

Troy Minerals Inc.

Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of management. The Corporation's independent auditor has not performed a review of these interim financial statements.

Troy Minerals Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

As at	Notes	November 30, 2023 \$	May 31, 2023 \$
ASSETS			
Current assets			
Cash		2,681,562	45,424
Other receivables	4	10,713	17,436
Prepaid expenses and deposits		494,733	12,294
Total current assets		3,187,008	75,154
Exploration and evaluation asset	5	987,540	458,338
Reclamation bond	5	101,197	101,978
TOTAL ASSETS		4,275,745	635,470
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6,8	270,312	85,447
Total liabilities		270,312	85,447
Equity			
Common shares	7	5,014,117	1,439,305
Subscription receivable	7	-	(405,000)
Reserves	7	236,564	-
Deficit		(1,245,248)	(484,282)
Total equity		4,005,433	550,023
TOTAL LIABILITIES AND EQUITY		4,275,745	635,470

Going concern (Note 1)
Subsequent events (Note 11)

APPROVED BY THE BOARD:

“Rana Vig”
Director

“Gurdeep Bains”
Director

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

Troy Minerals Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

		For the three months ended November 30		For the six months ended November 30	
	Note	2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Advertising and promotion		-	750	-	750
Management fees	8	14,281	15,000	30,000	30,000
Investor relations		157,621	6,000	161,621	6,000
Interest and bank charges		1,337	154	1,504	285
General and administrative		134,318	2,329	137,839	2,329
Professional fees	8	38,895	32,561	69,850	110,112
Share-based compensation	7,8	-	-	332,803	-
Transfer agent and regulatory fees		13,163	21,645	31,049	36,645
Total operating expenses		(359,615)	(78,439)	(764,666)	(186,121)
Other items					
Interest income		11,892	1,295	11,892	1,295
Foreign exchange gain (loss)		(7,556)	-	(8,192)	-
Net loss and comprehensive loss		(355,279)	(77,144)	(760,966)	(184,826)
<hr/>					
Basic and Diluted loss per shares		(0.01)	(0.00)	(0.02)	(0.01)
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Weighted average number of common shares outstanding – basic and diluted					
		46,613,921	34,979,707	43,979,486	26,753,429

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

Troy Minerals Inc.

Condensed Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Number of shares	Common shares \$	Obligation to issue securities \$	Subscription Receivable \$	Reserves \$	Deficit \$	Total \$
Balance as at May 31, 2022	6,875,250	55,000	16,000	-	730,200	(179,604)	621,596
Shares issued for option agreement finders' fee	2,000,000	16,000	(16,000)	-	-	-	-
Shares issued for property purchase	2,500,000	100,000	-	-	-	-	100,000
Shares issued for the conversion of special warrants	24,392,500	730,200	-	-	(730,200)	-	-
Net loss for the period	-	-	-	-	-	(184,826)	(184,826)
Balance November 30, 2022	35,767,750	901,200	-	-	-	(364,430)	536,770
Balance as at May 31, 2023	41,167,750	1,439,305	-	(405,000)	-	(484,282)	550,023
Subscription receivable deposit	-	-	-	405,000	-	-	405,000
Share-based compensation	-	-	-	-	332,803	-	332,803
Issuance of common shares on settlement of RSUs	500,000	175,000	-	-	(175,000)	-	-
Shares issued for Lac Jaques acquisition	79,365	50,000	-	-	-	-	50,000
Shares issued for private placement	10,037,937	3,349,812	-	-	78,761	-	3,428,573
Net loss for the period	-	-	-	-	-	(760,966)	(760,966)
Balance November 30, 2023	51,785,052	5,014,117	-	-	236,564	(1,245,248)	4,005,433

