working deposit of \$100,000 in cash was paid on November 23, 2020. On February 10, 2021, the remaining balance of \$400,000 was paid.

The Exclusion Order Properties include those Purchased Assets for which Pistol Bay has applied for an extension order or an exclusion order ("Exclusion Order") from the Ministry of Energy, Northern Development and Mines, extending the expiry date to complete and file assessment work, and/or to extend the expiry date of an unpatented claim, for a 12-month period beyond the current expiry date for such unpatented claim.

In January 2021 and April 2021, the Company signed an Acknowledgement, Assignment and Assumption Agreement, and an Amending Agreement respectively. The Company would assume all of Pistol Bay's cash payment commitments under its existing option agreements while Pistol Bay would retain its share issuance obligations.

On January 10, 2022, the Company issued an aggregate of 816,993 common shares of the Company at a value of \$555,556 (note 9) in connection with the acquisition of all the Exclusion Order Properties from Pegasus Resources Inc. (formerly Pistol Bay)

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Pistol Bay (Confederation Belt) (continued)

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the Amending Agreement.

Cash	Due Date
\$10,000 (Paid)	Due on September 25, 2021
\$30,000 (Paid)	Due on January 30, 2022
\$20,000 (Paid)	Due on September 25, 2022

The schedule below outlines the costs incurred on the Pistol Bay Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ 500,000	\$ 40,000	\$ 540,000	\$ 20,000	\$ 560,000
Share issuance	-	555,556	555,556	-	555,556
	<b>\$ 500,000</b>	<b>\$ 595,556</b>	<b>\$ 1,095,556</b>	<b>\$ 20,000</b>	<b>\$ 1,115,556</b>

	Cumulative to June 30, 2021	Expenditures during the year	Cumulative to June 30, 2022	Expenditures during the period	Cumulative to September 30, 2022
<b>Exploration and evaluation expenditures</b>					
Assays and reports	\$ 61	\$ 152,114	\$ 152,175	\$ 67,728	\$ 219,903
Camp construction	-	3,606	3,606	3,037	6,643
Drilling	-	2,226	2,226	173,325	175,551
Equipment and supplies	4,728	27,628	32,356	21,713	54,069
General administration	317	29,103	29,420	34,142	63,562
Geological consulting	91,127	221,201	312,328	250,303	562,631
Permitting	-	-	-	40	40
Surveys and geophysics	62,943	405,640	468,583	-	468,583
	<b>\$ 159,176</b>	<b>\$ 841,518</b>	<b>\$ 1,000,694</b>	<b>\$ 550,288</b>	<b>\$ 1,550,982</b>

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## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

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#### 7. EXPLORATION AND EVALUATION ASSETS (continued)

##### Rivard Property

On July 31, 2020, the Company signed an asset purchase agreement to acquire the Rivard Property, contiguous to its NT Project, in the Red Lake Mining District, Ontario. The Rivard Property consists of one lease of six contiguous minerals claims. Upon completion of the transaction, Trillium will acquire a 100% interest in the property, subject to a 1.5% NSR, by completing cash payments totaling \$400,000 and issuing 400,000 common shares of the Company over 3.5 years. The Company has the right to repurchase  $\frac{1}{2}$  of the NSR (0.75%) for consideration of \$1,200,000, payable in cash or shares. In addition, the Company has a right of first refusal should the holders of the NSR sell the NSR in the future.

On May 25, 2021, the Company signed an amendment that on the closing date, and every six months thereafter until the aggregate cash amount of \$400,000 has been paid and the aggregate of 400,000 common shares have been issued, the Company shall:

- (a) Pay \$199,000 and issue 100,000 common shares on the closing date to the vendors in full and final satisfaction of the total Purchase Price payable to them; and
- (b) Pay an aggregate of \$33,500 payment to the vendors in such proportions as indicated on the amendment; and
- (c) Issue and deliver share certificates representing an aggregate of 50,000 common shares to the vendors in such proportions as indicated on the amendment.

On July 7, 2021, the Company issued 100,000 common shares to the vendors with a fair value of \$95,000 (note 9).

On November 26, 2021, the Company issued 50,000 common shares to the vendors with a fair value of \$44,500 (note 9).

On May 26, 2022, the Company issued 50,000 common shares to the vendors with a fair value of \$15,500 (note 9).

