
TROJAN GOLD INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Trojan Gold Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Trojan Gold Inc.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at March 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 306,792	\$ 501,734
Investment in Tashota Resources Inc. (notes 3 and 10)	288,732	288,732
Harmonized sales tax recoverable	73,323	61,340
Due from related parties (note 10)	3,500	3,500
Total current assets	672,347	855,306
Non-current assets		
Exploration and evaluation assets (note 4)	579,287	537,584
Total assets	\$ 1,251,634	\$ 1,392,890
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 70,920	\$ 30,320
Amount due to related parties (note 10)	3,000	3,000
Flow-through share liability	13,385	13,385
Demand loan (note 6)	5,000	5,000
Total liabilities	92,305	51,705
Equity		
Share capital (note 7)	2,093,621	2,093,621
Common shares subscribed, not issued	-	20,000
Warrant reserve (note 8)	996,000	996,000
Deficit	(1,930,292)	(1,768,436)
Total equity	1,159,329	1,341,185
Total equity and liabilities	\$ 1,251,634	\$ 1,392,890

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Approved on behalf of the Board:

(Signed) "Carl J. McGill" _____ Director

(Signed) "Gerry D. White" _____ Director

Trojan Gold Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating expenses		
Consulting fees (notes 7 and 10)	\$ 22,080	\$ 11,700
Filing fees and shareholder information	44,988	48,510
General and administrative	18,367	844
Investor relations	21,063	-
Premises rent	2,850	2,850
Exploration and evaluation expenditure	15,200	-
Professional fees (note 10)	37,308	37,993
	(161,856)	(101,897)
Unrealized gain on FVTPL investment (note 3)	-	(57,747)
Net loss and comprehensive loss for the period	\$ (161,856)	\$ (159,644)
Basic and diluted comprehensive loss		
per share (note 9)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	39,099,433	32,809,433

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Trojan Gold Inc.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating activities		
Net loss for the period	\$ (161,856)	\$ (159,644)
Adjustments for:		
Unrealized gain on FVTPL investment (note 3)	-	57,747
Changes in non-cash working capital items:		
Harmonized sales tax recoverable	(11,983)	(5,514)
Prepaid	-	3,430
Amounts payable and accrued liabilities (note 5)	40,600	(2,488)
Net cash used in operating activities	(133,239)	(106,469)
Investing activities		
Exploration and evaluation expenditure	(41,703)	-
Net cash used in investing activities	(41,703)	-
Financing activities		
Cash proceeds from shares subscribed, not issued (returned)	(20,000)	95,000
Advances from related party (note 10)	-	3,000
Net cash provided by (used in) financing activities	(20,000)	98,000
Net change in cash and cash equivalents	(194,942)	(8,469)
Cash and cash equivalents, beginning of period	501,734	316,207
Cash and cash equivalents, end of period	\$ 306,792	\$ 307,738

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Trojan Gold Inc.**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****Unaudited**

	Share capital	Warrants	Shares subscribed, to be issued	Deficit	Total
Balance, December 31, 2020	\$ 1,678,434	\$ 768,300	\$ 20,000	\$ (1,501,531)	\$ 965,203
Shares subscribed, to be issued	-	-	95,000	-	95,000
Net loss for the period	-	-	-	(159,644)	(159,644)
Balance, March 31, 2021	\$ 1,678,434	\$ 768,300	\$ 115,000	\$ (1,661,175)	\$ 900,559
Balance, December 31, 2021	\$ 2,093,621	\$ 996,000	\$ 20,000	\$ (1,768,436)	\$ 1,341,185
Shares subscribed, to be issued	-	-	(20,000)	-	(20,000)
Net loss for the period	-	-	-	(161,856)	(161,856)
Balance, March 31, 2022	\$ 2,093,621	\$ 996,000	\$ -	\$ (1,930,292)	\$ 1,159,329

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Trojan Gold Inc. (“TGI” or the “Company”) was incorporated in 2012 under the provisions of the Business Corporations Act (Alberta) and is trading on the Canadian Securities Exchange (“CSE”) under the symbol ‘TGII’. The Company is engaged in the acquisition and exploration of mineral resource properties in Canada and the Dominican Republic. Substantially all of the Company’s efforts are devoted to financing, exploring and developing these properties. The Company’s head office is 401 - 82 Richmond Street East, Toronto, Ontario, M5C 1P1. It is presently pursuing a listing on the Canadian Securities Exchange (“CSE”).

These unaudited condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from carrying values as shown and the financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

The mineral properties of the Company are in the exploration stage and, as a result, the Company has no source of operating cash flow. The exploration and development of the Company’s properties depend on the ability of the Company to obtain financing. The Company has incurred losses in previous periods and has not yet achieved profitable operations, with a net loss of \$161,856 for three months ended March 31, 2022 (three months ended March 31, 2021 - loss of \$159,644). At March 31, 2022, the Company had no source of operating cash flow and an accumulated deficit of \$1,930,292 (December 31, 2021 - \$1,768,436). At March 31, 2022, the Company had working capital of \$580,042 (December 31, 2021 - \$803,601). These conditions raise material uncertainties as to the Company’s ability to continue as a going concern.

