



January 31, 2018

VIA SEDAR

Alberta Securities Commission
Saskatchewan Securities Commission

Dear Sir/Madame:

Re: Trojan Gold Inc. – August 31, 2017 45-106F2 Offering Memorandum (“Offering Memorandum”)

The above-noted Offering Memorandum was revised to reduce the minimum subscription amount from \$2,500 to \$500 per investors.

Yours truly,

CC Corporate Counsel Professional Corporation
Per:

Michael Bluestein

Michael Bluestein
Enclosure

OFFERING MEMORANDUM



Trojan Gold Inc.

Unit Offering Consisting of Common and Flow-Through Common Shares and Warrants

- Date:** August 31, 2017
- The Issuer:** Trojan Gold Inc. (the "Issuer", "TGI", or the "Company")
- Head Office:** Address: Marina Del Rey Professional Centre,
517-2275 Lakeshore Blvd. West, Toronto, ON M8Y 3Y3
Telephone: (647) 350-6122
E-mail: info@trojanguid.com
Website: www.trojanguid.com
- Currently Listed or Quoted:** **The securities do not trade on any exchange or market.**
- Reporting Issuer:** No.
- SEDAR Filer:** No.
- Securities offered:** TGI is offering to sell up to 5,000,000 units (the "Units") and up to 3,333,334 flow-through units (the "F/T Units") at a price of \$0.10 per Unit and \$0.15 per F/T Unit. Each Unit will consist of one (1) Class A common share (a "Common Share") of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one (1) Common Share of the Company (a "Warrant Share") at a price of \$0.15 per Warrant Share. Each FT Unit will consist of one (1) Common Share of the Company issued on a flow-through basis (a "FT Share") and one half of one share purchase warrant (a "F/T Warrant"). Each whole F/T Warrant will entitle the holder thereof to purchase one (1) Common Share of the Company (each whole F/T Warrant, a "F/T Warrant Share") at a price of \$0.20 per F/T Warrant Share. The Warrants and F/T Warrants will expire on August 31, 2018. The F/T Warrant Shares will not be flow-through shares. The Warrants and F/T Warrants are subject to an acceleration should the stock of Trojan trade on an exchange for five (5) or more consecutive days at a price of \$0.30 or greater; in such event the Company may, at its option, provide written notice to the holder requiring that the Warrants or F/T Warrants, as applicable, be exercised within 30 days of the date of the notice, failing which the Warrants or F/T Warrants, as applicable, shall immediately thereafter expire.
- Price per security:** \$0.10 per Unit and \$0.15 per F/T Unit
- Minimum/Maximum Offering:** **There is no minimum. You may be the only purchaser.** Up to \$500,000 consisting of up to 5,000,000 Units and up to \$500,000 consisting of 3,333,334 F/T Units. **Funds available under the Offering may not be sufficient to accomplish TGI's proposed objectives.**
- Minimum Subscription Amount:** An investor must invest a minimum of \$2,500 (25,000 Units or 16,667 F/T Units). Additional increments of \$1,000 (10,000 Units or 6,667 F/T Units) may be invested.
- Payment terms:** Wire transfer, money order, or certified cheque payable to the Issuer c/o CC Corporate Counsel Professional Corporation, Solicitors for the Company (see subscription agreement for details).
- Proposed closing date(s):** The Units will be offered for sale commencing on the date hereof and ending at the discretion of the board of directors of the Issuer. One or more closings may occur during this offering period on a date or dates established by the Issuer. All subscriptions received are subject to rejection, or allotment and the Issuer reserves the right to terminate this Offering without notice.
- Income Tax Consequences:** There are important tax consequences to these securities. See Item 6. Subscribers should consult their independent professional advisors before making an investment in this Offering.
- Selling Agent:** No.
- Finder's Fees:** The Company may pay a commission or finder's fee in connection with the Offering of up to ten percent (10%) of the value of the securities purchased in the Offering. The Company may also issue broker's warrants of up to 10% of the aggregate number of Units and F/T Units sold in the Offering.
- Resale restrictions:** You will be restricted from selling your securities for an indefinite period. See item 10.
- Purchaser's rights:** You have two (2) business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See Item 11.
- Additional caution:** **No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See Item 8.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this Offering Memorandum, including any information relating to TGI's future financial or operating performance may be deemed "forward looking". All statements in this Offering Memorandum, other than statements of historical fact, that address events or developments that TGI expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions or their negative connotations, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond TGI's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause TGI's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such factors include, without limitation:

- a. the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction in which TGI operates;
- b. price levels and volatility in the spot and forward markets for commodities;
- c. controls, regulations and political or economic developments in the jurisdictions in which TGI does or may carry on business;
- d. changes in legislation in jurisdictions in which TGI currently does or may in the future carry on business;
- e. discrepancies between actual and estimated costs, between actual and estimated reserves and resources and between actual and estimated metallurgical recoveries;
- f. First Nations matters, including land negotiations and title claims;
- g. actual results of current exploration or reclamation activities;
- h. significant capital requirements;
- i. taxation;
- j. additional funding requirements;
- k. loss of key employees;
- l. diminishing quantities or grades of reserves;
- m. changes in project parameters as plans continue to be refined;
- n. accidents;
- o. labour disputes; and
- p. defective title to mineral claims or property or contests over claims to mineral properties.

In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and resource losses (and the risk of inadequate insurance or inability to obtain insurance to cover these risks) as well as other risks as discussed under the heading "Risk Factors" in this Offering Memorandum.

Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this Offering Memorandum are qualified by these cautionary statements.

Although the Company has attempted to identify important factors that would cause actual results to differ materially from those contained in the forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. All of the forward-looking statements contained in this Offering Memorandum are qualified by these cautionary statements. Readers should not place undue reliance on forward-looking statements. TGI expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.

Most of the financial information in this Offering Memorandum is derived from TGI's audited consolidated financial statements

for the years ended December 31, 2015, December 31, 2016 and its unaudited financial statements as-at and for the period ended June 30, 2017. Readers are cautioned to refer to such financial statements for complete information, as the information in this Offering Memorandum has been selectively drawn from the financial statements and is not complete.

ABBREVIATIONS AND MEASUREMENT CONVERSION

Unless otherwise defined, abbreviations used in this Offering Memorandum have the following meanings:

Au	Gold
°C	degree Celsius
°F	degree Fahrenheit
cm	centimetre
cm ²	square centimetre
Cu	Copper
ft	foot
g	gram
gpt or g/t	grams per short ton
hr or h	hour
ha	hectare
in	inch
km	kilometre
km ²	kilometres squared
lb	pound
m	metre
m ²	metres squared
mm	millimetre
opt	ounce per short ton
oz	Troy ounce/ounce (31.1035g)

The following is a list of applicable conversions of Imperial measurements to Metric:

<u>Imperial</u>		<u>Metric</u>
1 in	=	2.54 cm
1 ft (12 in)	=	0.3048 m
1 yd (3ft)	=	0.9144 m
1 mile (1760 yd)	=	1.6093 km
1 square in (in ²)	=	6.4516 cm ²
1 square ft (ft ²)	=	0.0929 m ²
1 square yd (yd ²)	=	0.8361 m ²
1 acre (4840 yd ²)	=	4,046.9 m ²
1 square mile (640 acres)	=	2.59 km ²
1 short ton	=	0.907 metric tonnes

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ITEM 1. USE OF AVAILABLE FUNDS

1.1 Available Funds

The following table provides a breakdown of the expected available funds following the completion of the Offering:

	Assuming Minimum Offering	Assuming Maximum Offering
A. Amount to be raised by this Offering	\$0	\$1,000,000
B. Selling commissions and fees (estimated)	\$0	\$100,000
C. Estimated Offering costs (e.g., legal, accounting, audit.)	\$33,000	\$33,000
D. Available funds: D = A - (B+C)	\$(33,000)	\$867,000
E. Additional sources of funding required	\$0	\$0
F. Working capital as at June 30, 2017	\$104,424	\$104,424
G. Total: G = D + E + F	\$71,242	\$971,424

1.2 Use of Available Funds

The following table provides a detailed breakdown of how the issuer will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming Minimum Offering	Assuming Maximum Offering
To pay for the Phase I exploration program expenditures on TGI's properties including: detailed target evaluation; diamond drilling (includes drilling costs, logging, sampling, assaying and supervision); geotechnical/infrared surveying; evaluation of results; and reporting costs.		
<i>Testing of MMI & conventional geochem</i>	\$0	\$34,428
<i>Production Geochemistry</i>	\$0	\$68,555
<i>Pit digging and till sampling</i>	\$0	\$26,095
<i>Prospecting and Mapping</i>	\$0	\$88,868
<i>VLF Conductor Tracing</i>	\$0	\$11,410
<i>Final Report on Phase I</i>	\$0	\$24,150
<i>Contingencies</i>	\$0	\$25,351
Estimated accounting, audit, transfer agent, administrative, filing and legal fees (12 months)	\$33,000	\$46,600
Estimated administration, rent, telephone, internet, travel, office expenses (12 months)	\$0	\$44,100
Management fees (12 months)	\$0	\$60,000
Estimated investor relations and corporate development (12 months)	\$0	\$60,000
To provide general working capital to fund on-going operations and expansion (not otherwise listed above)	\$0	\$481,867
Total: Equal to G in the Funds table above	(\$33,000)	\$971,424

1.3 Reallocation

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

ITEM 2. BUSINESS OF THE COMPANY

2.1 Structure

The Company was incorporated under the *Business Corporations Act* (Alberta) on October 24, 2012. The Company was

dissolved on April 2, 2015 for failure to file its annual returns but was revived on August 4, 2016.

2.2 Our Business

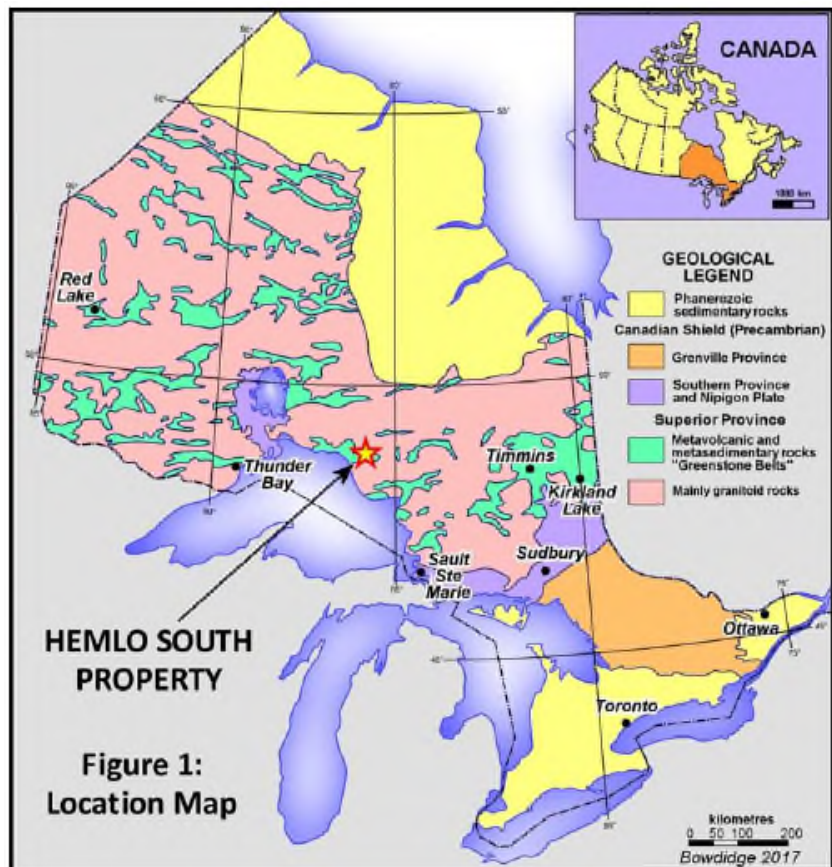
Since its incorporation in October 24, 2012, the Company has been in the business of acquiring exploration properties in Ontario, Quebec and other jurisdictions. The Company is focused on acquiring and exploring base and precious metal projects using a prospect generator model. The Company's objective is to acquire gold and copper projects and the Company only considers properties for acquisition that demonstrate the potential viability of a proposed project.

2.3 Hemlo South Property

The Company commissioned and received an independent technical report on a property located in the Hemlo (known as the "**Hemlo South Property**"), in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("**NI 43-101**"). The NI 43-101 technical report entitled, "**TECHNICAL REPORT (Prepared in compliance with National Instrument 43-101) ON THE HEMLO SOUTH PROPERTY, Bomby and Lecours Townships, Thunder Bay Mining Division, NORTHWEST ONTARIO, CANADA**" (the "**Report**") dated March 31, 2017 was prepared by Colin Bowdidge, Ph.D., P. Geo. Mr. Bowdidge is a Qualified Person as such term is defined in NI 43-101. During the period of the Offering, a copy of the Report will be held at the head office of the Company (address noted above), where it may be examined during normal business hours. The following information was derived from the Report.

The property consists of 8 mining claims totaling 89 claim units. The Hemlo South property is located in Bomby and Lecours Townships, approximately 33 kilometres east of the town of Marathon, Ontario, on the north shore of Lake Superior. The property extends from 85°55'18" to 86°01'21" West and from 48°39'08" to 48°41'03" North. The Hemlo South property is 33 km east of the town of Marathon, on the north shore of Lake Superior. The property lies immediately south of the Williams mine property of Barrick Gold.

The property lies 600 metres south of the Trans-Canada Highway (No. 17), and existing logging roads give access to the property, part of which has been logged, and part of that has been replanted. The Canadian Pacific Railway main transcontinental line crosses the property. The former community of Hemlo, which lies just outside the property boundary, was a stop on the railway with a station and a small cluster of houses; it is now abandoned. Two all-weather gravel forestry access roads traverse the property. Much of the eastern two-thirds of the property has been logged approximately 20 to 25 years ago and about half of that area has been replanted. The eastern forestry road is overgrown but needs only brushing out and re-grading to be fully functional.



Surface rights of leased claims comprising the Hemlo South Property are held either by joint property owners or by the Crown, and surface rights of staked claims are held by the Crown. To the Issuer's knowledge, there are no restrictions on surface rights that would limit or preclude exploration or future mining activities on the Hemlo South Property, other than the right-of-way along the Canadian Pacific Railway corridor.

History of the Hemlo Area:

The history of the Hemlo South property is intimately connected with the history of the three Hemlo gold mines (see figures 3 and 4). The Hemlo mines have exploited a single series of gold-bearing zones with a total length of 3.5 kilometres, that lie about 1500 metres north of the Hemlo South property boundary. To place the Hemlo South history in context, the history of the Hemlo gold mines will first be briefly summarized, even though the Hemlo gold mines are outside the Hemlo South property. The following is condensed from Muir et al. (1995).

In 1944, Peter Moses, an Ojibway prospector from Marathon, discovered gold at the site of the present Williams mine. Harry Ollmann and Dr. J.K. Williams staked the 11 claims that make up the core of the present Williams mine property. Stripping, trenching and shallow X-ray drill holes outlined a pyritic shear with gold assays up to 4.11 g/t.

In 1946, Trevor Page, Williams, Moses and Mel Bartley staked 33 claims adjoining the Ollmann-Williams property on what is now part of the Golden Giant and David Bell mine properties. Lake Superior Mining Corporation was formed and acquired the 33 claims. After stripping, trenching and 16 to 20 diamond drill holes, Page calculated a "reserve" of 28,675 short tons (st) grading 8.57 g/t Au in what was called the "Lake Superior Shear Zone." Note: this "reserve" and other subsequently published "reserves" are historical mineral resources that do not comply with current practice. They are, however validated by the subsequent production of over 20 million ounces of gold from these and other adjacent zones.