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

Troy Minerals Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

For the six months ended	November 30, 2023	November 30, 2022
	\$	\$
OPERATING ACTIVITIES		
Net loss for period	(760,966)	(184,826)
Items not affective cash:		
Share-based compensation	332,803	-
Interest income	-	(11)
Foreign exchange gain (loss)	781	-
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(482,439)	(18,960)
Other receivables	6,723	(13,159)
Accounts payable and accrued liabilities	15,154	15,366
Cash used in operating activities	(887,944)	(201,590)
INVESTING ACTIVITIES		
Exploration and evaluation expenses	(267,831)	(265,481)
Acquisition cost of new mining rights	(50,000)	-
Cash used in investing activities	(317,831)	(265,481)
FINANCING ACTIVITIES		
Proceeds from share subscriptions received	3,918,280	
Share issuance costs	(76,367)	
Net cash provided by financing activities	3,841,913	-
Net change in cash	2,636,138	(467,071)
Cash, beginning of period	45,424	612,492
Cash, end of period	2681,562	145,421
Supplemental Cash Flow Information		
Non-cash exploration and evaluation acquisition cost	50,000	-
Exploration and evaluation costs in accounts payable and accrued liabilities	161,371	-
Finder's warrants issued in connection with private placement	78,761	-
Interest received	-	1,284
Issuance of common shares on settlement of RSUs	175,000	-
Shares issued for property purchase	-	100,000
Share issuance costs in accounts payable and accrued liabilities	8,340	-

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

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Troy Minerals Inc. (the “Company”) is a mining exploration company engaged in the identification, acquisition, evaluation, and exploration of mineral properties. The Company was incorporated under the British Columbia Business Corporations Act as 1166469 BC Ltd. on May 31, 2018, and changed its name to Troy Minerals Inc. on April 20, 2022. The registered and records office of the Company is located at 1200 – 750 West Pender Street, Vancouver, Canada V6C 2T8. On September 2, 2022, the Company began trading on the Canadian Securities Exchange (“CSE”) under the symbol TROY.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration to potentially identify mineral resources and resources requiring development of its mineral properties. Management believes that financing is available for early-stage exploration and may be sourced in time to allow the Company to continue its current planned activities in the normal course.

These condensed interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company had a loss of \$760,966 for the six months ended November 30, 2023.

The Company had cash of \$2,681,562 as at November 30, 2023, but management cannot provide any assurance that the Company will ultimately achieve profitable operations, become cash flow positive or raise additional equity and/or debt capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Company is dependent on raising capital through share issuances.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim financial statements have been prepared in accordance International Accounting Standards (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee for all periods presented. Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. The financial statements were approved by the Board of Directors of the Company on January 29, 2024.

These condensed interim financial statements have been prepared on an accrual basis and are based on historical cost, except for certain financial instruments measured at fair value, as set out in the accounting policies in Note 3 of the audited financial statements for the year ended May 31, 2023. These condensed interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PREPARATION (CONTINUED)

The preparation of condensed interim financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended May 31, 2023, and have been consistently followed in the preparation of these condensed interim financial statements.

4. OTHER RECEIVABLES

As at	November 30, 2023		May 31, 2023	
Government sales tax receivable	\$	10,713	\$	17,436
	\$	10,713	\$	17,436

5. EXPLORATION AND EVALUATION ASSET

	Green Gold Project	Tick Tock Project	Lake Owen Project	Lac Jaques Project	Total
	\$	\$	\$	\$	\$
Balance at May 31, 2022	28,800	-	-	-	28,800
Acquisition cost – cash	-	120,000	34,922	-	154,922
Acquisition cost – shares	-	100,000	-	-	100,000
Exploration costs	174,196	-	420	-	174,616
Balance at May 31, 2023	202,996	220,000	35,342	-	458,338
Acquisition cost – cash	-	-	-	50,000	50,000
Acquisition cost – shares	-	-	-	50,000	50,000
Exploration costs	119,985	819	66,128	242,270	429,202
Balance at November 30, 2023	322,981	220,819	101,470	342,270	987,540

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

The Lac Jaques Property

On August 3, 2023, the Company entered into an agreement to purchase 100% of the Lac Jaques mineral claims for the following consideration:

- \$50,000 worth of Consideration Shares, based on the day average closing share price on the CSE for the seven trading days immediately prior to the date that is 60 days from the date of the agreement (issued);
- A lump sum cash payment of \$50,000 payable within 7 business days of the date of the agreement (paid); and
- An exploration work program carried out by Resources Maxima Inc. on the Lac Jaques mineral claims involving expenditure of a minimum of \$150,000, to be incurred over a 12-month period from the date of the agreement.