This property will be explored as an integral part of the NT Project.

As at September 30, 2022, the Company has the following future requirements to fulfill its obligation under the asset purchase agreement.

Common Shares	Cash	Due Date
100,000 (Issued)	\$199,000 (Paid)	On the closing date
50,000 (Issued)	\$33,500 (Paid)	November 26, 2021
50,000 (Issued)	\$33,500 (Paid)	May 26, 2022
50,000	\$33,500	November 26, 2022
50,000	\$33,500	May 26, 2023
50,000	\$33,500	November 26, 2023
50,000	\$33,500	May 26, 2024

## Trillium Gold Mines Inc.

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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Rivard Property (continued)

The schedule below outlines the costs incurred on the Rivard Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ 199,000	\$ 67,000	\$ 266,000	\$ -	\$ 266,000
Share issuance	-	155,000	155,000	-	155,000
	<b>\$ 199,000</b>	<b>\$ 222,000</b>	<b>\$ 421,000</b>	<b>\$ -</b>	<b>\$ 421,000</b>

	Cumulative to June 30, 2021	Expenditures during the year	Cumulative to June 30, 2022	Expenditures during the period	Cumulative to September 30, 2022
<b>Exploration and evaluation expenditures</b>					
Assays and reports	\$ 93,282	\$ 188,052	\$ 281,334	\$ 29,176	\$ 310,510
Camp construction	128,471	234,417	362,888	10,350	373,238
Drilling	695,485	878,057	1,573,542	7,513	1,581,055
Equipment and supplies	102,296	263,460	365,756	15,547	381,303
Field expenses	113	-	113	-	113
General administration	16,632	18,614	35,246	1,699	36,945
Geological consulting	96,274	222,196	318,470	2,923	321,393
Permitting	3,125	-	3,125	-	3,125
Surveys and geophysics	723	2,737	3,460	-	3,460
	<b>\$ 1,136,401</b>	<b>\$ 1,807,533</b>	<b>\$ 2,943,934</b>	<b>\$ 67,208</b>	<b>\$ 3,011,142</b>

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
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### 7. EXPLORATION AND EVALUATION ASSETS (continued)

#### Gold Centre Property

On August 31, 2020, Trillium Gold Ontario Inc. ("Trillium Ontario"), a wholly owned subsidiary of the Company, signed a carried interest joint venture agreement ("Joint Venture Agreement") with Rupert Resources Ltd. ("Rupert"). Pursuant to the Joint Venture Agreement, Trillium Ontario will obtain an 80% participating interest in the Gold Centre property and Rupert will have a 20% carried participating interest. The Gold Centre property consists of one lease containing seventeen mineral claims in the Red Lake Mining District, Ontario and Rupert has granted a 1.5% NSR on the property to a third party. In order to maintain its 80% participating interest in the property, the Company is required to:

- Upon receiving drill permits, spend \$2,000,000 each year for five years on the property and spend \$500,000 per year thereafter; and
- Issue four tranches of 500,000 common shares of the Company to Rupert, for a total of 2,000,000 common shares over the course of three years following the closing date.

The drill permits were received February 3, 2021.

On February 23, 2021, the Company issued 500,000 common shares to Rupert with a fair value of \$740,000.

On February 23, 2022, the Company issued 500,000 common shares to Rupert with a fair value of \$245,000 (note 9).

The schedule below outlines the costs incurred on the Gold Centre Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Share issuance	\$ 740,000	\$ 245,000	\$ 985,000	\$ -	\$ 985,000
	<b>\$ 740,000</b>	<b>\$ 245,000</b>	<b>\$ 985,000</b>	<b>\$ -</b>	<b>\$ 985,000</b>
	Cumulative to June 30, 2021	Expenditures during the year	Cumulative to June 30, 2022	Expenditures during the period	Cumulative to September 30, 2022
<b>Exploration and evaluation expenditures</b>					
Assays and reports	\$ -	\$ 123,643	\$ 123,643	\$ 23,363	\$ 147,006
Camp construction	5,492	3,369	8,861	-	8,861
Drilling	208,883	3,377,325	3,586,208	2,100	3,588,308
Equipment and supplies	21,825	29,351	51,176	4,636	55,812
General administration	37,997	21,149	59,146	551	59,697
Geological consulting	82,654	253,377	336,031	5,663	341,694
Permitting	4,813	-	4,813	-	4,813
	<b>\$ 361,664</b>	<b>\$ 3,808,214</b>	<b>\$ 4,169,878</b>	<b>\$ 36,313</b>	<b>\$ 4,206,191</b>

## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended September 30, 2022 (Expressed in Canadian Dollars)

#### 7. EXPLORATION AND EVALUATION ASSETS (continued)

##### Willis Property

On August 30, 2021, the Company entered into an agreement to acquire thirteen contiguous patented mineral claims, collectively known as the "Willis Property", situated southwest of and contiguous to the Company's NT Project. Upon completion of the transaction, the Company acquired 100% interest in the Willis Property, subject to a 2% NSR, by completing a cash payment of \$425,359, and issuing 400,000 common shares to the vendor with a fair value of \$248,000 (note 9). The Company has the right to repurchase one-half of the NSR (1%) for consideration of \$1,200,000, payable in cash or shares. In addition, the Company has a right of first refusal should the holders of the NSR choose to sell the NSR in the future. The transaction was completed on October 7, 2021.

The schedule below outlines the costs incurred on the Willis Property as at September 30, 2022:

	As at June 30, 2021	Additions/ (Writedowns)	As at June 30, 2022	Additions/ (Writedowns)	As at September 30, 2022
<b>Acquisition</b>					
Cash payments	\$ -	\$ 425,359	\$ 425,359	\$ -	\$ 425,359
Share issuance	-	248,000	248,000	-	248,000
	<b>\$ -</b>	<b>\$ 673,359</b>	<b>\$ 673,359</b>	<b>\$ -</b>	<b>\$ 673,359</b>
	Cumulative to June 30, 2021	Expenditures during the year	Cumulative to June 30, 2022	Expenditures during the period	Cumulative to September 30, 2022
<b>Exploration and evaluation expenditures</b>					
General administration	\$ -	\$ 1,126	\$ 1,126	\$ -	\$ 1,126
	<b>\$ -</b>	<b>\$ 1,126</b>	<b>\$ 1,126</b>	<b>\$ -</b>	<b>\$ 1,126</b>

#### 8. AMOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at September 30, 2022	As at June 30, 2022
Trade payables and accrued liabilities	\$ 1,760,990	\$ 1,650,255
Due to related parties (note 10)	5,326	-
	<b>\$ 1,766,316</b>	<b>\$ 1,650,255</b>

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## **Trillium Gold Mines Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended September 30, 2022**

**(Expressed in Canadian Dollars)**

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#### **9. SHARE CAPITAL**

##### **a) Authorized Share Capital**

Unlimited common shares with no par value.

##### **b) Issued Share Capital**

As at September 30, 2022, there were 79,062,731 common shares issued and outstanding (June 30, 2022 - 58,825,837).

##### **c) Common Shares**

###### **Fiscal 2023**

On July 11, 2022, the Company issued an aggregate of 21,500 common shares of the Company at a value of \$5,160 in connection with the acquisition of the Wenasaga Gold Property (note 7).

On July 14, 2022, the Company issued an aggregate of 1,000,000 common shares of the Company at a value of \$240,000 in connection with the acquisition of the Panama Lake Property (note 7).

On September 22, 2022, the Company closed a brokered private placement (the "Offering") for gross proceeds of \$4,081,510. The Offering was comprised of the sale of 9,678,150 units of the Company (each, a "Unit") at a price of \$0.20 per Unit and 9,537,244 flow-through units of the Company (each, a "FT Unit") at a price of \$0.225 per FT Unit. Each Unit and FT Unit consists of one common share of the Company (each a "Unit Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.30 at any time on or before September 22, 2024.

The gross proceeds of \$4,081,510 were allocated between share capital in the amount of \$3,793,279 for the common share portion and reserves in the amount of \$288,231 for the warrant portion using the residual value method.

In connection with the Offering, the Company paid finders' fee equal to \$196,943 in cash and issued an aggregate of 909,434 compensation warrants of the Company. Each compensation warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.20 per share for a period of 24 months from the closing date. The Company also paid other share issuance costs of \$99,204 in connection with the Offering.