Subsequently, the Lake Superior Mining Corporation property was optioned to Teck-Hughes Gold Mines Ltd., which carried out additional drilling and increased the "reserve" to 81,000 st of 6.86 g/t Au. The option was dropped and the property again optioned to Cusco Mines Ltd., which did not raise any capital and returned the claims.

In the early 1970s John Hellenon had staked part of the former Lake Superior Mining Corporation ground, and optioned his claims to Ardel Explorations Ltd. Ardel drilled three holes and increased the "reserve" on the Lake Superior Shear Zone to 135,000 st at 7.20 g/t Au. The option was subsequently dropped.

In the late 1970s, Copper Lake Explorations carried out a ground VLF survey and soil sampling on claims optioned from Roy Newman that covered part of the former Lake Superior-Ardel property.

In December 1979, Don McKinnon staked 12 claims covering the former Newman-Copper Lake property west of the Ollmann-Williams ground, and John Larche staked 14 claims on the former Lake Superior-Ardel ground east of the Ollmann-Williams. They pooled their claims and received grubstake financing from Claude Bonhomme and Rocco Schiralli. This allowed them to stake another 156 claims, which were optioned to Golden Sceptre Resources Ltd. and Goliath Gold Mines Ltd. Corona Resources optioned the original 14 Larche claims. Surface work comprising line cutting and magnetic and VLF surveys was initiated by David Bell, consulting geologist.

In 1981 Corona commenced the first major drilling program in the Hemlo area. Seventy holes on the original Lake Superior-Ardel ground increased the "reserve" to 681,000 st @ 3.43 g/t Au before stepout drilling started. Corona's hole 76 intersected what is now the main ore zone with 7.16 g/t Au over 3.2 metres. Lac Minerals, which had conducted a property examination of Corona's property, and Corona itself both made attempts to acquire the Ollmann-Williams property from Lola Williams, the widow of Dr. Williams. Lac's offer was successful. Meanwhile, Lac had positioned itself by staking a large block of claims east of the Goliath-Golden Sceptre property. Lac's acquisition of the Williams claims prompted a lawsuit from Corona. Also in 1981, Teck Corporation formed a joint venture with Corona on the former Lake Superior-Ardel property.

In 1982, Lac Minerals' drilling program intersected the main ore zone on the Williams property with 6.17 g/t Au over 24.4 metres. The Goliath-Golden Sceptre joint venture was also drilling, and prompted by the Lac discovery, drilled the main ore zone on the former Lake Superior-Ardel claims east of the Williams property, returning 8.78 g/t Au over 29.9 metres. Noranda Mining and Exploration Limited entered the Hemlo area by optioning the Goliath-Golden Sceptre claims. A staking rush was well under way by 1982, with 20,000 claims recorded by McKinnon alone [Note: at that time, mining claims in Ontario were all nominally 40 acres or 16 hectares in size; the multi-unit claim was not introduced until 1991].

Noranda commenced production at the Golden Giant Mine (Goliath-Golden Sceptre property) in 1985. Also in 1985, Lac Minerals commenced production at the Williams Mine. In 1986 Teck-Corona began production at the David Bell Mine. Also in 1986, Corona's suit against Lac Minerals was settled in Corona's favour and Lac Minerals had to transfer the now fully

operational Williams mine to Teck-Corona. This was a historic moment in Canadian mining law; it established “fiduciary responsibility” as a recognized legal concept. From that point on, confidentiality agreements that limit the ability of the major company to use information from a property visit to its own benefit, have become standard whenever a major company examines the property of a junior exploration company.

Production from the Hemlo Gold Mines:

Production from the Golden Giant mine ceased in 2006, and the David Bell mine closed in 2014. Barrick Gold, which had acquired all three mines, continues producing from the Williams mine. To the end of 2016, the combined production from all three Hemlo mines was 21.86 million ounces. At year-end 2016, Barrick reported proven plus probable reserves at the Williams mine of 1,588,000 ounces of gold at 1.92 g/t, in addition to measured plus indicated resources of 1,720,000 ounces at 0.90 g/t and inferred resources of 477,000 ounces at 1.93 g/t [Note: the low grade ore is being mined by open pit, while additional higher grade ore is being mined underground]. Adding these reserves and measured plus indicated resources to past production gives a total gold endowment for the Hemlo gold deposit (to date, exclusive of inferred resources) of 25.17 million ounces (Puumala et al, 2014; Barrick Gold Corp. Annual Reports 2014 to 2016, Barrick Gold Corp. NI43-101 report April 25, 2017, all filed on www.SEDAR.com).

History of the Hemlo South Property:

The Hemlo South property area, being adjacent to the Williams mine property, was staked early in the 1982 staking rush. The northern half of the eastern half (approximately east of UTM 576200E) of the present property was held by Harlin Resources Ltd., whose claims extended for a further 900 metres beyond the present east boundary. The northernmost tier of claims covering the western half of the present property were held by Bel-Air Resources Ltd., whose claims also extended north to the Trans-Canada Highway. An 800-metre deep swath of claims extending east from the Lecours-Bomby township line to the east boundary of the present property plus a further 2 kilometres, was held by Pricemore Resources Ltd. The southwestern quadrant of the present property was held by a company called Vanstate in 1982, but in 1984 it was held by Pryme Energy. These property configurations apparently continued through most of the 1980s.

Bel-Air Resources 1981-1983: Figure 4 shows the areas covered by the various surveys and drill holes in the immediate area during the 1980s. It should be noted that all the drill holes (with one possible exception) and much of the survey work lay outside the limits of the present Hemlo South property. The results of work that lay wholly or in part outside the present property are discussed in the subsequent section under “Exploration”. They are relevant to this report because they either overlap or are on strike with the Hemlo South property. Bel-Air Resources Ltd. carried out an exploration program in 1981 that included line cutting, magnetic and VLF-EM surveys, a B-horizon soil geochemical survey, geological mapping, prospecting, stripping and trenching. The main focus of interest was a pyritic tuff unit that was traced for 1,000 metres in a west-southwest direction from the northwest corner of Cigar Lake (i.e. outside the area of the present property). In 1982-83 the Bel-Air claims were under option to Westfield Minerals, which carried out an IP survey, a humus geochemical survey and drilled 8 diamond drill holes. Of these drill holes, five were on the Cigar Lake pyritic tuff trend, and three were drilled to test a similar pyritic zone further north, close to the Trans-Canada highway. Refs: Carlson (1982), Deevy (1984a, b).

Pryme Energy 1984: The Pryme Energy claims surrounding Cache Lake were under option to Noranda Exploration in 1984. Noranda carried out a program of geological mapping. No other work was done on that property (Kuhns, 1984).

Harlin Resources 1982-1987: The Harlin Resources property was geologically mapped, and a VLF-EM survey was carried out in 1982 (Ross, 1982; Yeomans & Bradshaw, 1983). Four diamond drill holes totaling 2,000 feet (610 metres) tested a VLF conductor east of the present property, although drill hole 82-4 may lie at the extreme northeast corner of the Hemlo South claims (Bradshaw, 1982). In 1987-88, the Harlin property was under option to Esso Resources Canada, which carried out a B-horizon soil geochemical survey (Hall, 1988; Grant, 1989).

Walton 1987-1988: The Harlin claims reportedly lapsed in 1987 and were restaked by R. Walton. Esso Minerals apparently optioned the Walton claims and extended the area of the soil geochemical survey. Esso Minerals is also reported (Tims, 1996) to have carried out an IP survey over the area of the Harlin drill holes (i.e. outside the Hemlo South property area).

Walton 1995-1996: In 1995, the Walton claims were under option to Hemlo Gold Mines, which cut a grid over the whole property (the purpose of the grid and the work done on it are not reported). In 1996, Hemlo Gold Mines drilled two holes totaling 486 metres, in the same area as the four Harlin drill holes Tims, 1996).

Pricemore Resources 1983: Pricemore Resources Ltd., and Narex Ore Search Consultants carried out geological mapping and an A-horizon soil geochemical survey on three blocks, two of which were on the present Hemlo South property, while the third was off to the east on claims now held by Barrick Gold. Pricemore also put down five diamond drill holes on its easternmost property, between 1250 and 1500 metres east of the present Hemlo South property boundary (Born, 1984a, b; Abolins, 1983).

1988-2006: MNM assessment work records include no reports of work in the area of the Hemlo South property between 1988 and 2006 other than the Hemlo Gold Mines work on the Walton claims in 1995-1996, referred to above. Most of the Bel-Air

claims were re-staked for Esso Resources Canada in 1987, then transferred to Homestake Mining Canada in 1989. Through a series of name changes and corporate acquisitions, Homestake became part of Barrick Gold Inc. in 2003, and the claims continue to be held by Barrick Gold. The MNDM website includes a few historical claim maps for Bomby and Lecours townships, and these show that parts of the present Hemlo South property were staked from time to time.

Golden Meadow 2006: In 2006, Golden Meadow Explorations held a narrow strip of claims that measured 16 kilometres from east to west, but only 800 to 1200 metres from north to south. It included, approximately, the northern half of what is now the Hemlo South property. The company carried out semi-reconnaissance level geological mapping and MMI (Mobile Metal Ion) geochemical sampling and analysis over selected areas. Within the limits of the Hemlo South property, a 40-sample reconnaissance -level MMI sampling and mapping grid was surveyed on the northwest side of Cache Lake, and two small areas on the south side of Cigar Lake and around Emma Lake had a handful of rock samples collected. Also, mapping and sampling was done in two areas just to the east of the Hemlo South property: around Harlin drill holes 82-1 and 82-2, and around the four Pricemore drill holes (Komarechka, 2006).

Aerodat Airborne Survey 1983: During 1983, Aerodat Ltd., which had at that time the most popular and successful airborne electromagnetic survey system in Canada, decided to fly a survey of the whole Hemlo greenstone belt, and to sell “windowed” portions of the survey results to companies that needed or wanted the results. Of the companies referred to above, Pricemore Resources and Pryme Energy acquired Aerodat magnetic and electromagnetic survey data over their claim blocks. The Aerodat survey was subsequently purchased in its entirety by the Ontario Geological Survey and published in 2002 (see next section) as OGS (2002).

Recommendation & Proposed Budget

The following recommendations are made for an effective exploration program on the Hemlo South property. A two-stage exploration program is proposed: phase 1 to develop drill targets, and phase 2 a drilling program to test them.

Phase 1:

Field work on the ground should include the following:

- a) Soil geochemical orientation survey, testing both B-horizon soils and MMI (mobile metal ion) type samples, over selected areas of gold anomalies in soil from the 1987-1988 work by Esso Minerals. It is recommended to collect 120 samples of each type, at the same sample sites. Samples should be analysed for gold, arsenic, antimony, molybdenum and mercury (at a minimum) to isolate the “fingerprint” of the Hemlo gold deposit and separate it from potential local sources of “gold-only” mineralization.
- b) Once the preferred choice of sampling and analysis method has been made, a larger survey comprising approximately 900 samples should be carried out over the area indicated on figure 16. The budget assumes that this sampling and analysis program will use the more expensive MMI protocol.
- c) At a few chosen sites where anomalous gold in soil is defined, pits should be dug with a backhoe, and the till profile should be studied. At each chosen point on a till profile, a 10 kg sample should be collected for analysis if the non-magnetic heavy mineral and $-63\mu\text{m}$ fractions. This part of the proposed program should be supervised, and the sample processing and analysis carried out, by Overburden Drilling Management of Ottawa, whose personnel are experienced in this sort of work. The work will yield useful information about glacial transport of tills and geochemical anomalies in or on the till.
- d) In the 1980s, when most of the exploration in the Hemlo area was being carried out, conventional prospecting tended to be regarded as a thing of the past. Now, after 30 more years of (usually) gold-targeted exploration, the value of prospecting is better appreciated. The property should be covered by a “prospecting and mapping” crew; a team comprising one geologist and two prospectors is recommended. This will generate higher quality geological mapping than exists to date, and multiple samples of bedrock and float for analysis.
- e) The exact location of VLF anomaly V-1 should be determined using a hand-held EM-16 VLF receiver. Pace-and-compass lines with GPS locations of stations will be sufficient for this work. The same surveyor should measure the positions of corner posts for claims included in the mining lease that borders the Hemlo South property to the north, so that it can be determined how the VLF anomaly is positioned relative to the property boundary. Anomalies V-1 and V-2 should also be followed to the west using short pace-and-compass lines, and an operator capable of picking a conductor axis from raw data. This work will be best done by a 2-person crew, one to take the VLF readings and the other to take GPS readings, flag the stations, look for claim posts, etc.
- f) The results of all of the above should be compiled into a comprehensive report and database, to assist in determining the scope of a Phase 2 diamond drilling program.

Phase 2: A second phase of exploration, involving 5,000 metres of diamond drilling, will be, to a certain extent, dependent on receiving positive results from the Phase 1 work.

The following table gives a summary budget for the two recommended phases of exploration at Hemlo South:

PHASE 1 - EXPLORATION:	
Testing of MMI & conventional geochem	
120 sample sites with MMI and B-horizon soils, Au & ICP-multi	34,428
Production geochemistry	
1200 MMI samples and analyses for Au & ICP-multi	68,555
Pit digging and till sampling	
5 pits, 20 till samples, full analysis	26,095
Prospecting and Mapping	
1 Geologist, 2 prospectors for 2 months	88,868
VLF Conductor Tracing 2 Technicians/operators and EM-16	11,410
Final Report on Phase 1	<u>24,150</u>
SUB-TOTAL	\$253,506
Contingencies (10 percent)	<u>25,351</u>
PHASE 1 TOTAL	<u>\$278,857</u>
PHASE 2 - DIAMOND DRILLING:	
5,000 metres of diamond drilling @ \$140.52/metre	\$702,620
Contingencies (10 percent)	<u>70,262</u>
PHASE 2 TOTAL	<u>\$772,882</u>
TOTAL PHASES 1 AND 2	<u>\$1,051,739</u>

All monetary amounts are designated in Canadian funds. A more detailed breakdown of costs, including numbers of personnel, is given in the Report. It is anticipated that the Phase 1 program could be completed in the summer of 2017. The Phase 2 diamond drilling program, if approved on the basis of positive results from Phase 1, and adequately funded, can be done at any time of year. Any activity beyond the projected Phase 2, will be contingent on the results of the Phase 2 drilling program.

Property Acquisition by the Company:

The Hemlo South Property claims are held by Tashota Resources Inc. (“**TRI**”) under option from Rudolf Wahl, a prospector resident in Marathon, Ontario. The option agreement has an effective date of March 4th, 2014 and a 4 year term. On March 7th, 2017, Rudolf Wahl signed an amendment to the TRI-Wahl Option Agreement extending the due dates for certain expenditure requirements.

The salient terms of the TRI-Wahl Option Agreement with amendments, are as follows:

1. Cash Payments and Share Issuances:
 - (i) 200,000 shares of TRI within 15 days of the effective date [issued];
 - (ii) 250,000 shares of TRI within 30 days of listing of TRI shares on the TSX Venture Exchange or the Canadian Securities Exchange [not yet issued];
 - (iii) \$25,000 cash [paid] and 200,000 shares of TRI [issued] on or before March 4th, 2015;
 - (iv) \$25,000 cash [paid] and 200,000 shares of TRI [issued] on or before March 4th, 2016;
 - (v) \$25,000 cash [paid] and 200,000 shares of TRI [issued] on or before March 4th, 2017;
 - (vi) \$25,000 cash and 200,000 shares of TRI on or before March 4th, 2018;

2. Exploration Expenditures on the Property:
 - (i) \$50,000 on or before November 25th, 2014 [done];
 - (ii) \$100,000 on or before March 4th, 2016 [not yet completed, approximately \$15,000 expended to date, due date extended by Mr. Wahl to May 4th, 2017 by the March 7th, 2017 amendment];
 - (iii) \$150,000 on or before March 4th, 2017 [not yet done, due date extended by Mr. Wahl to November 1st, 2017 by the March 7th, 2017 amendment];

3. Upon exercise of all the terms of the option agreement, TRI will have 100% interest in the Property and will be so recorded on title, subject to a 3% net smelter returns royalty in favour of Mr. Wahl. TRI will have the option of buying back $\frac{2}{3}$ of the royalty (2% of NSR) for \$2,000,000 at any time.