Following the closing of the agreement (being the date that the payments & expenditures required to be made by the Company have been made in accordance with the time frames provided), the Company shall make the following payments in cash to the vendors:

- A lump sum cash payment of \$250,000, upon the establishment by the Company of a National Instruments 43-101 (“NI 43-101”) compliant mineral resource in the Measured and Indicated category, and
- A lump sum cash payment of \$350,000 upon the completion by the Company of a pre-feasibility study, as defined in NI 43-101.

Lake Owen Project (formerly the SW2 Property)

On February 13, 2023 (the “Lake Owen Effective Date”), the Company entered into an option agreement with Wyoming Mines Inc. (“Wyoming”), to acquire a 100% undivided interest, subject to a 2.5% net smelter return (“NSR”) royalty, in 91 mineral claims located approximately 50km southwest of Laramie, Wyoming. Subsequent to the period ended November 30, 2023, on December 1, 2023, the Company entered into an amended agreement resulting in the addition of 9 new mineral claims for a total of 99 mineral claims as well as amendments to the timing of expenditure commitments as listed below.

To exercise the option, the Company must issue cash payments totaling USD\$500,000 and incur a total of USD\$1,000,000 in exploration expenditures on the Lake Owen Property before February 13, 2028, as outlined below:

- (i) Payment of USD\$500,000 in cash to Wyoming as follows;
 - A. USD\$25,000 within three business days of the Lake Owen Effective date (paid);
 - B. USD\$25,000 on or before the first anniversary of the Lake Owen Effective Date;
 - C. USD\$25,000 on or before the second anniversary of the Lake Owen Effective Date;
 - D. USD\$25,000 on or before the third anniversary of the Lake Owen Effective Date;
 - E. USD\$100,000 on or before the fourth anniversary of the Lake Owen Effective Date; and
 - F. USD\$300,000 on or before the fifth anniversary of the Lake Owen Effective Date.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

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5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

Lake Owen Project (formerly the SW2 Property) (Continued)

(ii) Incur US\$1,000,000 in Expenditures on the Property as follows:

- A. USD\$100,000 on or before the first anniversary of the Lake Owen Effective Date (removed in the December 1, 2023 amended agreement);
- B. USD\$200,000 on or before the second anniversary of the Lake Owen Effective Date (removed in the December 1, 2023 amended agreement);
- C. USD\$200,000 on or before the third anniversary of the Lake Owen Effective Date (amended to USD \$500,000 in the December 1, 2023 amended agreement);
- D. USD\$200,000 on or before the fourth anniversary of the Lake Owen Effective Date; and
- E. USD\$300,000 on or before the fifth anniversary of the Lake Owen Effective Date.

The 2.5% NSR can be reduced to 1% by issuing a cash payment of US\$2,000,000 Wyoming at any time prior to the earlier of:

- (i) the commencement of commercial production on the Lake Owen Property; and
- (ii) February 13, 2033.

In addition to the 2.5% NSR, upon exercise of the option, the Company will have been deemed to have granted Wyoming a production royalty in the amount of USD\$0.01 per pound of vanadium produced on the Lake Owen Property (the "Production Royalty"). The Production Royalty will only be in the event the mineral resource, as defined in NI 34-101 and reported in a technical report prepared in compliance with NI 43-101, on the Lake Owen Property, are no less than 1 (one) billion pounds of vanadium in the measured and indicated category.

Under the terms of the agreement, the Company is also obligated to make bonus payments to Wyoming in the amount of USD\$100,000 upon establishing a mineral resource reported in a technical report prepared in compliance with NI 43-101, on the Lake Owen Property, with no less than 1 (one) billion pounds of vanadium in the measured and indicated category, and to make further bonus payments of USD\$250,000 upon the Company receiving a feasibility study, as defined in NI 43-101.

The Company has met all of its obligations in respect of the Lake Owen Property to date.

The Company holds a reclamation bond with the Wyoming Department of Environmental Quality of \$101,197 (USD \$74,500) related to the Lake Owen Property. This bond was purchased on May 31, 2023.