The Company’s future viability depends upon the acquisition and financing of mineral exploration or other projects. If the mineral projects are to be successful, additional funds will be required to develop these resources and to place them into commercial production. The only source of future funds presently available to the Company is through the issuance of common shares or through the sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing or the sale of an interest will depend, in part, on prevailing market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. The Company is monitoring the business environment as a result to ensure minimal disruption to business operations. The Company continues to be in operations as of the current date.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies 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"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of May 26, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim financial statements.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian Dollars, which is also the functional currency of the Company. All financial information is expressed in Canadian Dollars otherwise stated and has been rounded to the nearest dollar.

Adoption of new standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company. There are no relevant IFRS's or IFRS interpretations that are effective that would have a material impact on the Company.

New standards not yet adopted and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2023. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

3. Investment in Tashota Resources Inc.

On January 13, 2021, the Company entered into a debt settlement agreement with Tashota Resources Inc., related Company by virtue of a common officer and director, to settle \$192,488 receivable as on the date of the agreement. The Company received 1,924,880 common shares of Tashota Resources Inc at a price of \$0.10 per share. The Company classified the investment in Trojan as a financial asset at fair value through profit and loss (FVTPL). As at March 31, 2022, the shares were valued at \$0.15 per share (December 31, 2021 - \$0.15 per share), based on the share price of a recent private placement completed by Tashota Resources Inc. As such, the Company recognized an unrealized gain of \$nil.

	As at March 31, 2022	As at December 31, 2021
Tashota Resources Inc - 1,294,880 common shares	\$ 288,732	\$ 288,732

Fair values

Set out below is a comparison, by category, of the carrying amounts and fair values of all of the Company financial instruments that are carried in the financial statements and how the fair value of financial instruments is measured.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Fair value hierarchy

Cash and investments	Level 1	Level 2	Level 3	Total
March 31, 2022	\$ 306,792	\$ -	\$ 288,732	\$ 595,524
December 31, 2021	\$ 501,734	\$ -	\$ 288,732	\$ 790,466

4. Exploration and evaluation assets

Watershed Property, Ontario

The Company holds a 100% interest in 111 mining claims comprising the Watershed property. The property is located 100 kilometres west of the city of Thunder Bay situated in the Shebandowan Greenstone Belt.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets (continued)

Hemlo South Property, Ontario

The Hemlo South Property comprises 8 mining claims and is situated in the Hemlo Gold Camp, 35 kilometres east of Marathon.

On March 1, 2017, TGI entered into a Letter of Intent with Tashota Resources Inc (“TRI”) (the “TGI-TRI Option”) whereby TRI granted TGI the right to acquire a 50% interest in the property by:

- ◆ Issuing to TRI 1,250,000 common shares of TGI (issued).
- ◆ Making, or reimbursing TRI for making, certain cash payments required under the TRI-Wahl Option, totaling \$50,000. If TRI makes such payments in cash, and by mutual agreement, TGI can elect to reimburse TRI by issuing common shares from treasury with a deemed value of \$0.10/share (completed).
- ◆ Incurring or reimbursing TRI for exploration expenditures on the property totaling \$250,000 (completed).

The property contains a 3% NSR royalty, of which 2% can be purchased for \$2,000,000 at any time.

TRI and TGI share a common officer and director.

On January 22, 2021, TRI and the Company entered into a joint venture agreement (the “**Joint Venture Agreement**”) which sets out the terms of their joint venture arrangement regarding the Hemlo South Property. The Joint Venture Agreement provides that each of the Company and TRI has a 50% working interest in the Hemlo South Property, which is subject to the NSR royalty in favour of Wahl.

The Joint Venture Agreement provides for the following: (i) management and budget control is to be by a joint management committee; (ii) each party will have an initial WI of 50% and a deemed initial contribution of \$450,000; (iii) TRI and the Company will be joint operators, unless the interest of either party is diluted below 50%, in which case, the party with the larger WI will have the right to become the operator; (iv) budgets will be set annually, or more frequently if requested by either party; (v) technical reports will be prepared in a timely manner on all activities, submitted to Wahl and reported to the MNDM for assessment credit; (vi) if either party (a “Non-Contributing Party”) is unable or unwilling to provide its pro rata share of an approved budget, the other party (the “Contributing Party”) will have the right to provide the difference between the amount which the Non-Contributing Party has contributed to an approved budget, and its pro rata share of the approved budget; and (vii) the WI of a Non-Contributing Party shall be diluted according to the industry-standard formula.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

4. Exploration and evaluation assets (continued)

The Company's exploration and evaluation assets consist of the following:

	Hemlo South	Watershed	Total
Balance, December 31, 2020 and March 31, 2021	\$ 470,414	\$ 16,495	\$ 486,909

	Hemlo South	Watershed	Total
Balance, December 31, 2021	\$ 470,414	\$ 67,170	\$ 537,584
<u>Exploration and Evaluation Costs</u>			
Geological consulting	\$ -	\$ 103	\$ 103
Geophysics	-	41,600	41,600
	-	41,703	41,703
Balance, March 31, 2022	\$ 470,414	\$ 108,873	\$ 579,287

5. Trade and other payables

	As at March 31, 2022	As at December 31, 2021
Trade accounts payable	\$ 3,955	\$ 3,955
Accrued liabilities	66,965	26,365
Total trade and other payables	\$ 70,920	\$ 30,320

The Company's standard trade terms are 30-60 days.