On March 1, 2017 TGI and TRI signed a letter of intent wherein TGI acquired 50 percent of TRI’s interest in the Hemlo South Property. TRI granted TGI the right to acquire a 50 percent interest in the Hemlo South Property by TGI:

- A. Issuing to TRI 1,250,000 common shares of TGI with a deemed value of \$0.10, effective immediately;
- B. Making, or reimbursing TRI for making, the cash payments in items 1(v) and 1(vi) above, for a total of \$50,000; if, by mutual agreement, TRI makes one or both payments in cash, TGI shall have the option of reimbursing TRI by issuing its own common shares with a deemed value of \$0.10 per share to TRI
- C. Incurring, or reimbursing TRI for incurring, the work requirements in terms 2(ii) and 2(iii) above, for a total of \$250,000;

On completion of these terms and exercise of the TRI option, TGI will be vested as to 50% working interest (“WI”), and will be so recorded on the claims at the Provincial Mining Recorder’s Office (or on title in the event that the claims comprising the property, or a portion of them, are brought to lease). The term “Working Interest” refers to the interests held by the Joint Venture partners, which is subject to the NSR royalty in favour of Mr. Wahl. A joint venture is to be formed between TRI and TGI with initial WIs of 50% each. A formal joint venture agreement is to be prepared at the time that TGI is vested as to 50% WI, or as soon thereafter as practicable. The salient terms of the joint venture will be as follows:

- Management and budget control is to be by a joint management committee;
- Each party will have an initial WI of 50% and a deemed initial contribution of \$450,000;
- TRI and TGI 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;
- Budgets will be set annually, or more frequently if requested by either party;
- Reports will be prepared in a timely manner on all activities, submitted to Mr. Wahl and reported to the MNDM for assessment credit;
- 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.
- The WI of a Non-Contributing Party shall be diluted according to the industry-standard formula of:

$$WI(a) = \frac{Exp(a)}{Exp(a)+Exp(b)} \times 100\%$$

- Where WI(a) is the Working Interest of party (a) and
- Exp(a) and Exp(b) are the aggregate totals of expenditures on the project of parties (a) and (b) respectively since the inception of the Joint Venture, plus each party’s deemed initial contribution of \$450,000.

Other Property Interests:

- (a) TGI has options on various gold/copper claims situated in the Dominican Republic, awaiting government approval for development of the claims; and
- (b) TGI has entered into negotiations with Advantel Minerals (Canada) Ltd. (“AMCL”) to acquire a 100% interest in the Beardmore PlumTree property, which has a NI 43-101 resource of 248,000 tons @ .241 Au (approximately 68,000 ounces Au). This property has seen over \$1,500,000 work performed previous (2011-2013) and the property is open at depth and open to the west.
- (c) TGI is also in negotiations to acquire 4,500 acres in Opinaca, James Bay Quebec from AMCL. This property is adjacent to TRI’s Opinaca property.

2.4 Development of Business

Since its incorporation in October 24, 2012, the Company has been in the business of acquiring mineral exploration properties in Ontario, Quebec and other jurisdictions. The Company is focused on acquiring and exploring early-stage base and precious metal projects using a prospect generator model. The Company's objective is to acquire gold and copper projects and the Company only considers properties for acquisition that demonstrate the viability of the project.

To date, the Company has been engaged in exploration activities as described in the Report as well as activities related to the sale of both Common Shares and Common Shares issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) in order to raise the capital necessary to acquire the aforementioned properties, conduct exploration work thereon and provide for the administration of the business.

The Company has been in discussions with local First Nations to facilitate their co-operation and assistance in exploring its

properties. Exploration work on the Hemlo South Property has been deferred until the completion of these discussions. The Company has generated no revenue from operations since incorporation and as of the end of Q2 2017 (June 30), the Company has incurred operating losses of \$46,970.

2.5 Long Term Objectives

The Company's long-term objectives are carry out exploration activities on its properties, to acquire other mineral claims and then carry out exploration activities on such claims. At present, the Company has only quantified the future cost of exploration on its Hemlo South property (\$772,882, including a contingency allowance of 10%). However, this expenditure will only be made subsequent to Phase 1 of the Company's current exploration plans and only if the results of Phase 1 indicate this to be warranted. This work is expected to occur within 12-18 months of the completion of Phase 1 and if additional capital is required a new offering will be issued. The cost of acquiring additional claims depends on a mutual agreement on the value of these claims between the Company and the claims holders. At present, the Company is in negotiations to acquire a claim in Quebec in the Opinaca Gold Camp near James Bay and in Ontario in the Beardmore-Geraldton Gold Camp near Thunder Bay. The cost of acquisition of these claims has not yet been determined, however, consideration will likely include a nominal amount of cash paid out over 12 to 36 months, shares in the Company, performance of work on the properties (in compliance with provincial requirements, at a minimum) and net smelter royalties.

Finally, in due course, the Company intends to file a prospectus to become a reporting issuer in certain jurisdictions to facilitate capital raising activities in support of its long-term objectives. The cost of this effort is expected to be in the range of \$40,000 to \$60,000, depending on a variety of factors including the cost of a shell (if a Reverse Take-Over approach is pursued), legal, accounting, filing and other administrative expenses. Thereafter, there will be on-going reporting, accounting, audit and legal fees related to the maintenance of reporting issuer status and continuous disclosure requirements.

2.6 Short Term Objectives and How We Intend to Achieve Them

Our objectives over the next 12 months are to raise sufficient funds to pay for the initial exploration work described in the Report as well as the legal, accounting, printing and filing fees required by the Company. The Report recommends conducting exploration work on the Company's Hemlo South Property at an estimated cost of \$1.05 million, which the Company intends to complete over the next 12 months. The following table sets out how the Company intends to meet its objectives for the next 12 months.

What we must do and how we will do it	Target completion date or alternatively, the number of months required to complete	Cost to Complete ⁽¹⁾
Phase I: Exploration (diamond drilling of 1 - 700 metre drill hole) and related work which will be undertaken and completed by appropriate geologists retained for this purpose.	12 months	\$278,857
Phase II: Diamond Drilling – 5,000 metres which will be undertaken and completed by appropriate geologists retained for this purpose.	18 months	\$772,882
Total:		\$1,051,739.00

Note:

(1) The Costs to Complete are based on the funds required for Phase 1 and Phase 2 as detailed in the Technical Report.

2.7 Insufficient Funds

The proceeds of the Offering may not be sufficient to accomplish all of the Company's proposed objectives and there is no assurance that alternative financing will be available.

2.8 Material Agreements

TGI is a party to a Letter of Intent with TRI, the particulars of which are described further in this Offering Memorandum. See Item 2.3 Hemlo South Property – Property Acquisition by the Company.

TGI is a party to a Letter of Intent with Chichi Financial Inc. (“**ChiChi**”), dated February 14, 2017, wherein Chichi proposed to purchase all of the issued and outstanding share in the capital of the Company and conduct a reverse take-over (the “**RTO**”) pursuant to which TGI would seek to list its securities on the Canadian Securities Exchange.

TGI has signed a letter of intent with Tashota Resources Inc. (“**TRI**”), dated March 1, 2017, to acquire 50 percent of TRI's interest in the Hemlo South property by: issuing to TRI 1,250,000 TGI common shares; making or reimbursing TRI for making

the two \$25,000 option payments due in 2017 and 2018; and incurring or reimbursing TRI for incurring, the \$100,000 and \$150,000 expenditure requirements due by May 7th and November 1st, 2017. On completion of those conditions, TRI and TGI will form a 50/50 joint venture on the Hemlo South property with deemed initial expenditures of \$450,000 each. Industry standard joint venture arrangements will apply.

TGI was party to an Assignment Agreement between TRI and TGI, wherein, in exchange for 5,000,000 Common Shares of TGI, worth \$197,035.89, TRI assigned a secured promissory grid note issued by Advantdel Dominican S.A. with a principal and interest amount owing to TRI of \$197,035.89 CAD (the “**Grid Promissory Note**”). As security for the Grid Promissory Note, Advantdel Dominican S.A. entered into a memorandum of understanding between TRI, Advantel Dominicana S.A. and RYN Mineral S.R.L on January 3, 2014, wherein in exchange for TRI waiving payment of all outstanding principal and interest owing under a Grid Promissory Note, TRI will receive 49% interest in Advantel Dominicana S.A.’s call center or a 49% interest in RYN Minerals S.R.L.

TGI was a party to a Promissory Note dated April 1, 2017, wherein the Company promises to pay Bertha Rodrigues the principal sum of \$25,000. However, subsequently, TGI entered into to a Settlement Agreement dated April 1, 2017, wherein Bertha Rodriguez Estevez agrees to settle TGI’s outstanding debt to her, in the amount of \$25,000, in consideration for 1,250,000 Common Shares of TGI.

TGI was a party to a Promissory Note dated April 1, 2017, wherein the Company promises to pay Charles Elbourne the principal sum of \$100,000. However, subsequently, TGI entered into to a Settlement Agreement dated April 1, 2017, wherein Charles Elbourne agrees to settle TGI’s outstanding debt to him, in the amount of \$100,000, in consideration for 2,500,000 Common Shares of TGI.

TGI was a party to a Promissory Note dated April 1, 2017, wherein the Company promises to pay Echo Ridge Resources Inc. the principal sum of \$50,000. However, subsequently, TGI entered into to a Settlement Agreement dated April 1, 2017, wherein Echo Ridge Resources Inc. agrees to settle TGI’s outstanding debt to Echo Ridge Resources Inc., in the amount of \$50,000, in consideration for 2,500,000 Common Shares of TGI.

TGI was a party to a Promissory Note dated April 1, 2017, wherein the Company promises to pay Advantel Dominican SRL the principal sum of \$25,000. However, subsequently, TGI entered into to a Settlement Agreement dated April 1, 2017, wherein Advantel Dominical SRL agrees to settle TGI’s outstanding debt to Advantel Dominical SRL, in the amount of \$25,000, in consideration for 1,250,000 Common Shares of TGI.

ITEM 3. INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The following table provides information about each director, officer and promoter of the Company and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the issuer (a “**principal holder**”). If the principal holder is not an individual, state in a note to the table the name of any person that, directly or indirectly, beneficially owns or controls more than 50% of the voting rights of the principal holder.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of Min. Offering	Number, type and percentage of securities of the issuer held after completion of Max. Offering
Charles J. Elbourne Toronto, Ontario	CEO since August 4, 2016, President since August 16, 2017, Director since March 31, 2017	2016: \$7,661.00 2017: \$25,000.00	2,500,000 Common Shares (16.9% of all Common Shares) ⁽⁴⁾	2,500,000 Common Shares (8.4% of all Common Shares)

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of Min. Offering	Number, type and percentage of securities of the issuer held after completion of Max. Offering
Dr. Mary Louise Hill Thunder Bay, Ontario	Director since February 15, 2017	2016: N/A 2017: \$0	0 Common Shares (0% of all Common Shares)	0 Common Shares (0% of all Common Shares)
Gerry D. White, P.Geo., B.Sc. Thunder Bay, Ontario	Director since February 15, 2017	2016: N/A 2017: \$0	0 Common Shares (0% of all Common Shares)	0 Common Shares (0% of all Common Shares)
Quentin A. Snider, Director Thunder Bay, Ontario	Director since March 16, 2017	2016: N/A 2017: \$0	0 Common Shares (0% of all Common Shares)	0 Common Shares (0% of all Common Shares)
Advantel Dominican SRL ⁽¹⁾ Santiago, Dominican Republic	Principal Holder since January 1, 2013	2016: N/A 2017: N/A	1,609,469 Common Shares ⁽⁴⁾ (10.9% of all Common Shares)	1,609,469 Common Shares (5.4% of all Common Shares)
Tashota Resources Corp. ⁽²⁾ Toronto, ON	Principal Holder since April 1, 2017	2016: N/A 2017: N/A	6,250,000 Common Shares ⁽⁴⁾ (42.4% of all Common Shares)	6,250,000 Common Shares (21.0% of all Common Shares)
Echo Ridge Resources Inc. ⁽³⁾ Mississauga, ON	Principal Holder since January 1, 2013	2016: N/A 2017: N/A	2,859,469 Common Shares ⁽⁴⁾ (19.4% of all Common Shares)	2,859,469 Common Shares (9.6% of all Common Shares)
Bertha Rodriguez Estevez Toronto, ON	President and Secretary as of October 24, 2014, resigned on August 16, 2017	2016: N/A 2017: N/A	1,250,100 Common Shares ⁽⁴⁾ (8.5% of all Common Shares)	1,250,100 Common Shares (5.6% of all Common Shares)

Notes:

- 1) The beneficial owner of Advantel Dominican SRL is Bertha Rodriguez Esteves.
- 2) Tashota Resources Corp. has over 550 shareholders.
- 3) The beneficial owner of Echo Ridge Resources Inc. is Tyler Elbourne.
- 4) Based on the numbers of Common Shares issued and outstanding as of the date hereof.