Tick Tock Project

On September 27, 2022, the Company entered into a property purchase agreement to purchase the Tick Tock Property from Rockbridge Resources Inc. in exchange for cash consideration of \$120,000 and issuance of 2,500,000 common shares of the Company at \$0.04 per share. The 1065-hectare Ticktock Property is located within the Golden Triangle region of British Columbia, Canada. Rockbridge Resources Inc. is a company controlled by the President of the Company.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

Green Gold Project

On April 25, 2022, the Company entered into an option agreement with 0902744 B.C. Ltd. (the “Optionor”), to acquire a 75% beneficial interest, subject to a 2% net smelter return (“NSR”) royalty, in twelve mineral claims located near Prince George, British Columbia that comprise the Green Gold Project (“the Property”). The Company may reduce the NSR royalty to 1% by making a \$1,500,000 payment to the Optionor at any time (the “1% NSR Repurchase”). The remaining NSR royalty may be repurchased from the Optionor for \$5,000,000.

On May 10, 2023, the Company entered into an amendment agreement (the “Amendment Agreement”) in relation to the Green Gold Property, whereby it was agreed that the due date of all of the option exercise requirements would be delayed by one year, apart from the minimum expenditures required to keep the property option in good standing.

To exercise the option, the Company must complete the following commitments (as updated per the Amendment Agreement):

- a) Incur a minimum of \$150,000 in exploration expenditures by December 31, 2022 (date unchanged by Amendment Agreement) (incurred);
- b) Incur the minimum Exploration Expenditures required on or before December 31, 2023, and submit appropriate filing and reports to keep the Property in good standing until June 25, 2025, the incurring of such exploration by the Optionee being mandatory expenditures irrespective of whether the Optionee determines to proceed with the Option (clause added by the Amendment Agreement);
- c) Pay the Optionor \$50,000 either in cash or by the issuance of common shares of the Company, and incur an additional minimum of \$300,000 in exploration expenditures by December 31, 2024 (updated from December 31, 2023, by the Amendment Agreement);
- d) Pay \$50,000 by cash or by the issuance of common shares of the Company, and incur an additional minimum of \$550,000 in exploration expenditures by December 31, 2025 (updated from December 31, 2024, by the Amendment Agreement);
- e) Pay \$100,000 by cash or by the issuance of common shares of the Company, and incur an additional minimum of \$1,000,000 in exploration expenditures by December 31, 2026 (updated from December 31, 2025, by the Amendment Agreement);

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

Green Gold Project (Continued)

- f) Pay \$100,000 by cash or by the issuance of common shares of the Company, and incur an additional minimum of \$1,000,000 in exploration expenditures by December 31, 2027 (updated from December 31, 2026, by the Amendment Agreement); and
- g) Pay \$200,000 by cash or by the issuance of common shares of the Company and incur an additional minimum of \$2,000,000 in exploration expenditures by December 31, 2028 (updated from December 31, 2027, by the Amendment Agreement).

If expenditure requirements are not met, the balance must be paid in cash to the Optionor within 30 days of the end of the applicable period.

The Company honored its commitment by incurring exploration expenditures and filing reports required up to November 20, 2023.

Upon the exercise of the option, the Company is required to pay an advance minimum royalty (the “AMR”) of \$100,000 per year from 2029 to 2033. The AMR will increase to \$300,000 per year from 2034 and onward. If the 1% NSR Repurchase has been made, AMR payments are reduced by 50%.

The Company may acquire the remaining 25% beneficial interest in the property, by paying \$1,200,000 in cash or the equivalent of \$1,200,000 in common shares of the Company. This payment increases by \$100,000 every 12 months, in the event that the option is not exercised by April 11, 2027, for a maximum amount payable of \$5,000,000.

In conjunction with the option agreement, the Company issued 2,000,000 shares as finders fees. The fair value of the shares was estimated to be \$16,000 based on the Company’s only private placement of common shares at the time and has been included as acquisition costs (Note 7 and 9).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	November 30, 2023	May 31, 2023
Accounts payable	\$ 10,216	\$ 9,914
Accrued liabilities	260,096	75,533
	\$ 270,312	\$ 85,447

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

7. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

On October 12, 2022, the Company completed a forward split of its shares on the basis of 2.5 new shares for each one share outstanding (the “Forward Split”). Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect the Forward Split.