###### **Fiscal 2022**

On July 7, 2021, the Company issued an aggregate of 100,000 common shares of the Company at a value of \$95,000 in connection with the acquisition of the Rivard Property (note 7).

On October 22, 2021, the Company issued an aggregate of 400,000 common shares of the Company at a value of \$248,000 in connection with the acquisition of the Willis Property (note 7).

On November 26, 2021, the Company issued an aggregate of 50,000 common shares of the Company at a value of \$44,500 in connection with the acquisition of the Rivard Property (note 7).

On January 5, 2022, the Company issued an aggregate of 200,000 common shares of the Company at a value of \$144,000 to acquire a 100% interest in the Confederation Lake and Birch-Uchi Greenstone Belts Properties from the Optionors (note 7).

On January 10, 2022, the Company issued an aggregate of 816,993 common shares of the Company at a value of \$555,556 in connection with the acquisition of the Exclusion Order Properties from Pegasus Resources Inc. (formerly Pistol Bay) (note 7).

On February 23, 2022, the Company issued an aggregate of 500,000 common shares of the Company at a value of \$245,000 in connection with the acquisition of the Gold Centre Property (note 7).



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## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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#### 9. SHARE CAPITAL (continued)

##### c) Common Shares (continued)

###### Fiscal 2022 (continued)

On March 2, 2022, the Company completed a brokered private placement. The financing raised gross proceeds of \$7,491,846 by issuance of: (i) 3,753,586 units of the Company (the "Units") at a price of \$0.53 per Unit; (ii) 4,036,220 flow-through units of the Company (the "FT Units") at a price of \$0.60 per FT Unit; and (iii) 4,118,490 FT Units sold to charitable purchasers (the "Charity FT Units") at a price of \$0.75 per Charity FT Unit.

Each Unit, FT Unit, and Charity FT Unit, consists of one common share and one-half of one common share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$0.80 per share for a period of 24 months from the closing date.

The gross proceeds of \$7,491,846 were allocated between share capital in the amount of \$7,372,763 for the common share portion and reserves in the amount of \$119,083 for the warrant portion using the residual value method.

In connection with the private placement, the Company paid finders' fees equal to \$502,419 in cash and issued an aggregate of 714,497 compensation warrants of the Company. Each compensation warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.53 for a period of 24 months from the closing date.

On April 25, 2022, the Company issued an aggregate of 200,000 common shares of the Company at a value of \$80,000 to acquire a 100% interest in the Uchi Gold Project and the Satterly Gold Project areas within the Confederation greenstone belt (note 7).

On May 26, 2022, the Company issued an aggregate of 50,000 common shares of the Company at a value of \$15,500 in connection with the acquisition of the Rivard Property (note 7).

On June 21, 2022, the Company issued an aggregate of 2,800,000 common shares of the Company at a value of \$828,000 in connection with the Eastern Vision property holdings within the Birch-Uchi greenstone belt (note 7).

###### Flow-Through Premium Liability

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	<b>Flow-Through Premium Liability</b>
<b>Balance, June 30, 2021</b>	<b>\$ 711,774</b>
Flow-through premium liability	1,188,603
Settlement to flow through share premium liability pursuant to qualified expenditures	(1,715,013)
<b>Balance, June 30, 2022</b>	<b>\$ 185,364</b>
Flow-through premium liability	238,431
Settlement to flow through share premium liability pursuant to qualified expenditures	(120,241)
<b>Balance, September 30, 2022</b>	<b>\$ 303,554</b>

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# Trillium Gold Mines Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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### 9. SHARE CAPITAL (continued)

#### d) Share-based Payments

The Company has a share compensation plan whereby the Company is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX-V policies. The options can be granted for a maximum term of 5 years.

#### Fiscal 2023

On September 27, 2022, the Company granted 50,000 options to a consultant of the Company. The options are exercisable at \$0.20 per share and will expire on September 27, 2027. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant. The Company used the Black-Scholes option pricing model to estimate the fair value of the options using the following assumptions: risk free interest rate of 3.32%; dividend yield of 0%; expected volatility of 112.11%; and expected option life of 5 years.

On September 27, 2022, the Company granted 2,545,000 options to the directors, officers, and employees of the Company. The options are exercisable at \$0.20 per share and will expire on September 27, 2027. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant. The Company used the Black-Scholes option pricing model to estimate the fair value of the options using the following assumptions: risk free interest rate of 3.45%; dividend yield of 0%; expected volatility of 111.50%; and expected option life of 5 years.