3.2 Management Experience

The following table discloses background and the principal occupations of the directors and executive officers of the Issuer over the past five years:

Name	Principal occupation and related experience
Charles J. Elbourne, CEO & Director	Mr. Elbourne has over 45 years' experience in the investment industry, including 25 years involvement in mining. Mr. Elbourne has demonstrated considerable expertise in identifying exploration properties and negotiating acquisitions; assembling management teams, including geological and mining experts. Mr. Elbourne started his career in the investment industry at Nesbitt Thompson Securities Ltd. while continuing with postgraduate studies at the University of Ottawa. Mr. Elbourne completed his B. Comm. Diploma in Management Sciences, including a Masters in Business,

Name	Principal occupation and related experience
	<p>with a concentration in Finance & Philosophy. He has also completed many industry related courses including the Canadian Securities Course, the NYSE Securities Examination and the New York Institute of Finance (Securities Analysis Course). Subsequently, Mr. Elbourne spent 10 years as a Director and Resident Sales Manager of Deacon Hodgson, a national brokerage firm, and four years with Burns Fry, Yorkton and St. Lawrence Securities from which he eventually resigned to start his own financial planning firm and securities dealer; Tax Advantages Inc. (a registered mutual fund dealer), C. J. Elbourne Securities Inc. (a licensed Securities Dealer), and Greentree Insurance Agency Ltd.</p> <p>From 2001-2004, Mr. Elbourne worked in commercial realty under the umbrella of Coldwell Banker. In 2005, he returned to investment banking and provided consulting services to various Canadian junior exploration companies seeking capital raising advice.</p>
<p>Dr. Mary Louise Hill, Director</p>	<p>Mary Louise Hill is a Professor of Geology at Lakehead University with strong ties to the minerals industry. She currently serves as a Director for the Prospectors and Developers Association of Canada. She also serves on the Board of Governors for Lakehead University and represents the university as Lakehead's Academic Colleague on the Council of Ontario Universities. From 1999 to 2004 Mary Louise served as Vice-President (Academic) and Provost at Lakehead University. As VP and Provost, she managed a budget exceeding \$50 million per year. For sixteen years prior to her appointment at Lakehead she served on the faculty and in various academic administrative positions at Temple University in Philadelphia. Dr. Hill has a PhD in Geology from Princeton University, Princeton NJ (1985) and an HBSc also in Geology from Carleton University, Ottawa ON (1978). Dr. Hill has, and continues to, serve on various not-for-profit boards and councils. She has authored or co-authored a dozen academic papers on mining for precious metals and she has conducted research funded by major mining companies.</p>
<p>Gerry D. White, P.Geo., B.Sc., Director</p>	<p>Mr. White is professionally registered geologist and active member of the Association of Professional Geoscientists of Ontario. He has worked with and advised members of the exploration and mining community extensively for the past 37 years in both the Ontario Geological Survey (OGS) and the private sector. During this time, he has been involved with all aspects of the exploration process, from the sampling and mapping of small mineral occurrences to the location of diamond drill holes on advanced projects. He has continued to update his knowledge of geological principles and practices by attending various short courses and workshops covering ore deposit modeling, VMS, lode gold and Cu-Ni-PGE deposits, and geophysics in exploration. Mr. White has also dealt with numerous First Nation issues and provided ongoing consultations in this arena. His working knowledge of the Mining Act has been used to advise exploration clients on staking regulations, assessment work requirements and advanced exploration issues. Mr. White has authored and co-authored several reports on natural resources. He has a number of professional mining industry affiliations and holds a Bachelor of Science (Geology) Degree, from the University of Manitoba (1979).</p>
<p>Quentin A. Snider, Director</p>	<p>Mr. Snider has 35 years' experience in the Woodlands where he worked as a mining camp and production foremen and for 15 years' he was the Band Administrator for the Lac des Mille Lacs First Nation. As the Band Administrator, he was the lead negotiator for the Lac des Mille Lacs First Nation on their flood claim negotiations with the Provincial and Federal Governments (a settlement agreement is now in place). In this capacity, he was also deeply involved in the development and signing of MOU's, Joint Ventures and Resource Sharing Agreements with industry partners in the Mining Sector.</p>

3.3 Penalties, Sanctions and Bankruptcy

No director, executive officer or control person of the Issuer and no issuer of which a director, executive officer or control person of the Issuer was a director, executive officer or control person at the relevant time:

- (a) has incurred or is subject to any penalty or sanction that has been in effect during the last 10 years, or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past 10 years; or
- (b) has declared bankruptcy, has voluntarily made an assignment in bankruptcy, has made a proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver

manager or trustee to hold assets, that has been in effect during the last 10 years.

3.4 Loans

Except as noted in Section 2.8, as at June 30, 2017, no debentures or loans were due to or from any directors, management, promoters, or principal holders of the Company.

On April 1, 2017, the Company converted a loan amount of \$100,000 to Charles Elbourne, CEO and director of the Company, into equity shares by issuing Charles Elbourne 2,500,000 common shares.

ITEM 4. CAPITAL STRUCTURE

4.1 Share Capital

The following table provides information about outstanding securities of the Company (including options, warrants and other securities convertible into shares). The Company is authorized to issue an unlimited number of Class A Common Shares, an unlimited number of Class B Common Shares, an unlimited number of class A preferred shares ("**First Preferred Shares**") and an unlimited number of class B preferred shares ("**Second Preferred Shares**"), each issuable in series. Common Shares and Warrants are the only securities issued and outstanding.

Description of security	Number authorized to be issued	Price per Security ⁽¹⁾	Number outstanding as at June 30, 2017	Number outstanding after Min. Offering	Number outstanding after Max. Offering
Class A Common Shares	Unlimited	\$0.0375	15,256,633	15,256,633 ⁽³⁾	23,589,967
Class B Common Shares	Unlimited	N/A	Nil	Nil	Nil
First Preferred Shares	Unlimited	N/A	Nil	Nil	Nil
Second Preferred Shares	Unlimited	N/A	Nil	Nil	Nil
Warrants	Up to 10,000,001	\$0.15	500,000	500,000	7,166,667
Promissory Note	\$20,000 CAD	\$20,000	1	1	1

Notes:

- 1) Weighted average issue price per Common Share.
- 2) The Company also has no warrants for the purchase of Common Shares outstanding.
- 3) Consists of 14,756,633 common shares issued and outstanding at June 30, 2017 plus the 500,000 Common Shares issued upon the close of the private placement on August 11, 2017.
- 4) The Company issued a demand unsecured promissory note to Brooks McDermott on August 4, 2017 in the principal amount of \$20,000 CAD due on demand and accrues interest at 10% per annum.

4.2 Long Term Debt Securities

The Company has no outstanding long-term debt securities.

4.3 Prior Sales

The following table provides information about the issuance of securities of a class being offered under the Offering Memorandum (or convertible or exchangeable into the class being offered under the Offering Memorandum) within the last 12 months:

Date of issuance	Type of security issued	Number of securities issued	Price per security (\$)	Total Funds Received
April 1, 2017	Common Shares	2,500,000	\$0.04	\$100,000 ⁽¹⁾
April 1, 2017	Common Shares	2,500,000	\$0.02	\$50,000 ⁽²⁾
April 1, 2017	Common Shares	1,250,000	\$0.02	\$25,000 ⁽³⁾
April 1, 2017	Common Shares	5,000,000	\$0.039407178	\$ 197,035.89 ⁽⁴⁾
April 1, 2017	Common Shares	1,250,000	\$0.02	\$25,000 ⁽⁵⁾
April 1, 2017	Common Shares	1,250,000	\$0.10	\$125,000 ⁽⁶⁾
August 11, 2017	Units ⁽⁷⁾	500,000	\$0.10	\$50,000
Total		14,250,000		\$675,000

Notes:

- 1) Conversion of loan of \$100,000 from Charles E. Elbourne to Common Shares of TGI.
- 2) Conversion of loan of \$50,000 from Echo Ridge Resources Inc. to Common Shares of TGI.
- 3) Conversion of loan of \$25,000 from Bertha Rodriguez Estevez to Common Shares of TGI.
- 4) Purchase of a promissory note from Tashota Resources Inc. for the issuance of 5,000,000 Common Shares of TGI.
- 5) Conversion of loan of \$25,000 from Advantdel Dominican SRL to Common Shares of TGI.
- 6) Acquisition of interest by TGI from Tashota Resources Inc. in exchange for Common Shares of TGI.
- 7) 500,000 Units were issued to subscribers pursuant to a private placement and accepted by the Company on August 11, 2017. Each unit consisted of 1 Common Share and 1 common share purchase warrant exercisable into one Common Share of the Company at \$0.15 and expire on August 31, 2018.

ITEM 5. SECURITIES OFFERED

5.1 Terms of Securities

TGI is offering to sell up to 5,000,000 units (the "Units") and up to 3,333,334 flow-through units (the "F/T Units") at a price of \$0.10 per Unit and \$0.15 per F/T Unit. Each Unit will consist of one (1) common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to purchase one (1) common share of the Company (a "Warrant Share") at a price of \$0.15 per Warrant Share. Each FT Unit will consist of one (1) common share of the Company issued on a flow-through basis (a "FT Share") and one half of one share purchase warrant (a "F/T Warrant"). Each whole F/T Warrant will entitle the holder thereof to purchase one (1) common share of the Company (each whole F/T Warrant, a "F/T Warrant Share") at a price of \$0.20 per F/T Warrant Share. The Warrants and F/T Warrants will expire on August 31, 2018. The F/T Warrant Shares will not be flow-through shares. The Warrants and F/T Warrants are subject to an acceleration should the stock of Trojan trade on an exchange for five (5) or more consecutive days at a price of \$0.30 or greater; in such event the Company may, at its option, provide written notice to the holder requiring that the Warrants or F/T Warrants, as applicable, be exercised within 30 days of the date of the notice, failing which the Warrants or F/T Warrants, as applicable, shall immediately thereafter expire.

Until the Warrants are exercised, holders of Warrants are not entitled to vote at any meeting of shareholders of the Company.

5.2 Subscription Procedure

You may subscribe to this Offering by returning to us at Marina Del Rey Professional Centre, 517-2275 Lakeshore Blvd. West, Toronto, ON M8Y 3Y3 the following:

- (a) a fully completed subscription agreement, including all applicable schedules, exhibits and appendices; and
- (b) a bank draft or wire transfer in the amount of your investment plus any applicable fees, expenses and/or commissions payable to "Trojan Gold Inc."

TGI will hold your subscription funds in trust until midnight on the second business day after the day it receives your signed subscription agreement and the funds.

TGI reserves the right to accept or reject subscriptions in whole or in part at its discretion and to close the subscription books at any time without notice. Any subscription funds for subscriptions that the Issuer does not accept will be returned promptly after such decision is made.

ITEM 6. INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

Certain Canadian Federal Income Tax Considerations

In the opinion of the Company, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to an investment in Units pursuant to this Offering Memorandum, by a purchaser who, at all relevant times, deals at arm's length and is not affiliated with the Company and who will acquire and hold the Common Shares and Warrants that make up the Units as capital property (each, a "Holder"), all within the meaning of the *Income Tax Act* (Canada) (the "Tax Act"). Common Shares and Warrants will generally be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business or has acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

In this tax summary section, discussion in relation to Common Shares that have been issued on a flow-through basis may be referred to as "Flow-Through Shares" where it is necessary to distinguish them from Common Shares of the Company that have not been issued on a flow-through basis pursuant to the Tax Act.

This summary does not apply to a Holder, (i) that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) an interest in which is or would constitute a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; (iv) that reports its Canadian tax results in a currency of a country

other than Canada; (v) that is a "principal business Company" within the meaning of the Tax Act; (vi) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill or take minerals, oil, natural gas or other related hydrocarbons; (vii) that is a partnership or trust; or (viii) that is not a resident of Canada for purposes of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and the regulations thereunder (the "**Tax Proposals**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Tax Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein.

This summary assumes that the Company will make all tax filings in respect of the Flow-Through Shares and the renunciation of CEE in the manner and within the time required by the Tax Act and that all renunciations will be validly made. While the Company has agreed to furnish each Holder of Flow-Through Shares with information relevant to the Holder's Canadian federal and provincial income tax returns, the preparation and filing of those returns will remain the responsibility of each Holder. This summary further assumes that the Company will incur (or will be deemed to have incurred) sufficient CEE which qualifies as a "flow-through mining expenditure" ("**Qualifying Expenditures**") to enable it to renounce to Holders of Flow-Through Shares all of the expenses covenanted to be renounced by the Company pursuant to subscription agreements in connection with this Offering.

This summary is based on the representation of the Company that it is and will be a "principal-business Company" for the purposes of the Tax Act at all material times. This summary also assumes that any Flow-Through Shares will not be "prescribed shares" within the meaning of the relevant provisions of the Tax Act when they are issued and that all expenses herein discussed are reasonable in amount. No opinion is expressed regarding any of the assumptions made in this discussion of income tax considerations. If any of the above assumptions are incorrect, the Company may be unable to renounce some or all of the CEE which it has agreed to renounce in the subscription agreements.

The Canadian federal income tax consequences to a particular Holder will vary depending on a number of factors, including the province where a particular Holder resides, carries on business or has a permanent establishment and the amount that would be the Holder's taxable income but for the subscription for Flow-Through Shares. The following discussion of the income tax consequences is, therefore, of a general nature only, is not exhaustive of all the income tax consequences and is not intended to constitute income tax advice to any particular Holder. Accordingly, Holders should consult their own income tax advisors.

Acquisition of Units

The total purchase price of a Unit to a Holder must also be allocated on a reasonable basis between the Flow-Through Share and the Warrant to determine the cost of each for purposes of the Tax Act. For its purposes, the Company intends to allocate 99.99% of the issue price of each Unit as consideration for the issue of each Flow-Through Share and 0.01% of the issue price of each Unit for the issue of one Warrant.

However, the initial cost of a Flow-Through Share for the purposes of the Tax Act is deemed to be nil. The Holder's adjusted cost base of a Flow-Through Share will be determined by averaging the adjusted cost base to the Holder of all Common Shares of the Company owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Common Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Common Share. The Holder's adjusted cost base of the Common Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares of the Company owned by the Holder as capital property (including Common Shares issued on a flow-through basis) immediately prior to such acquisition.

Disposition and Expiry of Warrants

A disposition or deemed disposition by a Holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's adjusted cost base of the Warrant. In the event of the expiry of an unexercised Warrant, the Holder will realize a capital loss equal to the Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dispositions of Common Shares

A disposition or deemed disposition by a Holder of Common Shares will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such Holder's adjusted cost base of such shares. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

A Holder who disposes of Flow-Through Shares will retain the entitlement to receive renunciations of CEE from the Company as described below as well as the ability to deduct any CEE previously deemed to have been incurred by the Holder and a subsequent purchaser of such shares will not be entitled to any renunciations of CEE.

Capital Gains and Capital Losses

One-half of any capital gain will be included in income as a taxable capital gain and one-half of any capital loss may normally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the provisions of the Tax Act in that regard.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a Holder that is a Company may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstances described in the Tax Act. Similar rules may apply where a Holder that is a Company is a member of a partnership or beneficiary of a trust that owns such shares.

A Holder that is throughout the relevant taxation year a "Canadian-controlled private Company" (as defined in the Tax Act) may also be liable to pay an additional refundable tax of 6½% of its "aggregate investment income" for the year, which will include taxable capital gains. This refundable tax generally will be refunded to a corporate Holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private Company.

Individuals (other than certain trusts) may be subject to alternative minimum tax in respect of realized capital gains (see below under the heading "**Alternative Minimum Tax**").

Renunciation of CEE in Respect of Flow-Through Shares

Subject to certain limitations and restrictions contained in the Tax Act, a principal-business Company that incurs CEE pursuant to an agreement for the issue of its "flow-through shares" will be entitled to renounce such CEE to the initial holder of the flow-through shares and the CEE so renounced will be deemed to have been incurred by such holder as CEE on the effective date of the renunciation.

The Tax Act contains a one-year "look-back" rule which, if certain conditions are satisfied, will permit the Company to renounce CEE incurred by it in 2018 to Holders of Flow-Through Shares effective on December 31, 2017. In other words, Holders of Flow-Through Shares would be deemed to have incurred the CEE on December 31, 2017 even though the Company would not have incurred the expenditures until 2018. For this rule to apply in respect of CEE incurred in 2018, the Holder must have paid the consideration in money for the share before the end of December 31, 2017, and a subscription agreement must have been entered into prior to said date.

In the event that the Company does not incur CEE during 2018, at least equal to the amounts renounced under the one year "look-back" rule, the Company will be required to reduce the amount of CEE renounced to the Holders and the Holders' income tax returns for the years in which the CEE was claimed will be reassessed accordingly. A Holder will not be subject to any penalties for any such reassessment and will not be subject to any interest charges for any additional taxes payable if such taxes are paid by an individual Holder on or prior to April 30, 2019.

CEE deemed to have been incurred by a Holder will be added to the cumulative CEE ("**CCEE**") account of such Holder. A Holder may deduct in computing income from all sources for a taxation year such amount as may be claimed not exceeding 100% of the balance in the Holder's CCEE account at the end of a taxation year. To the extent that a Holder does not deduct the balance of the Holder's CCEE account at the end of a taxation year, the balance will be carried forward and may be deducted by the Holder in subsequent taxation years in accordance with the provisions of the Tax Act.

The CCEE account of a Holder is reduced by the amount deducted by him, her or it in prior years and by the amount of any assistance that the Holder receives or is entitled to receive in respect of CEE included in the CCEE account. If the balance of the Holder's CCEE account is "negative" at the end of a taxation year, which may occur if the Holder receives or becomes entitled to receive assistance payments which relate to CCEE incurred in a prior year or if there are other adjustments to that CCEE account, the "negative" amount must be included in the Holder's income for that taxation year, and the balance of the Holder's CCEE account then becomes nil. The right to deduct CCEE accrues to the initial purchaser of Flow-Through Shares and is not transferable.