Shares issued

For the six months ended November 30, 2023

On August 3, 2023, Troy Minerals Inc. entered into an agreement for the purchase of Lac Jaques Mineral Claims. Per the agreement, Troy is to issue \$50,000 worth of Consideration Shares, based on the day average closing share price on the CSE for the seven trading days immediately prior to the date that is 60 days from the date of the agreement. On October 3, 2023, the Company issued 79,365 common shares with a fair value of \$50,000, pursuant to the terms of the agreement for the Lac Jaques Property (Note 5).

On August 4, 2023, the Company issued 500,000 common shares on settlement of 500,000 Restricted share units (RSUs) that vested immediately on their grant date. The related reserves of \$175,000 were reclassified to common shares on settlement.

On October 11, 2023, the Company completed the first tranche of a private placement offering and issued 8,571,994 common shares at a price of \$0.35 per share for gross proceeds of \$3,000,200. In connection with the offering, the Company paid cash commissions of \$46,660 and issued 133,315 finder’s warrants with a fair value of \$55,463, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 110%, risk-free interest rate of 4.75%, expected life of 2 years, exercise price of \$0.35, a dividend yield of 0%, and a share price of \$0.60. The finder’s warrants are exercisable into one common share of the Company at a price of \$0.35 for a period of 24 months. In connection with the offering, the Company paid \$7,727 in professional and transaction fees.

On November 22, 2023, the Company completed the second tranche of a private placement offering and issued 1,465,943 common shares at a price of \$0.35 per share for gross proceeds of \$513,080. In connection with the offering, the Company paid cash commissions of \$13,056 and issued 37,303 finder’s warrants with a fair value of \$23,298, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 111%, risk-free interest rate of 4.40%, expected life of 2 years, exercise price of \$0.35, a dividend yield of 0%, and a share price of \$0.83. The finder’s warrants are exercisable into one common share of the Company at a price of \$0.35 for a period of 24 months. In connection with the offering, the Company paid \$17,264 in professional and transaction fees of which \$8,340 are recorded in accounts payable and accrued liabilities as of November 30, 2023.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian dollars)

(Unaudited)

7. SHARE CAPITAL (CONTINUED)

For the year ended May 31, 2023

On July 20, 2022, the Company issued 2,000,000 common shares with a fair value of \$16,000 to a director as a finder's fee for the acquisition of the Green Gold property (Note 5 and Note 8).

On August 31, 2022, the Company issued 24,392,500 common shares for the deemed exercise of 24,392,500 special warrants upon obtaining a receipt for a final prospectus qualifying the distribution of the shares. Upon exercise, \$730,200 was reallocated from reserves to share capital.

On September 29, 2022, the Company issued 2,500,000 common shares at \$0.04 per share with fair value of \$100,000 to Rockbridge Resources Inc for the acquisition of the Tick Tock Property (Note 5 and Note 8).

On May 31, 2023, the Company closed a non-brokered private placement issuing 5,400,000 units of the Company at a price of \$0.10 per unit for gross proceeds of \$540,000 of which \$135,000 were received and \$405,000 were recorded as subscriptions receivable as of May 31, 2023. Each unit consists of one common share and one transferable share purchase warrant of the Company. Each warrant is exercisable for one common share of the Company at a price of \$0.13 for a period of 24 months following the closing of the offering. The Company incurred share issuance costs of \$1,895 in relation to this private placement. All securities issued are subject to a four-month hold period expiring October 1, 2023.

Warrants

A summary of the warrant activity for the six months ended November 30, 2023 and the year ended May 31, 2023 is as follows:

	Six months ended August November 30, 2023	Year ended May 31, 2023
	Number of warrants	Number of warrants
Balance, beginning of period/year	5,400,000	24,392,500
Issued	170,618	5,400,000
Exercised	-	(24,392,500)
Balance, end of period/year	5,570,618	5,400,000

The weighted average exercise price of warrants outstanding is \$0.14 (May 31, 2023 - \$0.13) and the average remaining contractual life of outstanding warrants is 1.51 years (May 31, 2023 - 2.00 years).

The Company issued 133,315 warrants as finder's fees in connection with the first tranche of the private placement that closed on October 11, 2023. Each finder's warrant may be exercised at a price of \$0.35 per share until October 11, 2025. The fair value of the finder's warrants was \$55,463 and was determined using the Black Scholes pricing model using the following assumptions: estimated volatility of 110%, risk-free interest rate of 4.75%, expected life of 2 years, exercise price of \$0.35, a dividend yield of 0%, and a share price of \$0.60.