6. Demand loan

During the year ended December 31, 2018, the Company borrowed \$5,000. The amount is unsecured and due on demand.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2022
(Expressed in Canadian Dollars)
Unaudited

7. Share capital

a) Authorized share capital

The Company is authorized to issue an unlimited number of voting and participating common shares. The common shares have no par value and are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2020 and March 31, 2021	32,809,433	\$ 1,678,434
Balance, December 31, 2021 and March 31, 2022	39,099,433	\$ 2,093,621

8. Warrants

The following table reflects the continuity of warrants for the three months ended March 31, 2022 and March 31, 2021:

	Number of warrants	Amount
Balance, December 31, 2020 and March 31, 2021	7,190,000	\$ 768,300
Issued	6,050,000	227,700
Expired	(4,350,000)	-
Balance, December 31, 2021 and March 31, 2022	8,890,000	\$ 996,000

The following table reflects the actual warrants outstanding and exercisable as of March 31, 2022:

Number of warrants outstanding	Grant date fair value (\$)	Exercise price (\$)	Expiry date
2,840,000	85,200	0.15	July 1, 2022
1,550,000	58,700	0.15	December 31, 2023
4,500,000	169,000	0.15	August 31, 2024
8,890,000	312,900	0.15	

9. Loss per share

For the three months ended March 31, 2022, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$161,856 (three months ended March 31, 2021 - \$159,644) and the weighted average number of common shares outstanding of 39,099,433 (three months ended March 31, 2021 - 32,809,433). Diluted loss per share did not include the effect of warrants as they are anti-dilutive.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

10. Related party transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related Party	Nature of Relationship
Charles Elbourne	Chief Executive Officer
Parklane Securities Inc.	Controlled by Charles Elbourne
Interbanc Capital Corp	Common officer and director, Charles Elbourne
Tashota Resources Inc.	Common officer and director
Carl McGill	Director, Secretary, Treasurer, Senior Vice President of Corporate Development
Rodney Barber	Director
Victor Hugo	Chief Financial Officer

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

a) The Company entered into the following transactions with related parties:

- i) During the three months ended March 31, 2022 the Company paid management consulting fees of \$7,580, (three months ended March 31, 2021 - \$3,500), to Charles Elbourne, director and Chief Executive Officer of the Company.
 - ii) During the three months ended March 31, 2022 the Company paid management consulting fees of \$8,500, (three months ended March 31, 2021 - \$3,200), to Interbanc Capital Corp., a related Company with a common officer and director, Charles Elbourne.
 - iii) During the three months ended March 31, 2022 the Company paid management consulting fees of \$4,500, (three months ended March 31, 2021 - \$4,500), to Carl McGill, director and Secretary-Treasurer, Senior Vice President of Corporate Development, of the Company.
 - iv) During the three months ended March 31, 2022 the Company paid \$4,500, (three months ended March 31, 2021 - \$4,500) to Marrelli Support Services Inc. ("Marrelli Support") for the services of Victor Hugo to act as Chief Financial Officer of the Company.
 - v) During the three months ended March 31, 2022 the Company paid premises rent of \$2,850, (three months ended March 31, 2021 - \$2,850) to Marrelli Support.
- b) The Company defines its key management as the Board of Directors, Chief Executive Officer and Senior Vice President of Corporate Development. During the three months ended March 31, 2022 and March 31, 2021, key management compensation consisted solely of management consulting fees paid to the CEO, Secretary-Treasurer, Senior Vice President of Corporate Development and CFO as above.

The directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services.

Trojan Gold Inc.

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

Unaudited

10. Related party transactions (continued)

c) Related party balances

The due from related parties balance is comprised of the following:

	As at March 31, 2022	As at December 31, 2021
Parklane Securities	\$ 3,500	\$ 3,500
	\$ 3,500	\$ 3,500

The amounts due from related parties are unsecured, non-interest bearing and without fixed terms of repayment.

The due to related parties balance is comprised of the following:

	As at March 31, 2022	As at December 31, 2021
Tashota Resources Inc.	\$ 3,000	\$ 3,000
	\$ 3,000	\$ 3,000

The amounts due to related parties are unsecured, non-interest bearing and without fixed terms of repayment.

11. Commitments

Flow-through commitment:

The Company must incur \$138,000 in eligible exploration expenditures on or before December 31, 2022 (as pre 2021, meets Covid exception for extra 12 months) and \$60,000 in eligible exploration expenditures on or before December 31, 2022. At March 31, 2022, the Company's remaining commitment was \$149,235 (December 31, 2021 - \$199,000).