A Holder's CCEE account will be reduced by the amount of any assistance, including grants and investment tax credits, that the Holder has received or is entitled to receive in respect of CEE (see discussion below under "**Investment Tax Credits**").

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate purchaser. Corporate purchasers should consult their own tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

Investment Tax Credits

Individual subscribers (other than trusts) who acquire Flow-Through Shares from the Company will be entitled to claim a non-refundable investment tax credit equal to 15% of the CEE renounced to them that relates to "Qualifying Expenditures" less the amount of any assistance (which may include provincial tax credits) that the subscriber receives or may receive in respect of Qualifying Expenditures. The investment tax credit may be applied to offset federal income tax payable for a taxation year to the extent it exceeds the individual's alternative minimum tax for that year and may be applied in the year CEE is renounced to the individual, the following ten years, or in the prior three years. The individual's CCEE balance will be reduced by the amount of the tax credit for years following the year in which the credit is claimed (see discussion above concerning CCEE).

Alternative Minimum Tax

Under the Tax Act, taxes payable by an individual and by most trusts will be the greater of the taxes otherwise determined and an alternative minimum tax computed by reference to such individual's adjusted taxable income for the taxation year in excess of a \$40,000 exemption and reduced by certain tax credits. In calculating adjusted taxable income for the purpose of computing the minimum tax, certain deductions and credits otherwise available are disallowed and certain amounts not otherwise included in income are included.

The disallowed items include deductions claimed by the individual in respect of CEE in a particular taxation year to the extent such deductions exceed the individual's resource income (including income attributable to a disposition of Canadian resource properties) in that year. Whether and to what extent the tax liability of a particular Holder will be increased by the alternative minimum tax will depend on the amount of such Holder's income, the sources from which it is derived, and the nature and amounts of any deductions such Holder claims.

Any additional tax payable by an individual for the taxation year resulting from the application of the alternative minimum tax will be deductible in any of the seven immediately following taxation years in computing the amount that would, but for the alternative minimum tax, be such individual's tax otherwise payable for any such year to the extent that such tax payable exceeds the individual's alternative minimum tax calculation for that particular year.

Cumulative Net Investment Loss

One-half of the amount of the CEE renounced to a Holder will be added to the Holder's cumulative net investment loss ("CNIL") account, within the meaning of the Tax Act. A Holder's CNIL account may impact a Holder's ability to access the \$750,000 lifetime capital gains exemption available on the disposition of certain qualified small business Company shares and farm property.

Not all securities are eligible for investment in a registered retirement savings plan (RRSP) or any other deferred tax plan. You should consult your own professional advisers to obtain advice on the eligibility of these securities.

ITEM 7. COMPENSATION PAID TO SELLERS AND FINDERS

The Company may pay a commission or finder's fee of cash in connection with the Offering of up to ten percent (10%) of the value of the securities purchased in the Offering. The Company may also issue broker's warrants of up to 10% of the number of the securities sold in the Offering at the same price as the Offering price. Each broker warrant entitles the holder thereof, upon exercise, to purchase one (1) additional Common Share at an exercise price of \$0.15 per Common Share up until 5:00 p.m. (Toronto time) on August 31, 2018.

ITEM 8. RISK FACTORS

An investment in securities of the Company is highly speculative and involves significant risks. Any prospective investor should carefully consider the risk factors set forth below and all of the other information contained in this document before purchasing any securities of the Company under this Offering. If any event arising from these risks occurs, the Company's prospects, financial condition or results of operations could be adversely affected, the value of the Common Shares could decline and all or part of any investment may be lost. The risks described herein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business.

The securities offered are highly speculative in nature and you could lose part or all of your investment.

An investment in the securities offered involves a high degree of risk and is appropriate only for investors who are prepared to have their money invested for a long period of time, and have the capacity to absorb a loss of some or all of their investment. Because there is no public trading market for the Common Shares and because there are resale restrictions, you may not be

able to resell any Common Shares. There is no public trading market for the securities we are offering. This means that there is no central place, like a stock exchange or stock quotation system, to resell your shares. In addition, there are restrictions on the resale of the shares which may make it difficult or impossible for you to sell your shares. See Item 10 – Resale Restrictions for details. This means that even if you locate a buyer and negotiate your own sale, you may still not be allowed to resell your securities. In addition, there is no obligation on the Company to repurchase from you any securities that you may buy.

We do not expect to pay any cash dividends.

We may not achieve a level of profitability to permit payments of cash dividends to shareholders.

Arbitrary price for securities.

The price for the securities we are offering was arrived at arbitrarily and may not bear relationship to the actual value of the Company. The offering price bears no necessary relationship to the Company's assets, book value, net worth or any other recognized criterion of value. Among factors considered by us in determining the offering price were estimates of our business potential, our financial resources, the amount of equity and control desired to be retained by our present shareholder, and the general condition of the securities markets.

If we do not obtain additional financing, our business may fail.

Our current operating funds are less than necessary to carry out any exploration on our mineral claims, and therefore we will need to obtain additional financing in order to do a proper exploration program. As of the date hereof, we have cash in the amount of \$30,664. We expect that the exploration of our mineral claims will cause the Company to incur significant expenses. We believe the only realistic sources of future funds presently available to us are through the sale of equity capital or from loans. Any sale of share capital will result in dilution to existing shareholders. At the present time, we have not made any plans to raise additional money and there is no assurance that we would be able to raise additional money in the future.

If we need additional money and can't raise it, we will have to suspend or cease operations, which could adversely affect our share price. In addition, depending on the number of properties that we may acquire and their size, we may not have sufficient funds to maintain the minimum exploration expenditures required for us to keep such property(ies). This may cause us to lose our rights to any properties that we may acquire, which could further adversely affect our share price.

The Company has no operating history or revenue which would permit you to judge the probability of our success.

The Issuer was incorporated in October 2012 and it has not commenced substantial operations, other than some initial exploration work. We have not realized any revenues. We have no operating history or any revenues or profits from operations since our incorporation. Our lack of operating history makes it very difficult for you to make an investment decision based upon an evaluation of our managerial skill. In the event our business fails as a result of our lack of experience, you could lose your entire investment.

We are subject to risks inherent in the establishment of a new business enterprise.

We are subject to risks inherent in the establishment of a new business enterprise including limited capital resources, possible delays in the exploration of any properties that we may acquire, and possible cost overruns. If we are not able to address these events, should they occur, we may have to curtail or suspend our operations.

Our property does not contain a known commercially viable mineral deposit.

We hold, either directly or under option, mining claims but such claims do not contain any known commercially viable mineral deposits. Both the size of a deposit and the cost of extracting ore are key factors in determining whether a mineral deposit is commercially viable. If we do not find any viable mineral reserves on the claims or if we cannot develop a mineral reserve that may be found, either because of insufficient funds or because it will not be economically feasible to do so, we may have to cease operations and you could lose your entire investment.

Management and Directors.

Our management has never before successfully managed a profitable mining company but has specific mining expertise. Our management may not be successful in managing our business and the Company may fail as a result which could cause you to lose your entire investment. Our management is under no contractual obligation to remain with us and management's departure could cause our business to fail. We are dependent on the services of directors and officers who have varied business interests and are involved with other companies. No member of management has signed a written employment agreement with us and we may not always be able to afford to pay our management at industry-competitive rates. In the event that any or all of our directors and officers decide to resign, we may be unable to attract other qualified officers or directors, and their departure could cause our business to fail.

Compared to other mineral exploration companies, we are very small, have few resources and we must limit our exploration.

We are a small, junior mineral exploration company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. We do not have the human resources or financial resources to compete with senior mineral exploration companies, which could and probably would spend more time and money exploring mineral exploration properties and have better odds of finding a mineral reserve. As a result, we must limit our exploration and we may be unsuccessful in finding a mineral reserve or, if we do, we may not have sufficient financial resources or management expertise to effectively develop such a reserve, which means that you could lose a portion or all of your investment.

We will have to suspend our exploration plans if we do not have access to all of the supplies and materials we need.

Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies, and equipment that we might need to conduct exploration. If we cannot find the products and equipment we need, we will have to suspend our exploration plans until we do find the products and equipment we need. This could have a negative impact on our share price.

There are inherent dangers involved in mineral exploration and we face a risk that we may incur liability or damages as we conduct our business.

The search for valuable minerals involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material adverse effect on our financial position.

If we become subject to burdensome government regulation or other legal uncertainties, our business will be negatively affected.

There are numerous provincial and federal governmental regulations that materially affect the operations of mineral exploration and mining companies. In addition, the legal and regulatory environment that pertains to the exploration and development of mineral exploration properties is uncertain and may change. Uncertainty and new regulations could increase our costs of doing business and prevent us from exploring or developing mineral deposits. The growth of demand for minerals may also be significantly slowed. This could delay growth in potential demand for and limit our ability to generate revenues. In addition to new laws and regulations being adopted, existing laws may be applied to mineral exploration activities that are carried out by companies such as us, which may negatively affect us. New laws may be enacted that may increase our cost of doing business with the result that our financial condition and operating results may be harmed.

New mineral exploration companies have a high failure rate.

Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we hope to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. Very few mineral exploration properties actually contain commercially viable mineral deposits. We have no history upon which to base any assumption as to the likelihood that our business will prove successful, and we can provide no assurance to investors that we will generate any operating revenues or ever achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

Fluctuations in metal prices may adversely affect TGI's prospective revenue, profitability and working capital position.

The Company's future revenues and cash flows are subject to fluctuations in commodity prices. Metal prices are affected by a variety of factors beyond the Company's control including interest rate changes, exchange rate changes, international economic and political trends, inflation or deflation, fluctuations in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, changes in industrial demand and the political and economic conditions of major metal producing countries throughout the world.

The Company will require significant capital in the future which may not be available or not available on terms acceptable to the Company.

The Company will be subject to significant capital requirements associated with expanding its operations and its portfolio of projects. The Company must utilize available financing sources to finance the development and exploitation of its projects.

TGI's exploration and development properties may not be successful and are highly speculative in nature.

The Company's activities are focused on the exploration for and the possible future development of mineral deposits. The exploration for, and development of, precious metal deposits involves significant risks which even a combination of careful evaluation, experience and knowledge cannot eliminate. While the discovery of a precious metal deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a precious metal deposit will be commercially viable depends on a number of factors,

some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical and unpredictable; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of precious metals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or abandoning or delaying the development of a mineral project. There is no certainty that the expenditures made by the Company towards the search and evaluation of precious metal deposits will result in discoveries of commercial quantities of such metals.

The exploration and development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. Although the mineral resource figures set out herein have been carefully prepared by independent mining experts, these amounts are estimates only and no assurance can be given that an identified mineral resource will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in reserves or resources, grades, dilution estimates or recovery rates may affect the economic viability of a project. The estimated resources incorporated by reference in this Offering Memorandum should not be interpreted as assurances of mine life or of the profitability of future operations. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish mineral resources through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Government regulations may have an adverse effect on TGI.

The mining, processing, development and exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could have an adverse effect on the Company's financial position and results of operations.

Environmental and other regulatory risks may adversely affect TGI.

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will likely require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, although such hazards have not been detected by a thorough environmental baseline study conducted by independent engineers on the Tashota Property, which is the only one of the Company's properties known to have undergone any prior development work, and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent that such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its operations or from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in

development of new mining properties. There can be no assurance that TGI will continue to hold all permits necessary to develop or continue operating at any particular property.

The Company's operations are subject to receiving and maintaining permits from appropriate governmental authorities. Although the Company's operations currently have all required permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will continue to hold all permits necessary to develop or continue operating at any particular property.

Climate change may adversely affect TGI.

Governments are moving to enact climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulations relating to emission levels and energy efficiency are becoming more stringent. Some of the costs associated with meeting more stringent regulations can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, meeting more stringent regulations is anticipated to result in increased costs.

Title to some of the Company's mineral properties may be challenged or defective.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mining claims may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of such properties will not be challenged or impaired. Third parties may have valid or invalid claims underlying portions of our interest, including prior unregistered liens, agreements, transfers or claims, including formal aboriginal land claims, informal aboriginal land claims accompanied by hostile activity, and title may be affected by, among other things, undetected defects. As a result, we may be constrained in our ability to operate our properties or unable to enforce our rights with respect to our properties. An impairment to or defect in our title to our properties could have a material adverse effect on our business, financial condition or results of operations.

TGI relies on its directors and management team and the loss of one or more persons may adversely affect TGI.

The Company's business is dependent on retaining the services of a small number of key personnel of the appropriate caliber as the business develops. The success of the Company is, and will continue to be to a significant degree, reliant upon such key personnel.

Current global financial conditions may adversely impact TGI and the value of the Common Shares.

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both the credit market crisis and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value of the Common Shares could be adversely affected.

Obtaining and Renewing Licenses and Permits

In the ordinary course of business, the Company will be required to obtain and renew governmental licenses or permits for exploration, development, construction and commencement of mining at the Hemlo South Property. Obtaining or renewing the necessary governmental licenses or permits is a complex and time consuming process involving public hearings and costly undertakings on the part of the Company. The duration and success of the Company's efforts to obtain and renew licenses or permits are contingent upon many variables not within the Company's control, including the interpretation of applicable requirements implemented by the licensing authority. The Company may not be able to obtain or renew licenses or permits that are necessary to its operations, including, without limitation, an exploitation license, or the cost to obtain or renew licenses or permits may exceed what the Company believes they can recover from the Hemlo South Property. Any unexpected delays or costs associated with the licensing or permitting process could delay the development or impede the operation of a mine, which could adversely impact the Company's operations and profitability.

Risks Inherent in Acquisitions

The Company may actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which the Company may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of

- acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on its financial condition.

Dilution

Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Shares from time to time pursuant to Share purchase warrants and the options to purchase Shares issued from time to time by the Board. The issuance of these Shares could result in dilution to holders of Shares.

Future Sales by Existing Shareholders Could Cause Share Price to Fall

Future sales of Common Shares by the Company or other shareholders could decrease the value of the Common Shares. The Company cannot predict the size of future sales by the Company or other shareholders, or the effect, if any, that such sales will have on the market price of the Common shares. Sales of a substantial number of Common shares, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common shares.

Profitability of the Company

There can be no assurance that the Company's business and strategy will enable it to become profitable or sustain profitability in future periods. The Company's future operating results will depend on various factors, many of which are beyond the Company's direct control, including the Company's ability to develop its mining projects and commercialize Mineral Reserves, its ability to control its costs, the demand and price for gold and general economic conditions. If the Company is unable to generate profits in the future, the market price of the Common Shares could decline.

Insurance and Uninsured Risks

The Company is exposed to risks inherent in the mining industry, including adverse environmental conditions and pollution, personal injury or death, labour disputes, unusual or unexpected geological conditions, legal liability, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, property damage, floods, earthquakes, delays in mining and monetary losses and dust storms.

While the Company has obtained insurance to address certain risks in such amounts as it considers being reasonable, such insurance has limitations on liability that may not be able to cover all the potential liabilities and the insurance may not continue to be available or may not be adequate to cover any resulting liability. Moreover, such risks may not be insurable in all instances or, in certain instances, the Company may elect not to insure against certain risks because of high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company and the occurrence of an event in which the Company is not fully insured against, could have a material adverse effect upon its business, operating results and financial condition.

Indigenous Land Claims

The Hemlo South Property may now or in the future be the subject of Indigenous land claims. The legal nature of Aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Hemlo South Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of Aboriginal rights in the area in which the Hemlo South Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of Aboriginal interests in order to facilitate exploration and development work on the Hemlo South Property, there is no assurance that the Company will be able to establish a practical working relationship with the Indigenous in the area which would allow it to ultimately develop the Hemlo South Property.