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7. SHARE CAPITAL (CONTINUED)

Warrants (continued)

The Company issued 37,303 warrants as finder's fees in connection with the second tranche of the private placement that closed on November 22, 2023. Each finder's warrant may be exercised at a price of \$0.35 per share until November 22, 2025. The fair value of the finder's warrants was \$23,298 and was determined using the Black Scholes pricing model using the following assumptions: estimated volatility of 111%, risk-free interest rate of 4.40%, expected life of 2 years, exercise price of \$0.35, a dividend yield of 0%, and a share price of \$0.83.

For the year-ended May 31, 2023

On May 31, 2023, the Company completed a non-brokered private placement issuing 5,400,000 units at a price of \$0.10 per unit for gross proceeds of \$540,000. Each unit is comprised of one common share and one warrant, resulting in the issuance of 5,400,000 warrants. Each warrant is exercisable for one common share of the Company at a price of \$0.13 for a period of 24 months following the closing of the offering. A value of \$nil was allocated to the warrants using the residual value method.

Stock options

On May 10, 2023, the Company adopted an Equity Incentive Compensation Plan (the "Plan"). The Plan permits the grant of stock options, share appreciation rights (SARs), restricted share units (RSUs), deferred share units (DSUs), and performance share units (PSUs).

The aggregate number of shares issuable pursuant to stock options issued under the Plan may not exceed 10% of the then issued and outstanding shares of the Company on a rolling basis.

All terms and conditions of the instruments granted under the Plan, including but not limited to the grant price, exercise price, issue price, and vesting conditions, shall be determined by the Board of Directors at the time of grant.

A summary of the stock option activity for the six months ended November 30, 2023 and the year ended May 31, 2023 is as follows:

	Six months ended November 30, 2023	Year ended May 31, 2023
	Number of options	Number of options
Balance, beginning of period/year	-	-
Issued	600,000	-
Exercised	-	-
Balance, end of period/year	600,000	-

As of November 30, 2023, the weighted average remaining life for the outstanding options was 4.68 years (May 31, 2023 – Nil). The weighted average exercise price of the stock options outstanding is \$0.35 (May 31, 2023 – \$Nil)

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7. SHARE CAPITAL (CONTINUED)

Stock options (continued)

For the six months ended November 30, 2023

On August 4, 2023, the Company issued 600,000 incentive stock options pursuant to the terms in the Plan, of which 550,000 options were issued to certain directors, officers and consultants of the Company (Note 8). Each option is exercisable into one common share at a price of \$0.35 per share, with an expiration date of 5 years. The options vest immediately on grant. The fair value of the stock options was \$157,803, determined using the Black Scholes option pricing model using the following assumptions: estimated volatility of 98%, risk-free interest rate of 3.70%, expected life of 5 years, exercise price of \$0.35, a dividend yield of 0%, and a share price of \$0.35. All of the options (and any common shares issuable upon exercise thereof) are subject to a 4-month hold period under applicable stock exchange rules and Canadian securities laws.

During the six months ended November 30, 2023, the Company recognized \$157,803 as share-based compensation expense related to the vesting of stock options.

For the year-ended May 31, 2023

There are no changes in stock options for the year-ended May 31, 2023.

Restricted Share Units

For the six months ended November 30, 2023

On August 3, 2023, the Company granted an aggregate of 500,000 RSUs to certain consultants of the Company. Each RSU vests immediately on grant. All of the RSUs (and any common shares issuable upon exercise thereof) are subject to a 4-month hold period under applicable stock exchange rules and Canadian securities laws.

During the six months ended November 30, 2023, the Company recognized \$175,000 as share-based compensation expense related to the vesting of RSUs.

For the year-ended May 31, 2023

There are no changes in RSUs for the year-ended May 31, 2023.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and President.

During the six months ended November 30, 2023, the Company incurred management fees of \$30,000 (November 30, 2022 - \$30,000) to a company controlled by the President, and professional fees of \$2,281 (November 30, 2022 - \$18,972) to a company controlled by the former Chief Financial Officer. Additionally, professional fees of \$12,195 (November 30, 2023 - \$Nil) were paid to a former Director of the Company.