The Company recorded a share-based payment amount of \$278,982 for the three months ended September 30, 2022.

#### Fiscal 2022

On November 4, 2021, the Company granted 50,000 options to a consultant of the Company. The options are exercisable at \$0.85 per share and will expire on November 4, 2026. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant. The Company used the Black-Scholes option pricing model to estimate the fair value of the options using the following assumptions: risk free interest rate of 1.25%; dividend yield of 0%; expected volatility of 109.73%; and expected option life of 5 years.

On November 4, 2021, the Company granted 360,000 options to employees of the Company. The options are exercisable at \$0.85 per share and will expire on November 4, 2026. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant. The Company used the Black-Scholes option pricing model to estimate the fair value of the options using the following assumptions: risk free interest rate of 1.39%; dividend yield of 0%; expected volatility of 109.93%; and expected option life of 5 years.

On March 7, 2022, the Company granted 1,250,000 options to the directors, officers, and employees of the Company. The options are exercisable at \$0.64 per share and will expire on March 7, 2027. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant. The Company used the Black-Scholes option pricing model to estimate the fair value of the options using the following assumptions: risk free interest rate of 1.51%; dividend yield of 0%; expected volatility of 147.01%; and expected option life of 5 years.

The Company recorded a share-based payment amount of \$281,057 for the three months ended September 30, 2021.

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

### 9. SHARE CAPITAL (continued)

#### d) Share-based Payments (continued)

The continuity of stock options issued and outstanding as at September 30, 2022 is as follows:

	Number of Stock Options	Weighted Average Exercise Price (\$)
<b>Balance, June 30, 2021</b>	<b>3,425,000</b>	<b>1.09</b>
Granted	1,660,000	0.69
<b>Balance, June 30, 2022</b>	<b>5,085,000</b>	<b>0.96</b>
Granted	2,595,000	0.20
Forfeited	(350,000)	(0.91)
<b>Balance, September 30, 2022</b>	<b>7,330,000</b>	<b>0.69</b>

The options outstanding and exercisable as at September 30, 2022 are as follows:

Expiry Date	Exercise Price(\$)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)	Number of Options Unvested
March 29, 2023	0.80	0.49	300,000	300,000	-
June 15, 2025	0.60	2.71	1,225,000	1,225,000	-
October 20, 2025	1.70	3.06	1,150,000	1,150,000	-
January 19, 2026	1.83	3.30	100,000	50,000	50,000
April 12, 2026	1.15	3.53	100,000	100,000	-
May 3, 2026	0.99	3.59	200,000	162,500	37,500
November 4, 2026	0.85	4.10	410,000	205,000	205,000
March 7, 2027	0.64	4.43	1,250,000	625,000	625,000
September 27, 2027	0.20	4.99	2,595,000	648,750	1,946,250
	<b>0.69</b>	<b>3.90</b>	<b>7,330,000</b>	<b>4,466,250</b>	<b>2,863,750</b>

#### e) Warrants

##### Fiscal 2023

On September 22, 2022, as part of the private placement, the Company issued 9,607,697 warrants which were valued at \$288,231.

In connection with the private placement, the Company also issued 909,434 non-transferrable broker's warrants with an exercise price of \$0.20 and an expected life of 2 years as finder's fees. The broker's warrants were valued at \$73,300 using the Black-Scholes option pricing model with the following assumptions at the issue date: risk free interest rate of 3.78%; dividend yield of 0%; expected volatility of 84.24% and expected life of 2 years.

##### Fiscal 2022

On March 2, 2022, as part of the private placement, the Company issued 5,954,148 warrants which were valued at \$119,083.

In connection with the private placement, the Company also issued 714,497 non-transferrable broker's warrants with an exercise price of \$0.53 and an expected life of 2 years as finder's fees. The broker's warrants were valued at \$185,125 using the Black-Scholes option pricing model with the following assumptions at the issue date: risk free interest rate of 1.47%; dividend yield of 0%; expected volatility of 134.76% and expected life of 2 years.

## Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

### 9. SHARE CAPITAL (continued)

#### e) Warrants (continued)

The continuity of the warrants issued and outstanding as at September 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance, June 30, 2021</b>	<b>13,566,041</b>	<b>1.13</b>
Granted	6,668,645	0.77
Exercised	(705,000)	(0.38)
Expired	(1,783,900)	(0.40)
<b>Balance, June 30, 2022</b>	<b>17,745,786</b>	<b>1.10</b>
Granted	10,517,131	0.29
Expired	(2,083,000)	(0.60)
<b>Balance, September 30, 2022</b>	<b>26,179,917</b>	<b>0.81</b>

The outstanding warrants as at September 30, 2022 are as follows:

Expiry Date	Exercise Price (\$)	Remaining Contractual Life (years)	Number of Warrants Outstanding
October 2, 2022	1.70	0.01	351,766
October 2, 2022	2.60	0.01	2,371,200
October 16, 2022	2.60	0.04	52,950
December 4, 2022	5.00	0.18	200,000
June 28, 2023	1.50	0.74	2,500,000
June 28, 2023	1.00	0.74	230,725
March 2, 2024	0.53	1.42	714,497
March 2, 2024	0.80	1.42	5,954,148
September 22, 2024	0.30	1.98	9,607,697
September 22, 2024	0.20	1.98	909,434
February 5, 2025	0.36	2.35	3,287,500
	<b>0.81</b>	<b>1.53</b>	<b>26,179,917</b>

## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

#### 10. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The aggregate value of transactions recorded as consulting fees and salaries and wages relating to key management personnel and entities which they have control or significant influence over were as follows:

	Three Months Ended September 30,	
	2022	2021
Baron Global Financial Canada Ltd. <sup>(1)</sup>	\$ -	\$ 42,000
David Velisek <sup>(2)</sup>	7,500	7,500
Ridgeside Canada Inc. <sup>(3)</sup>	67,500	67,500
William Paterson <sup>(4)</sup>	40,000	40,000
Altair Management Ltd. <sup>(5)</sup>	-	10,500
Donna Yoshimatsu <sup>(6)</sup>	50,000	37,500
Ian MacNeily <sup>(7)</sup>	30,000	30,000
	<b>\$ 195,000</b>	<b>\$ 235,000</b>

(1) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor of the Company in return for a monthly fee. The agreement was terminated in March 2022.

(2) David Velisek, Director of the Company who provided business development consulting services.

(3) Ridgeside Canada Inc. is fully owned by Russell Starr, who is the CEO and Director of the Company providing management services.

(4) William Paterson, Vice President of Exploration of the Company who manages the mineral exploration programs and technical and exploration team, and assisted the development of the mineral asset portfolio for the Company.

(5) Altair Management Ltd. is fully owned by an affiliate of the former CFO and provided advisory services to the Company. The consulting agreement was terminated in March 2022.

(6) Donna Yoshimatsu, VP Corporate Development and Investor Relations of the Company who provides business development and investor relations consulting services.

(7) Ian MacNeily, Chief Financial Officer of the Company who provides CFO consulting services.

During the three months ended September 30, 2022, share-based compensation expense to key management personnel of \$229,865 (three months ended September 30, 2021 - \$199,785) was incurred.

The following table outlines the Company's related party payables:

	As at September 30, 2022	As at June 30, 2022
Russell Starr	\$ 5,326	\$ -

# Trillium Gold Mines Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended September 30, 2022  
(Expressed in Canadian Dollars)

## 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at September 30, 2022, the Company has signed lease agreements for the following:

### Right-of-Use Assets

Cost	Right-of-Use Vehicles	Right-of-Use Office Building	Right-of-Use Apartment Building	Total
<b>Balance, June 30, 2021</b>	\$ 89,002	\$ 410,211	\$ 16,201	\$ 515,414
Completion of right of use term	-	-	(16,201)	(16,201)
<b>Balance, June 30, 2022 and September 30, 2022</b>	\$ 89,002	\$ 410,211	\$ -	\$ 499,213

### Accumulated depreciation

<b>Balance, June 30, 2021</b>	\$ 18,326	\$ 10,609	\$ 4,050	\$ 32,985
Depreciation	44,501	42,436	12,151	99,088
Completion of right of use term	-	-	(16,201)	(16,201)
<b>Balance, June 30, 2022</b>	\$ 62,827	\$ 53,045	\$ -	\$ 115,872
Depreciation	11,125	10,609	-	21,734
<b>Balance, September 30, 2022</b>	\$ 73,952	\$ 63,654	\$ -	\$ 137,606