The Company is Dependent on Information Technology Systems

The Company's operations depend, in part, upon information technology systems. The Company's information technology

systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. Although to date the Company has not experienced any material losses relating to information technology system disruptions, damage or failure, there can be no assurance that it will not incur such losses in future. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's systems and networks, any of which may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Legal proceedings may arise from time to time in the course of the Company's business. Such litigation may be brought from time to time in the future against the Company. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Other than as disclosed elsewhere in this Prospectus, the Company is not currently subject to material litigation nor has the Company received an indication that any material claims are forthcoming. However, due to the inherent uncertainty of the litigation process, the Company could become involved in material legal claims or other proceedings with other parties in the future. The results of litigation or any other proceedings cannot be predicted with certainty. The cost of defending such claims may take away from management's time and effort and if the Company is incapable of resolving such disputes favourably, the resultant litigation could have a material adverse impact on the Company's financial condition, cash flow and results from operation

Dependence on Outside Parties

The Company has relied upon consultants, engineers, contractors and other parties and intends to rely on these parties for exploration, development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish Mineral Reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and mineral processing infrastructure at any particular site. Deficient or negligent work or work not completed in a timely manner could have a material adverse effect on the Company.

Risks related to Possible Fluctuations in Revenues and Results

The Company may experience significant fluctuations in its quarterly and annual results of operations for a variety of reasons, many of which are outside of the Company's control. Any fluctuations may cause the Company's results of operations to fall below the expectations of securities analysts and investors. This would likely affect the ability of a purchaser to dispose of the Company's shares or the market price of the shares if trading of them is possible in a marketplace.

Potential Conflicts of Interest

The Company may be subject to potential conflicts of interests, as certain directors of the Company are, and may continue to be, engaged in the mining industry through their participation in corporations, partnerships or joint ventures, which are potential competitors of the Company. Situations may occur in relation to potential transactions or investments where the other interests of these directors may conflict with the interests of the Company.

Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of gold on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Land Reclamation Requirements May Be Burdensome

Land reclamation requirements are generally imposed on companies with mining operations or mineral exploration companies in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations imposed on the Company in connection with exploration, potential development and production activities, the Company must allocate financial resources that might otherwise be spent on exploration and development programs. If the Company is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

Health & Safety

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an

interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety Permits. The potential costs and delays associated with compliance with such laws, regulations and Permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any noncompliance therewith may adversely affect the Company's business, financial condition and results of operations. Amendments to current laws, regulations and Permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Competition

The mining industry is extremely competitive. The Company competes with other companies, some which have greater financial, operational expertise, technical capabilities and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will be able to compete effectively with these companies.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power sources are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Trends, Risks and Uncertainties

The Company has sought to identify what it believes to be the most significant risks to its business, but it cannot predict whether, or to what extent, any of such risks may be realized nor can the Company guarantee that it has identified all possible risks that might arise. Subscribers should carefully consider all of such risk factors before making an investment decision with respect to the Company's common shares.

ITEM 9. REPORTING OBLIGATIONS

We are not required to send you any documents on an annual or ongoing basis. For greater certainty, other than the requirement in the *Business Corporation Act* (Alberta) to send shareholders TGI's annual financial statements, TGI is not a reporting issuer and accordingly is not required to send you any documents on an annual or ongoing basis.

Mining claims held by the Company are mostly registered in the names of the optionors or assignors of the claims. Interested investors may check registered claim holders at the following websites:

In Ontario at <http://www.mndm.gov.on.ca/en/mines-and-minerals/applications/claimaps> (via a map-based search function) or at http://www.mci.mndm.gov.on.ca/claims/clm_mmnen.cfm (via a text-based search). Interested investors should note that while titles to leased mining claims are registered through provincial land registry systems, the title information on the Ontario websites cited here is a summary, and cannot be relied upon for legal title searches. It should also be noted that the websites identified here show only the recorded holders of leased and un-leased mining claims, and do not document assignment, conveyance or option agreements.

ITEM 10. RESALE RESTRICTIONS

The securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

Unless permitted under securities legislation, the holder of the securities must not trade the security before the date that is 4 months and a day after the later of (i) the date of issuance of the security, and (ii) the date the issuer became a reporting issuer in any province or territory.

The Company will not become a reporting issuer upon completion of this Offering and does not currently anticipate ever becoming a reporting issuer. **THE RESALE RESTRICTION ON THE SECURITIES MAY THEREFORE NEVER EXPIRE.**

ITEM 11. PURCHASERS' RIGHTS

If you purchase these securities, you will have certain rights, some of which are described below. For complete information about your rights, you should consult a lawyer.

11.1 Two-Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

Alberta.

If you are a resident of Alberta, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue (a) the Issuer to cancel your agreement to buy the Units and/or FT Units, or (b) for damages against the Issuer, every person who was a director of the Issuer at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuer, you will have no right of action against the persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

British Columbia

If you are a resident of British Columbia, and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue (a) the Issuer to cancel your agreement to buy the Units and/or FT Units, or (b) for damages against the Issuer, every person who was a director of the General Partner at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities. Additionally, if you elect to exercise a right of rescission against the Issuer, you will have no right of action against the Persons described in (b) above.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the date that you purchased the securities. You must commence your action for damages within the earlier of 180 days after you first had knowledge of the facts giving rise to the cause of action and three years after the day you purchased the securities.

Manitoba

In accordance with Section 141.1 of the *Securities Act* (Manitoba) (the “**Manitoba Act**”), if this Offering Memorandum contains a misrepresentation (as defined in the Manitoba Act), a Subscriber who purchases Units and/or FT Units offered by this Offering Memorandum is deemed to have relied on the representation if it was a misrepresentation at the time of purchase, and the Subscriber has (a) a right of action for damages against (i) the Issuer; and (ii) every person or Issuer who signed this Offering Memorandum; or (b) a right of rescission against the Issuer.

If the Subscriber chooses to exercise a right of rescission against the Issuer, the Subscriber has no right of action for damages against a person or Issuer referred to above.

If a misrepresentation is contained in a record that is incorporated by reference in, or that is deemed to be incorporated into, this Offering Memorandum, the misrepresentation is deemed to be contained in this Offering Memorandum.

If a misrepresentation is contained in this Offering Memorandum, no person or Issuer is liable:

- (a) if the person or Issuer proves that the Subscriber had knowledge of the misrepresentation;
- (b) other than with respect to the Issuer, if the person or Issuer proves (i) that the Offering Memorandum was sent to the Subscriber without the person’s or Issuer’s knowledge or consent, and (ii) that, after

becoming aware that it was sent, the person or Issuer promptly gave reasonable notice to the Issuer that it was sent without the person's or Issuer's knowledge and consent;

- (c) other than with respect to the Issuer, if the person or Issuer proves that, after becoming aware of the misrepresentation, the person or Issuer withdrew the person's or Issuer's consent to the Offering Memorandum and gave reasonable notice to the Issuer of the withdrawal and the reason for it;
- (d) other than with respect to the Issuer, if, with respect to any part of the Offering Memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or Issuer proves that the person or Issuer did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the Offering Memorandum (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (e) other than with respect to the Issuer, with respect to any part of the Offering Memorandum not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or Issuer (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

The amount recoverable will not exceed the price at which the Units and/or FT Units were offered under this Offering Memorandum. In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the Units and/or FT Units as a result of the misrepresentation.

No action may be commenced to enforce a right (a) in the case of an action for rescission, more than 180 days after the day of the transaction that gave rise to the cause of action; or (b) in any other case, more than the earlier of (i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day of the transaction that gave rise to the cause of action.

The rights of action described above are in addition to and without derogation from any other right or remedy that the Subscriber may have at law.

Ontario

In accordance with Section 130.1 of the *Securities Act* (Ontario) (the "**Ontario Act**"), in the event that this Offering Memorandum or any amendment thereto contains a misrepresentation (as defined in the Ontario Act), the Subscriber who purchases Units and/or FT Units offered by this Offering Memorandum during the period of distribution has, without regard to whether the Subscriber relied upon the misrepresentation, a right of action against the Issuer for damages, or, while the Subscriber is still the owner of the Units and/or FT Units purchased by that Subscriber, for rescission, in which case, if the Subscriber elects to exercise the right of rescission, the Subscriber will have no right of action for damages against the Issuer, provided that (a) the Issuer will not be liable if it proves that the Subscriber purchased the Units and/or FT Units with knowledge of the misrepresentation; (b) in the case of an action for damages, the Issuer will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the Units and/or FT Units as a result of the misrepresentation relied upon; and (c) in no case will the amount recoverable in any action exceed the price at which the Units and/or FT Units were sold to the Subscriber.

The foregoing rights provided in accordance with Section 130.1 of the Ontario Act do not apply to the following Subscribers relying upon the accredited investor exemption in Ontario:

- (a) a Canadian financial institution, meaning either:
 - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
 - (ii) a bank, loan corporation, trust Issuer, trust corporation, insurance Issuer, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;
- (f) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada),
- (g) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada), or
- (h) a subsidiary of any person referred to in paragraphs (a), (b) or (c) if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

No action will be commenced to enforce these statutory rights more than (a) in an action for rescission, 180 days from the date of the transaction that gave rise to the cause of action; or (b) in an action for damages, the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action; or (ii) three years after the date of the transaction that gave rise to the cause of action.

The rights of action described above are in addition to and without derogation from any other right or remedy that the Subscriber may have at law.

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan) (the "*Saskatchewan Act*") provides, subject to certain limitations, that if this Offering Memorandum or any amendment thereto sent or delivered to a Subscriber contains a misrepresentation (as defined in the *Saskatchewan Act*), a Subscriber who purchases Units and/or FT Units pursuant to this Offering Memorandum or an amendment thereto has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against:

- (a) the Issuer;
- (b) every promoter of the Issuer at the time this Offering Memorandum or any amendment thereto was sent or delivered;
- (c) every person or company whose consent has been filed with this Offering Memorandum or an amendment thereto but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that signed this Offering Memorandum or any amendment thereto; and
- (e) every person who or company that sells Units and/or FT Units on behalf of the Issuer under this Offering Memorandum or any amendment thereto.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the Issuer, it will have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of this Offering Memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case will the amount recoverable exceed the price at which Units and/or FT Units were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the Subscriber purchased the Units and/or FT Units with knowledge of the misrepresentation.

In addition, no person or company, other than the Issuer, will be liable if the person or company proves that:

- (a) this Offering Memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of this Offering Memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of this Offering Memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which the Issuer or others may rely are described herein. Please refer to the full text of the *Saskatchewan Act* for a complete listing.

Similar rights of action for damages and rescission are provided in Section 138.1 of the *Saskatchewan Act* also provides that, subject to certain limitations, where any advertising or sales literature (as defined in the *Saskatchewan Act*) disseminated in connection with the Offering contains a misrepresentation, a Subscriber who purchases the Units and/or FT Units referred to in that advertising or sales literature, is deemed to have relied on that misrepresentation if it was a misrepresentation at the time of purchase and has a right of action against the Issuer, every promoter of the Issuer at the time the advertising or sales literature was disseminated, and every person who, or company that, at the time the advertising or sales literature was disseminated, sells the Units and/or FT Units on behalf of the Issuer in the Offering with respect to which the advertising or sales literature was disseminated.

Section 138.2 of the *Saskatchewan Act* provides that, subject to certain limitations, where an individual makes a verbal statement to a prospective Subscriber of the Units and/or FT Units that contains a misrepresentation relating to the Units and/or FT Units purchased, and the verbal statement is made either before or contemporaneously with the purchase of the Units and/or FT Units, the Subscriber has, without regard to whether the Subscriber relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

There are various defences available to the persons or companies who may be sued, including that no person or company is liable if the person or company proves that the Subscriber purchased the Units and/or FT Units with knowledge of the misrepresentation. In an action for damages, the defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the Units and/or FT Units resulting from the misrepresentation relied on. The amount recoverable pursuant to these rights will not exceed the price at which the Units and/or FT Units were offered.

The *Saskatchewan Act* also provides a Subscriber who has received an amended Offering Memorandum delivered in accordance with subsection 80.1(3) of the *Saskatchewan Act* has a right to withdraw from the agreement to purchase the Units and/or FT Units by delivering a notice to the person who or company that is selling the Units and/or FT Units, indicating the Subscriber's intention not to be bound by the purchase agreement, provided such notice is delivered by the Subscriber within two Business Days of receiving the amended Offering Memorandum.

If the Units and/or FT Units are sold in contravention of the *Saskatchewan Act*, the regulations or a decision of the Saskatchewan Financial Services Commission, the Subscriber of such Units and/or FT Units has a right to void the purchase agreement and recover all money and other consideration paid therefor from the vendor of the Units and/or FT Units. Further, a Subscriber of the Units and/or FT Units who is not sent or delivered a copy of this Offering Memorandum or any amendment thereto prior to entering into an agreement of purchase and sale has a right of action for rescission or damages against the Issuer or, if purchased through a dealer, the dealer who failed to so send or deliver this Offering Memorandum or any amendment thereto.

No action to enforce the foregoing rights may be commenced:

- (a) in the case of an action for rescission, more than 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, more than the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The rights of action described above are in addition to and without derogation from any other right or remedy that the Subscriber may have at law.

ITEM 12. FINANCIAL STATEMENTS

Attached hereto as Schedules "A" and "B", respectively, are: (a) the audited annual financial statements of TGI as at and for the years ended December 31, 2015 and 2016, respectively (the "**Annual Financial Statements**"); and (b) the unaudited interim financial statements of TGI as at and for the period ended June 30, 2017 (the "**Interim Financial Statements**").

ITEM 13. MARKETING MATERIALS

The marketing materials delivered or made reasonably available to a prospective purchaser before the termination of the distribution, related to each distribution under this Offering Memorandum, are incorporated by reference in this Offering Memorandum. The Partnership reserves the right to modify these marketing materials in a non-material way without re-delivering or without making reasonably available the said marketing materials to a prospective purchaser.

SCHEDULE "A"
ANNUAL FINANCIAL STATEMENTS

Trojan Gold Inc.

Audited Financial Statements

**For the Years Ended
December 31, 2016 and 2015**
(Expressed in Canadian Dollars)

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For the years ended December 31, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Trojan Gold Inc.

We have audited the accompanying financial statements of Trojan Gold Inc., which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trojan Gold Inc. as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which describes conditions and matters that indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern.