During the three months ended November 30, 2023, the Company incurred management fees of \$15,000 (November 30, 2022 - \$15,000) to a company controlled by the President, and professional fees of \$Nil (November 30, 2022 - \$7,823) to a company controlled by the former Chief Financial Officer.

During the six months ended November 30, 2023, the Company recognized \$144,653 (2022 - \$Nil) in share-based compensation to key management personnel on the vesting of stock options (Note 7).

As at November 30, 2023, accounts payable and accrued liabilities included \$70,000 (May 31, 2023 - \$40,000) payable to a company controlled by the President, \$9,470 (May 31, 2023 - \$1,826) payable to a Company controlled by the former CFO, and \$10,966 (May 31, 2023 - \$8,169) to a former Director.

On July 20, 2022, the Company issued 2,000,000 common shares to a director as a finder's fee for the acquisition of the Green Gold property of \$16,000 (Note 5).

On September 29, 2022, the Company acquired Tick Tock Property from a company controlled by the President, for share consideration of 2,500,000 shares at \$0.04 per share and cash consideration of \$120,000 (Note 5 and Note 8).

9. CAPITAL MANAGEMENT

The Company manages its capital, consisting of share and working capital, in a manner consistent with the risk characteristic of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

As at November 30, 2023, the Company's capital structure consists of the equity of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

9. CAPITAL MANAGEMENT (CONTINUED)

As at November 30, 2023, the Company's available capital resources consists of cash of \$2,681,562 (May 31, 2023 - \$45,424). As at November 30, 2023, the Company's total current liabilities were \$270,312 (May 31, 2023 - \$85,447).

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets consist of cash held at the bank and its financial liabilities consist of accounts payable and accrued liabilities. The Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted due to their short-term nature.

Financial instrument classification

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Financial assets included in the statement of financial position are as follows:

	Level in fair value hierarchy	November 30, 2023	May 31, 2023
FVTPL:			
Cash	Level 1	\$ 2,681,562	\$ 45,424
Reclamation bond	Level 2	101,197	101,978
		\$ 2,782,759	\$ 147,402

Financial liabilities included in the statement of financial position are as follows:

	Level in fair value hierarchy	November 30, 2023	May 31, 2023
Amortized cost:			
Accounts payable and accrued liabilities		\$ 270,312	\$ 85,447
		\$ 270,312	\$ 85,447

Troy Minerals Inc.

Notes to the Condensed Interim Financial Statements

For the three and six months ended November 30, 2023 and 2022

(Expressed in Canadian dollars)

(Unaudited)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it has sufficient working capital to meet liabilities when due. As at November 30, 2023, the Company has cash of \$2,681,562 to settle current liabilities of \$270,312. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

11. SUBSEQUENT EVENTS

On December 28, 2023, the Company completed a private placement offering and issued 800,000 flow-through units ("FT Units") at a price of \$1.25 per unit for gross proceeds of \$1,000,000. Each FT Unit is comprised of one common share and one-half of one non-transferable share purchase warrant of the Company. Each whole warrant is exercisable into one common share of the Company at an exercise price of \$2.50 per share for a period of two years from the date of issuance. In connection with the offering, the Company paid a cash finder's fee of \$45,000 and issued 36,000 finder's warrants. Each finder's warrant is exercisable into one common share at an exercise price of \$1.25 per share for a period of two years from the date of issuance.

On December 28, 2023, the Company issued 50,000 stock options to a third-party arm's length vendor for services to be provided over a period of 12 months. The stock options are exercisable at a price of \$1.25 per share, with an expiration date of two years from the date of issuance.

On January 4, 2024, the Company issued 100,000 stock options to a newly appointed member of the Company's advisory board. The stock options will vest over one year and are exercisable at a price of \$1.20 per share, with an expiration date of five years from the date of issuance.

On January 18, 2024, 10,000 shares were issued upon exercise of 10,000 stock options for proceeds of \$3,500.

In January 2024, 1,950,000 shares were issued upon exercise of 1,950,000 share purchase warrants for proceeds of \$253,500