### Net book value

<b>Balance, June 30, 2022</b>	\$ 26,175	\$ 357,166	\$ -	\$ 383,341
<b>Balance, September 30, 2022</b>	\$ 15,050	\$ 346,557	\$ -	\$ 361,607

### Lease Liabilities

The following table presents the continuity schedule for the lease liabilities for the Company for the year ended September 30, 2022:

	Lease Liability - Vehicles	Lease Liability - Building	Lease Liability - Apartment Building	Total
<b>Balance, June 30, 2021</b>	\$ 72,051	\$ 395,704	\$ 12,190	\$ 479,945
Additions	-	-	-	-
Lease payments	(49,940)	(57,500)	(12,600)	(120,040)
Interest expense	6,076	26,724	410	33,210
<b>Balance, June 30, 2022</b>	\$ 28,187	\$ 364,928	\$ -	\$ 393,115
Less: current portion	(28,187)	(33,000)	-	(61,187)
Non-current portion	\$ -	\$ 331,928	\$ -	\$ 331,928
<b>Balance, June 30, 2022</b>	\$ 28,187	\$ 364,928	\$ -	\$ 393,115
Lease payments	(12,485)	(14,375)	-	(26,860)
Interest expense	700	6,340	-	7,040
<b>Balance, September 30, 2022</b>	\$ 16,402	\$ 356,893	\$ -	\$ 373,295
Less: current portion	(16,402)	(33,582)	-	(49,984)
Non-current portion	\$ -	\$ 323,311	\$ -	\$ 323,311

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## Trillium Gold Mines Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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#### 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The remaining minimum future lease payments for the term of the lease are as follows:

	Lease Liability - Vehicles	Lease Liability - Office Building	Total
Year 1	\$ 16,835	\$ 57,500	\$ 74,335
Year 2	-	57,500	57,500
Year 3	-	57,500	57,500
Year 4	-	57,500	57,500
> Year 5	-	239,584	239,584
	<b>\$ 16,835</b>	<b>\$ 469,584</b>	<b>\$ 486,419</b>

#### 12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2022 was based on the loss attributable to common shareholders of \$1,632,727 (three months ended September 30, 2021 - \$2,442,580) and the weighted average number of common shares outstanding of 61,363,496 (three months ended September 30, 2021 - 40,958,836). Diluted loss per share for the three months ended September 30, 2022 did not include the effect of 7,330,000 stock options and 26,179,917 warrants (three months ended September 30, 2021 - 3,425,000 stock options and 13,566,041 warrants) as they are anti-dilutive.

#### 13. SEGEMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets within Canada.

#### 14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

##### Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At September 30, 2022, the Company was not subject to significant interest rate risk.

##### Foreign Exchange Rate Risk

The Company is not subject to significant foreign exchange risk as all of the Company's operations are located in Canada.

The Company manages its credit risk by investing only in high quality financial institutions. Receivables are due from a government agency.

##### Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to cash held on deposit and receivables.

##### Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs. The Company is exposed to liquidity risk.

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# Trillium Gold Mines Inc.

## Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended September 30, 2022

(Expressed in Canadian Dollars)

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### 14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

#### Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash is measured at fair value using level 1. The carrying value of amounts receivable and amounts payable and accrued liabilities approximates their fair value due to the current nature of those financial instruments.

### 15. CAPITAL MANAGEMENT

The Company manages its capital, being the components of shareholders' equity, and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. 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 has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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 is not subject to any externally imposed capital restrictions.

### 16. SUBSEQUENT EVENTS

- (a) On October 4, 2022, the Company granted 90,000 options to consultants of the Company. The options are exercisable at \$0.22 per share and will expire on October 4, 2027. The options vest one-quarter of the options at the date of grant, one-quarter of the options six months following the date of grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant.
- (b) On October 28, 2022, the Company issued an aggregate of 473,934 common shares of the Company at a value of \$123,223 to acquire a 70% interest in the Panama Lake Property, in lieu of paying \$100,000 as payment for the second option as defined in the Option Agreement (note 7).