Date: August 29, 2017
Mississauga, Canada

SDVC LLP

SDVC LLP
Licensed Public Accountants

Trojan Gold Inc

Statements of Financial Position

(Expressed in Canadian Dollars)

<i>As at</i>	December 31, 2016	December 31, 2015
	\$	\$
Assets		
Current assets		
Cash	70	-
Due from related parties (note 7)	10,000	22,944
	10,070	22,944
Non-current		
Exploration & evaluation assets (note 5)	18,030	-
	28,100	22,944
Liabilities		
Current		
Trade and other payables (note 10)	29,030	-
Due to related parties (notes 7 and 12)	218,157	207,100
	247,187	207,100
Shareholder's deficiency		
Share capital (note 6)	10,165	10,165
Deficit	(229,252)	(194,321)
	(219,087)	(184,156)
	28,100	22,944

Going concern (note 2)

Subsequent events (note 12)

Approved on behalf of the Board:

(signed) "Mary Louise Hill"

Director

(signed) "Gerry D.
White"

Director

The accompanying notes are an integral part of these financial statements

Trojan Gold Inc

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

<i>For the year ended</i>	December 31, 2016	December 31, 2015
	\$	\$
Operating expenses		
Professional fees	18,710	-
Management consulting fees (note 7)	13,261	-
Office and general	2,960	-
Loss and comprehensive loss	(34,931)	-
Loss and comprehensive loss per share		
basic and diluted	(0.03)	-
Weighted average number of shares outstanding		
basic and diluted	1,006,633	1,006,633

The accompanying notes are an integral part of these financial statements

Trojan Gold Inc

Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Common Share Capital		Accumulated	Total
	#	\$	Deficit	\$
Balance January 1, 2014	1,006,633	10,165	(194,321)	(184,156)
Net loss for the year	-	-	-	-
Balance December 31, 2015	1,006,633	10,165	(194,321)	(184,156)
Net loss for the year	-	-	(34,931)	(34,931)
Balance December 31, 2016	1,006,633	10,165	(229,252)	(219,087)

The accompanying notes are an integral part of these financial statements

Trojan Gold Inc

Statements of Cash Flows

(Expressed in Canadian Dollars)

<i>For the year ended</i>	December 31, 2016	December 31, 2015
	\$	\$
Operating activities		
Comprehensive loss for the period	(34,931)	-
Change in working capital items:		
Increase in trade and other payables	29,030	-
Net cash provided from (used in) operating activities	(5,901)	-
Investing activities		
Exploration and evaluation asset additions	(18,030)	-
Financing activities		
Advances from related parties	24,001	-
Increase (decrease) in cash flow during the period	70	-
Cash, beginning of year	-	-
Cash, end of year	70	-

The accompanying notes are an integral part of these financial statements

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

1. Nature of Operations

Trojan Gold Inc. (“TGI” or the “Company”) was incorporated in 2012 under the provisions of the Business Corporations Act (Alberta). The Company is engaged in the acquisition and exploration of mineral resource properties in Canada and Dominican Republic. Substantially all of the Company’s efforts are devoted to financing and developing these properties.

The Company’s head office is 517-2275 Lakeshore Boulevard West, Toronto, Ontario M8Y 3Y3. It is presently pursuing a listing on the Canadian Securities Exchange (“CSE”), see Subsequent Events Note 12.

2. Going Concern

These financial statements 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. At December 31, 2016, the Company had no source of operating cash flow and an accumulated deficit of \$229,253 (December 31, 2015 - \$194,322). At December 31, 2016, the Company had a working capital deficit of \$237,117 (December 31, 2015 – \$184,156). 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.

3. Basis of Presentation

(a) Statement of compliance

These audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The policies applied in these financial statements are based on the IFRS issued and outstanding as of August 29, 2017, the date the Board of Directors approved the

Trojan Gold Inc

Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

financial statements.

(b) Functional and presentation currency

The audited financial statements are presented in Canadian dollars, which is the Company's functional currency.

(c) Basis of preparation

The audited financial statements have been prepared on a historical cost basis, with the exception of certain financial assets and liabilities which are measured at fair-value, as explained in the accounting policies set out in note 4.

4. Summary of Significant Accounting Policies

Significant accounting judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

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 the financial statement are discussed below:

1) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company titles. Such properties may be subject to prior agreement or transfers and titles may be affected by undetected defects.

2) Asset Impairments

The application of the Company's accounting policy for impairment on exploration and evaluation ("E&E") assets requires judgment in determining if the facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

3) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for E&E expenditures capitalized requires judgment in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources.

4) Financial Instruments

The Company applied judgment when selecting the classification of its financial assets and financial liabilities identified as financial instruments. The Company considered the nature and purpose of each financial asset and liability and selected classification which aligns with the risk management

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

objectives of the Company.

5) Valuation allowance for deferred income tax assets

Each year, the Company evaluates the likelihood of whether some portion of deferred tax assets, if any, will not be realized. This evaluation is based on historic and future expected levels of taxable income, the timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, tax planning initiative, and deferred tax rates.

6) Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Use of estimates

The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows. Significant estimates include the valuation of the due from related party balance.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. The classification of financial assets and liabilities depends on the nature and purpose of the financial assets or liabilities and is determined at the time of initial recognition.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the statement of comprehensive loss.

Financial assets

Financial assets are classified into one of the following categories:

i) FVTPL – This category comprises financial assets held for trading and assets designated upon initial recognition as FVTPL. Financial assets held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the near term. On initial recognition it is part of a portfolio of identifiable financial instruments managed together for which there is evidence of a recent pattern of short-term profit taking, or a derivative (excluding a derivative used for hedging). FVTPL are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss for the year.

ii) Loans and receivables – Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are recognized initially at the amount expected to be received, less, when material, a discount to reduce loans and receivables to fair value. Subsequently, loans and receivable are measured at initial measurement less any allowance for doubtful accounts.

iii) Held-to-maturity investments – Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

to maturity. These assets are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition.

If there is objective evidence that the investment is impaired, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the Company's original effective interest rate. The impairment losses are recognized in the statement of comprehensive loss.

iv) Available-for-sale – Non-derivative financial assets designated as available-for-sale and financial assets that are not classified as loans and receivables, held to maturity investments or FVTPL. Available-for-sale are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment other than temporary, the amount of the loss is removed from the other comprehensive income and recognized in the statement of comprehensive loss.

All financial assets except for those recorded at fair value through profit or loss and as available-for-sale are subject to review for impairment. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

Financial liabilities are classified into one of the following categories:

- i) FVTPL – This category comprises financial liabilities held for trading and liabilities designated upon initial recognition as FVTPL. FVTPL liabilities are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss for the year.
- ii) Other financial liabilities – All other financial liabilities except financial liabilities FVTPL. These liabilities are measured at amortized cost using the effective interest method.

Financial instruments recorded at fair value

IFRS 7, Financial instruments: disclosures, establishes a fair value hierarchy that reflects the significance of inputs in measuring fair value as the following:

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

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

Mineral property interests

Costs related to the acquisition and exploration of mineral properties are capitalized until a decision is made as to whether or not the assets contain sufficient economic reserves for mine development.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the carrying value of E&E assets net of any impairment loss is transferred to property and equipment.

The direct cost of E&E assets consists of:

- Acquisition of exploration properties including the cost of acquiring licences and claims
- Gathering exploration data through topographical and geological studies
- Exploratory drilling, trenching and sampling
- Determine the volume and grade of the resource
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies

The Company assesses E&E assets for impairment when facts or circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. When this is the case, the Company would carry out an impairment test on the asset or group of assets, which requires estimate and judgment in determining the recoverable amount with reference to the fair value of the assets or group of assets less costs to sell or the value-in-use calculation. Where the recoverable amount is determined to be less than the carrying amount, an impairment loss may arise.

If a mineral property interest is abandoned, the acquisition costs will be written off to statement of loss.

Option and royalty agreements

Option payments and certain royalties are made at the discretion of the optionee and, accordingly, are accounted for on a cash basis. Option and royalty payments received are treated as a reduction of the carrying value of the related mineral property until the Company's option and royalty payments received are in excess of costs incurred in which case it would be recorded as a recovery in excess of mineral property acquisition costs in the statements of loss.

Provisions and contingencies

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the year incurred. Discount rates using a pre-tax risk-free rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other exploration and evaluation assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, and effects of inflation.

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

Income taxes

Current income tax

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at end of reporting year. Deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statements of loss.

The carrying amount of deferred tax assets is reviewed at the end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Earnings (loss) per common share

Basic earnings (loss) per share are computed by dividing the net earnings (loss) applicable by the weighted average number of common shares outstanding during the reporting year. Diluted earnings (loss) per share is computed by dividing the net earnings (loss) by the sum of the weighted average number of common shares issued and outstanding during the reporting year and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting year, if dilutive.

The treasury stock method is used to arrive at the diluted earnings (loss) per share, which is determined by adjusting the earnings (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted loss per share do not include the effect of share options and warrants as they are anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Accounting Standards Issued, But Not Yet Effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

IFRS 9 Financial instruments (“IFRS 9”) was issued by the IASB on November 12, 2009 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. IFRS 9 is effective for years beginning on or after January 1, 2018. The Company is currently evaluating the impact of IFRS 9 on its financial statements.

5. Exploration and Evaluation Assets

Watershed Property, Ontario

The Company holds a 100% interest in 17 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.

For the years ended December 31, 2016 and 2015, TGI’s sole \$18,030 E&E expenditure related to acquiring the Watershed mining claims.

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.

The property is currently optioned to Tashota Resources Inc (“TRI”) by Rudolf Wahl (the “TRI-Wahl Option”). On TRI satisfying the remaining terms of the TRI-Wahl Option, scheduled to occur on or before March 4, 2018, TRI will vest a 100% interest in the property.

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

- i) Issuing to TRI 1,250,000 common shares of TGI (issued)
- ii) 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.
- iii) Incurring, or reimbursing TRI for incurring, exploration expenditures on the property totaling \$250,000 by November 1, 2017.

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

On completion of these commitments and exercise of the 50% option, a formal joint venture agreement will be executed between TGI and TRI under which each party will have a 50% working interest.

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.

6. Share Capital

(a) Authorized

An unlimited number of voting class A common shares, an unlimited number of voting class B common shares and an unlimited number of voting class C common shares.

An unlimited number of voting class A preferred shares; redeemable and retractable at paid-up-capital plus any unpaid declared dividends; non-cumulative discretionary dividend, not to exceed 7% of stated capital.

An unlimited number of voting class B preferred shares; redeemable and retractable at paid-up-capital plus any unpaid declared dividends; non-cumulative discretionary dividend, not to exceed 7% of stated capital.

(b) Issued

As at December 31, 2016 and 2015, 1,006,633 class A common shares were issued and outstanding.

Subsequent to year end, TGI issued various Class A common shares from treasury, see Subsequent Event Note 12.

7. Related Party Transactions and Balances

The Company transacted with the following related parties during the years ended December 31, 2016 and 2015:

Related Party	Nature of Relationship
Charles Elbourne	Chief Executive Officer
Bertha Rodriguez	Spouse of Chief Executive Officer
Echo Ridge Resources Inc.	Controlled by relative of Charles Elbourne
Advantel Dominicana S.A.	Controlled by Bertha Rodriguez
Parklane Securities Inc.	Controlled by Charles Elbourne
Founders Drilling Inc.	Controlled by Bertha Rodriguez
Tashota Resources Inc.	Common officer

Trojan Gold Inc

Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

Related Party Balances

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

	December 31, 2016	December 31, 2015
	\$	\$
Tashota Resources Inc.	-	12,944
Parklane Securities	10,000	10,000
	10,000	22,944

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:

	December 31, 2016	December 31, 2015
	\$	\$
Advantel Dominicana S.A.	25,000	25,000
Tashota Resources Inc.	11,057	-
Founders Drilling Inc.	7,100	7,100
Echo Ridge Resources Inc.	50,000	50,000
Charles Elbourne	100,000	100,000
Bertha Rodriguez	25,000	25,000
	218,157	207,100

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

Subsequent to year end, the amounts due to Advantel Dominicana S.A., Echo Ridge Resources Inc, Charles Elbourne and Bertha Rodriguez were fully converted to class A common shares, see Subsequent Event Note 12.

As at August 29, 2017, the balance due to Tashota Resources Inc is \$35,587.

Related Party Transactions

During the year ended December 31, 2016, management consulting fees of \$7,661 were paid to Charles Elbourne (2015 - \$Nil).

During the year ended December 31, 2016, management consulting fees of \$5,600 were paid to Bertha Rodriguez (2015 - \$Nil).

Trojan Gold Inc

Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

Key Management Compensation

The Company defines its key management as the Board of Directors and Chief Executive Officer. During the year ended December 31, 2016, key management compensation consisted solely of management consulting fees of \$13,261 (2015 - \$Nil).

Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

8. Capital Management

The Company defines capital as consisting of common share capital and deficit.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company endeavours to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

The Company is not subject to any externally imposed capital requirements.

9. Financial Instruments and Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

As at December 31, 2016 and 2015, the classification of the Company's financial instruments, as well as their classification and measurement basis, are as follows:

Financial Instrument	Classification	Measurement
Cash	FVTPL	Fair value
Due from related parties	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

The carrying value of due from related parties, trade and other payables and due to related parties approximates fair value due to the short-term or demand nature of these financial instruments.

As at December 31, 2016 and 2015, cash is classified as Level 1 and recorded at fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's credit risk relates entirely to the due from related parties balance. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure there is sufficient capital on hand to meet its financial commitments as they come due.

10. Trade and Other Payables

Trade and other payables are comprised of the following:

	December 31, 2016	December 31, 2015
	\$	\$
Exploration vendors	19,030	-
Professional fees	11,000	-
	29,030	-

The standard credit terms of the Company's trade payables are 30 – 60 days.

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

11. Income taxes

Income tax expense

The following table reconciles the amount of reported income taxes in the statement of loss with income taxes calculated at statutory income tax rates of 15% in 2016 (15% - 2015). The statutory income tax rate is the combined Canadian rates applicable in the jurisdictions in which the Company does business. The tax rate for deferred income taxes is 15%.

	December 31, 2016	December 31, 2015
Loss before income taxes	\$ 34,931	\$ -
Applicable tax rates	15%	15%
Expected tax recovery computed at applicable tax rates	\$ 5,240	\$ -
Non-deductible expenses and other	(40)	-
Change in deferred tax asset not recognized	(5,200)	-
Income tax expense	\$ -	\$ -

Deferred income tax assets

The primary differences that give rise to the deferred income tax balances at December 31, 2016 and 2015 are as follows

	2016	2015
	\$	\$
Non-capital loss carry forwards	18,600	13,400
Mineral properties	16,000	16,000
	34,600	29,400
Less: valuation allowance	(34,600)	(29,400)
Total unrecognized deferred tax assets	-	-

At December 31, 2016 and 2015, the Company had recorded a 100% valuation allowance against its deferred income balances due to the uncertainty surrounding their realization.

Trojan Gold Inc

Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(Expressed in Canadian Dollars)

Tax loss carry forward balances

As of December 31, 2016, the non-capital loss will expire as follows:

Year	Amount
2032	\$ 100
2033	86,700
2034	1,900
2036	34,900
	<u>\$ 123,600</u>

The Company also has cumulative Canadian exploration and development expenses, available to offset future taxable income, of \$124,500, which can be carried forward indefinitely.

12. Subsequent Events

Letter of Intent – public exchange listing

On February 14, 2017, TGI signed a Letter of Intent with a public reporting issuer, Chichi Financial Inc (“CHI”), which is a subsidiary of Alchemist Mining Inc. (AMS), listed on the Canadian Securities Exchange (“CSE”), pursuant to which CHI will acquire all of the issued and outstanding shares of TGI as part of a “go-public” transaction. CHI is presently a non-trading reporting issuer, but will meet CSE listing requirements upon obtaining an interest in TGI, which has provided the required interest in a mining asset along with a NI-43-101 on the Hemlo South property. Approval of the transaction is subject to regulatory approval for listing on the CSE, which amongst other things includes a minimum capital raise of \$275,000.

Related party debt conversion to common shares

On April 1, 2017, TGI entered into Settlement Agreements pursuant to which the related party loans (see Note 7) due to Advantel Dominicana S.A., Echo Ridge Resources Inc, Charles Elbourne and Bertha Rodriguez were fully converted to class A common shares. In aggregate TGI settled debt of \$200,000 by issuing 7,500,000 class A common shares.

In connection with the debt settlements, 2,500,000 of the class A common shares were issued as flow-through shares. As a result, the Company must expend \$100,000 on qualifying Canadian Exploration Expenses by December 31, 2018.

Hemlo South property option payment

On April 1, 2017, TGI issued 1,250,000 class A common shares to Tashota Resources Inc, pursuant to the Hemlo South Option Agreement (see Note 5).

Promissory note receivable assumption and common share issuance

On April 1, 2017, TGI entered into an Assignment of Debt and Security Agreement (the “Assignment Agreement”) with Tashota Resources Inc (“TRI”); pursuant to which TGI became creditor to a \$197,035.89 Grid Promissory Note (the “Promissory Note”). Previous to the Assignment Agreement, TRI had extended \$197,035.89 credit to Advantel Dominicana S.A. (“ADSA”) in accordance with

Trojan Gold Inc

Notes to the Financial Statements

For the years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

the Promissory Note.

The Promissory Note is due on demand and bears interest at 7% per annum, payable 30 days after the calendar year end in respect of the prior year. As creditor, TGI has the option of waiving repayment in exchange for up to a 49% interest in certain mining claims located in San Cristobal, Dominican Republic. The rights to the mining claims have currently been applied for to the Dominican Republic Ministry of Mining by RYN Minerales S.R.L., ("RYN") a Dominican Republic company under common control with ADSA. Should RYN's mining claims application not be processed, the Promissory Note includes secondary security, being up to a 49% interest in ADSA's telecommunication call centre business operating in the Dominican Republic. The ultimate percentage interest of either asset to be acquired is subject to adjustment based on the actual amount owing at the time of transfer.

As consideration for assuming the Promissory Note receivable, TGI issued 5,000,000 class A common shares to TRI.

TRI and Advandtel Dominicana S.A. are related parties, see Related Party Note 7.

Class A common share private placement

In July and August 2017, and pursuant to a brokered private placement, TGI issued 2,550,000 Units at a price of \$0.10 per Unit for gross proceeds of \$255,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one TGI common share at a price of \$0.15 before the expiry date of August 31, 2018.

Issuance costs in connection with the private placement comprised 255,000 broker warrants and \$25,500 in cash commissions. Each broker warrant entitles the holder to purchase one TGI common share at a price of \$0.15 before the expiry date of August 31, 2018.

Both the subscriber and broker warrants are subject to an acceleration provision should the stock of TGI trade on a public exchange for five consecutive days at a price of \$0.30 or greater; in such event, TGI may provide written instruction to the holders requiring exercise within 30 days, failing which the warrants will expire.

Debt financing

On August 4, 2017, TGI received \$20,000 in debt financing and issued a promissory note payable. The loan is unsecured, bears interest at 10% per annum and is due on demand.

SCHEDULE "B"
INTERIM FINANCIAL STATEMENTS

Trojan Gold Inc.

Condensed Interim Financial Statements

For the six months ended

June 30, 2017

(Expressed in Canadian Dollars)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements for Trojan Gold Inc. ("TGI" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Trojan Gold Inc.

Unaudited Condensed Interim Statements of Financial Position

(Canadian dollars)

As at	June 30 2017 \$	December 31 2016 \$
ASSETS		
Current		
Cash	46	70
Promissory note receivable (note 3)	197,036	-
Due from related parties	10,000	10,000
	207,082	10,070
Non-current		
Exploration and evaluation assets (note 4)	151,555	18,030
	358,637	28,100
LIABILITIES		
Current		
Trade and other payables (note 9)	11,001	29,030
Due to related party (note 6)	81,657	218,157
	102,658	247,187
SHAREHOLDERS' EQUITY		
Share capital (note 5)	532,201	10,165
Deficit	(276,222)	(229,252)
	255,979	(219,087)
	358,637	28,100

*The accompanying notes are an integral part of these financial statements.
Nature of operations and going concern (notes 1 and 2)
Subsequent events (note 10)*

Approved on behalf of the board:

(signed) "Mary Louise Hill"
Director

(signed) "Gerry D. White"
Director

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

Trojan Gold Inc.

Unaudited Condensed Interim Statements of Income and Comprehensive Income

(Canadian dollars)

	June 30
	2017
	\$
For the six months ended	
<hr/>	
Expenses	
Professional fees	15,000
General and administrative	3,742
Management fees (note 6)	28,228
	<hr/>
	46,970
	<hr/>
Loss and comprehensive loss for the period	46,970
	<hr/>
Loss and comprehensive loss per share basic and diluted	0.01
	<hr/>
Weighted average number of shares outstanding basic and diluted	5,104,315
	<hr/>

The accompanying notes are an integral part of these financial statements.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

Trojan Gold Inc.

Unaudited Condensed Interim Statements of Cash Flows

(Canadian dollars)

	June 30 2017 \$
For the six months ended	
<hr/>	
Operating activities	
Comprehensive loss for the period	(46,970)
Net change in non-cash working capital balances related to operating activities:	
Due to related party	73,600
Trade and other payables	(18,029)
Net cash used in operating activities	(8,501)
<hr/>	
Investing activities	
Additions to mineral properties	(8,525)
Net cash used in investing activities	(8,525)
<hr/>	
Net decrease in cash	(24)
Cash, beginning of the period	70
<hr/>	
Cash, end of the period	46

The accompanying notes are an integral part of these financial statements.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

Trojan Gold Inc.

Unaudited Condensed Interim Statements of Changes in Equity

(Canadian dollars)

	Share capital		Deficit \$	Total \$
	#	\$		
Balance, December 31, 2016	1,006,633	10,165	(229,252)	(219,087)
Common shares issued for exploration and evaluation assets	1,250,000	125,000	-	125,000
Common shares issued for promissory note	5,000,000	197,036	-	197,036
Common shares issued for debt settlement	7,500,000	200,000	-	200,000
Net loss for the period	-	-	(46,970)	(46,970)
Balance, June 30, 2017	14,756,633	532,201	(276,222)	255,979

The accompanying notes are an integral part of these financial statements

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

1. Nature of Operations

Trojan Gold Inc. ("TGI" or the "Company") was incorporated in 2012 under the provisions of the Business Corporations Act (Alberta). The Company is engaged in the acquisition and exploration of mineral resource properties in Canada and Dominican Republic. Substantially all of the Company's efforts are devoted to financing and developing these properties.

The Company's head office is 517-2275 Lakeshore Boulevard West, Toronto, Ontario M8Y 3Y3. It is presently pursuing a listing on the Canadian Securities Exchange ("CSE"), see Subsequent Events Note 10.

2. Going Concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the six months ended June 30, 2017, the Company had a net loss of \$46,970, had a cash surplus from operations of \$8,501, and as at June 30, 2017, had an accumulated deficit of \$276,222 (December 31, 2016 - \$229,252) and a working capital surplus of \$104,424 (December 31, 2016 – a deficit of \$237,117).

To date there has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable. The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; and the ability of the Company to raise alternative financing; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Statement of compliance

The Company's condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. The condensed interim financial statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in the audited financial statements for the year ended December 31, 2016.

There are no new IFRS and/or International Financial Reporting Interpretations Committee ("IFRIC") pronouncements that are effective for the first time for this interim period that would be expected to have a material effect on the Company.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

3. Promissory note receivable

On April 1, 2017, TGI entered into an Assignment of Debt and Security Agreement (the "Assignment Agreement") with Tashota Resources Inc ("TRI"); pursuant to which the Company became creditor to a \$197,035.89 Grid Promissory Note (the "Promissory Note"). Previous to the Assignment Agreement, TRI had extended \$197,035.89 credit to Advandtel Dominicana S.A. ("ADSA") in accordance with the Promissory Note.

The Promissory Note is due on demand and bears interest at 7% per annum, payable 30 days after the calendar year end in respect of the prior year. As creditor, TGI has the option of waiving repayment in exchange for up to a 49% interest in certain mining claims located in San Cristobal, Dominican Republic. The rights to the mining claims have currently been applied for to the Dominican Republic Ministry of Mining by RYN Minerales S.R.L., ("RYN"), a Dominican Republic company under common control with ADSA. Should RYN's mining claims application not be processed, the Promissory Note includes secondary security, being up to a 49% interest in ADSA's telecommunication call centre business operating in the Dominican Republic. The ultimate percentage interest of either asset to be acquired is subject to adjustment based on the actual amount owing at the time of transfer.

As consideration for assuming the Promissory Note receivable, the Company issued 5,000,000 class A common shares to TRI.

TRI and Advandtel Dominicana S.A. are related parties, see Related Party Note 7.

4. Exploration and Evaluation Assets

Watershed Property, Ontario

The Company holds a 100% interest in 17 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.

Up to June 30, 2017, the Company's \$18,030 exploration and evaluation expenditures relate to acquiring the Watershed mining claims.

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.

The property is currently optioned to TRI by Rudolf Wahl (the "TRI-Wahl Option"). On TRI satisfying the remaining terms of the TRI-Wahl Option, scheduled to occur on or before March 4, 2018, TRI will vest a 100% interest in the property.

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

1. Issuing to TRI 1,250,000 common shares of TGI (issued),
2. 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.
3. Incurring, or reimbursing TRI for incurring, exploration expenditures on the property totaling \$250,000 by November 1, 2017.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

On completion of these commitments and exercise of the 50% option, a formal joint venture agreement will be executed between the Company and TRI under which each party will have a 50% working interest.

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

TRI and the Company share a common officer.

5. Share Capital

Authorized

An unlimited number of voting class A common shares, an unlimited number of voting class B common shares and an unlimited number of voting class C common shares.

An unlimited number of voting class A preferred shares; redeemable and retractable at paid-up capital plus any unpaid declared dividends; non-cumulative discretionary dividend, not to exceed 7% of stated capital.

An unlimited number of voting class B preferred shares; redeemable and retractable at paid-up capital plus any unpaid declared dividends; non-cumulative discretionary dividend, not to exceed 7% of stated capital.

Issued

As at June 30, 2017, 14,756,633 class A common shares were issued and outstanding.

On April 1, 2017, TGI entered into Settlement Agreements pursuant to which the related party loans (see Note 7) due to Advantel Dominicana S.A., Echo Ridge Resources Inc, Charles Elbourne and Bertha Rodriguez were fully converted to class A common shares. In aggregate TGI settled debt of \$200,000 by issuing 7,500,000 class A common shares.

In connection with the debt settlements, 2,500,000 of the class A common shares were issued as flow-through shares. As a result, the Company must expend \$100,000 on qualifying Canadian Exploration Expenses by December 31, 2018.

On April, 1, 2017, TGI issued 1,250,000 class A common shares to TRI, pursuant to the Hemlo South Option Agreement (see Note 5).

On April 1, 2017, the Company issued 5,000,000 class A common shares in exchange for a Promissory Note (See note 3).

Subsequent to June 30, 2017, the Company issued class A common shares from treasury, see Subsequent Event Note 10.

6. Related Party Transactions and Balances

The Company transacted with the following related parties during the six month ended June 30, 2016 and the year ended December 31, 2016:

Related Party	Nature of Relationship
Charles Elbourne	Chief Executive Officer
Bertha Rodriguez	Spouse of Chief Executive Officer
Echo Ridge Resources Inc.	Controlled by relative of Charles Elbourne
Advantel Dominicana S.A.	Controlled by Bertha Rodriguez

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

Parklane Securities Inc.
Founders Drilling Inc.
Tashota Resources Inc.

Controlled by Charles Elbourne
Controlled by Bertha Rodriguez
Common officer

Related party balances

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

	June 30	December 31
	2016	2016
	\$	\$
Parklane Securities	10,000	10,000
	10,000	10,000

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:

	June 30	December 31
	2017	2016
	\$	\$
Advantel Dominicana S.A.	-	25,000
Tashota Resources Inc.	84,657	11,057
Founders Drilling Inc.	7,100	7,100
Echo Ridge Resources Inc.	-	50,000
Charles Elbourne	-	100,000
Bertha Rodriguez	-	25,000
	91,757	218,157

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

During the six months ended June 30, 2017, the amounts due to Advantel Dominicana S.A., Echo Ridge Resources Inc, Charles Elbourne and Bertha Rodriguez were fully converted to class A common shares, see Subsequent Event Note 12.

As at August 31, 2017, the balance due to Tashota Resources Inc is \$35,587.

Related party transactions

During the six months ended June 30, 2016, management consulting fees of \$13,942 were paid to Charles Elbourne.

During the year ended December 31, 2016, management consulting fees of \$14,285 were paid to Bertha Rodriguez.

Key management compensation

The Company defines its key management as the Board of Directors and Chief Executive Officer. During the six months ended June 30, 2017, key management compensation consisted solely of management consulting fees of \$28,228.

Transactions with related parties are recorded at their exchange values which are the amounts entered into and agreed by both parties.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2017

(Expressed in Canadian Dollars)

7. Capital Management

The Company defines capital as consisting of common share capital and deficit.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company endeavours to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

The Company is not subject to any externally imposed capital requirements.

8. Financial Instruments and Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

As at June 30, 2017 and December 31, 2016, the classification of the Company's financial instruments, as well as their classification and measurement basis, are as follows:

Financial Instrument	Classification	Measurement
Cash	FVTPL	Fair value
Due from related parties	Loans and receivables	Amortized cost
Trade and other payables	Other financial liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

The carrying value of due from related parties, trade and other payables and due to related parties approximates fair value due to the short-term or demand nature of these financial instruments.

As at June 30, 2017 and December 31, 2016, cash is classified as Level 1 and recorded at fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's credit risk relates entirely to the due from related parties balance. The Company mitigates its exposure by monitoring the counterparty's ability to repay.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure there is sufficient capital on hand to meet its financial commitments as they come due.

Trojan Gold Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the six months ended June 30, 2017
(Expressed in Canadian Dollars)

9. Trade and Other Payables

Trade and other payables are comprised of the following:

	June 30 2017 \$	December 31 2016 \$
Exploration vendors	-	19,030
Professional fees	10,901	11,000
	10,901	29,030

The standard credit terms of the Company's trade payables are 30 – 60 days.

10. Subsequent Events

Letter of Intent – public exchange listing

On February 14, 2017, TGI signed a Letter of Intent with a public reporting issuer, Chichi Financial Inc (“CHI”), which is a subsidiary of Alchemist Mining Inc. (AMS), listed on the Canadian Securities Exchange (“CSE”), pursuant to which CHI will acquire all of the issued and outstanding shares of TGI as part of a “go-public” transaction. CHI is presently a non-trading reporting issuer, but will meet CSE listing requirements upon obtaining an interest in TGI, which has provided the required interest in a mining asset along with a NI-43-101 on the Hemlo South property. Approval of the transaction is subject to regulatory approval for listing on the CSE, which amongst other things includes a minimum capital raise of \$275,000.

Class A common share private placement

In July and August 2017, and pursuant to a brokered private placement, TGI issued 2,550,000 Units at a price of \$0.10 per Unit for gross proceeds of \$255,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one TGI common share at a price of \$0.15 before the expiry date of August 31, 2018.

Issuance costs in connection with the private placement comprised 255,000 broker warrants and \$21,500 in cash commissions. Each broker entitles the holder to purchase one TGI common share at a price of \$0.15 before the expiry date of August 31, 2018.

Both the subscriber and broker warrants are subject to an acceleration provision should the stock of TGI trade on a public exchange for five consecutive days at a price of \$0.30 or greater; in such event, TGI may provide written instruction to the holders requiring exercise within 30 days, failing which the warrants will expire.

Debt financing

On August 4, 2017, TGI received \$20,000 in debt financing and issued a promissory note payable. The loan is unsecured, bears interest at 10% per annum and is due on demand.

ITEM 14. DATE AND CERTIFICATE

Dated August 31, 2017

This Offering Memorandum does not contain a misrepresentation.

ON BEHALF OF THE BOARD

"Charles J. Elbourne"

Charles J. Elbourne
CEO and Director

"Gerry D. White "

Gerry D. White
Director

"Dr. Mary Louise Hill"

Dr. Mary Louise Hill
Director

"Quentin A. Snider"

Quentin A. Snider
Director