

# **Troy Minerals Inc.**

## **Condensed Consolidated Interim Financial Statements For the three months ended August 31, 2024, and 2023**

(Expressed in Canadian dollars)

(Unaudited)

### **NOTE TO READER**

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

The accompanying unaudited condensed consolidated 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 consolidated interim financial statements.

# Troy Minerals Inc.

## Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

As at	Notes	August 31, 2024 \$	May 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		2,829,939	2,358,392
Other receivables	4	43,090	22,016
Prepaid expenses and deposits		307,452	153,023
<b>Total current assets</b>		<b>3,180,481</b>	<b>2,533,431</b>
Exploration and evaluation assets	5	1,568,252	967,677
Reclamation bond	5	100,516	101,686
<b>TOTAL ASSETS</b>		<b>4,849,249</b>	<b>3,602,794</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6,9	472,366	136,755
<b>Total current liabilities</b>		<b>472,366</b>	<b>136,755</b>
Flow-through premium liability	7	116,798	55,441
<b>Total liabilities</b>		<b>589,164</b>	<b>192,196</b>
<b>Equity</b>			
Common shares	8	7,106,211	6,138,635
Obligation to issue common shares	8	9,750	19,500
Reserves	8	612,877	397,704
Deficit		(3,468,753)	(3,145,241)
<b>Total equity</b>		<b>4,260,085</b>	<b>3,410,598</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,849,249</b>	<b>3,602,794</b>

Going concern (Note 1)

Subsequent events (Note 13)

### APPROVED BY THE BOARD:

"Rana Vig"

Director

"Gurdeep Bains"

Director

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

# Troy Minerals Inc.

## Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

		For the three months ended	
		August 31,	August 31,
	Note	2024	2023
		\$	\$
<b>Expenses</b>			
Management fees	9	15,000	15,719
Investor relations		20,000	4,000
Interest and bank charges		431	167
General and administrative		75,345	3,521
Professional fees	9	175,213	30,955
Share-based compensation	8,9	27,905	332,803
Transfer agent and regulatory fees		18,703	17,886
<b>Total expenses</b>		<b>(332,597)</b>	<b>(405,051)</b>
<b>Other items</b>			
Interest income		20,098	-
Flow-through premium recovery	7	1,809	-
Impairment of exploration and evaluation assets	5	(11,599)	-
Foreign exchange gain (loss)		(1,223)	(636)
<b>Loss and comprehensive loss</b>		<b>(323,512)</b>	<b>(405,687)</b>
Basic and Diluted loss per shares		(0.01)	(0.01)
<b>Weighted average number of</b>			
<b>common shares outstanding – basic and diluted</b>		<b>55,211,279</b>	<b>41,319,924</b>

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

## Troy Minerals Inc.

### Condensed Consolidated Interim Statements of Changes in Equity

For the three months ended August 31, 2023 and August 31, 2024

(Expressed in Canadian dollars)

	Number of shares	Common shares \$	Obligation to issue securities \$	Subscription Receivable \$	Reserves \$	Deficit \$	Total \$
<b>Balance May 31, 2023</b>	<b>41,167,750</b>	<b>1,439,305</b>	-	<b>(405,000)</b>	-	<b>(484,282)</b>	<b>550,023</b>
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)	-	-
Loss for the year	-	-	-	-	-	(405,687)	(405,687)
<b>Balance, August 31, 2023</b>	<b>41,667,750</b>	<b>1,614,305</b>	-	-	<b>157,803</b>	<b>(889,969)</b>	<b>882,139</b>
<b>Balance May 31, 2024</b>	<b>54,545,052</b>	<b>6,138,635</b>	<b>19,500</b>	-	<b>397,704</b>	<b>(3,145,241)</b>	<b>3,410,598</b>
Common shares issued in private placement	1,511,000	302,200	-	-	75,550	-	377,750
Flow-through shares issued in private placement	3,339,284	851,023	-	-	83,977	-	935,000
Flow-through premium	-	(63,166)	-	-	-	-	(63,166)
Common shares issued on settlement of RSUs	50,000	19,500	(19,500)	-	-	-	-
Common shares issuable on settlement of RSUs	-	-	9,750	-	(9,750)	-	-
Share issuance costs	-	(141,981)	-	-	37,491	-	(104,490)
Share-based compensation	-	-	-	-	27,905	-	27,905
Net loss for the period	-	-	-	-	-	(323,512)	(323,512)
<b>Balance, August 31, 2024</b>	<b>59,445,336</b>	<b>7,106,211</b>	<b>9,750</b>	-	<b>612,877</b>	<b>(3,468,753)</b>	<b>4,260,085</b>

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

# Troy Minerals Inc.

## Condensed Consolidated Interim Statements of Cash Flows

For the three months ended August 31, 2024 and August 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

For the three months ended August 31,	2024	2023
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Loss for the period	(323,512)	(405,687)
Items not affective cash:		
Share-based compensation	27,905	332,803
Flow-through premium recovery	(1,809)	-
Foreign exchange gain (loss)	1,170	-
Impairment of exploration and evaluation assets	11,599	-
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(154,429)	(46,749)
Other receivables	(21,074)	15,522
Accounts payable and accrued liabilities	6,379	1,592
<b>Cash used in operating activities</b>	<b>(453,771)</b>	<b>(102,519)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation costs	(294,425)	(19,191)
Acquisition cost of exploration and evaluation assets	-	(50,000)
<b>Cash used in investing activities</b>	<b>(294,425)</b>	<b>(69,191)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	377,750	-
Proceeds from issuance of Flow-Through Units	935,000	-
Proceeds from share subscription received	-	405,000
Share issuance costs	(93,007)	-
<b>Net cash provided by financing activities</b>	<b>1,219,743</b>	<b>405,000</b>
<b>Net change in cash</b>	<b>471,547</b>	<b>233,290</b>
Cash, beginning of the year	2,358,392	45,424
<b>Cash, end of the year</b>	<b>2,829,939</b>	<b>278,714</b>
<b>Supplemental cash flow information</b>		
Exploration and evaluation costs in accounts payable and accrued liabilities	366,526	-
Finder's warrants issued in connection with private placement	37,491	-
Interest received	20,098	-
Share issuance costs in accounts payable and accrued liabilities	11,483	-
Flow-through premium	63,166	-

# **Troy Minerals Inc.**

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

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

Troy Minerals Inc. (the “Company” or “Troy”) 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 the 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 consolidated 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. For the three months ended August 31, 2024, the Company had a net loss and comprehensive loss of \$323,512 (2023 - \$405,687), and as at August 31, 2024, the Company had an accumulated deficit of \$3,468,753 (2023 - \$3,145,241) and a working capital surplus of \$2,708,115 (2023 – \$2,396,676 ).

The Company had cash of \$2,829,939 as at August 31, 2024, 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. These condensed consolidated interim 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 consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The condensed consolidated financial statements were authorized by the Board of Directors of the Company on October 30, 2024.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 2. BASIS OF PREPARATION (CONTINUED)

#### Basis of Measurement and Consolidation

These condensed consolidated interim financial statements have been prepared 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 annual financial statements for the year ended May 31, 2024. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars which is the functional currency of the Company.

The preparation of 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 in Note 4 of the audited annual financial statements for the year ended May 31, 2024.

These condensed consolidated interim financial statements incorporate the accounts of the Company and its controlled subsidiary from its date of incorporation. The Company's wholly owned subsidiary consists of 1489649 B.C. Ltd. incorporated on June 27, 2024. The functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited annual financial statements for the year ended May 31, 2024, and have been consistently followed in the preparation of these condensed interim consolidated financial statements.

### 4. OTHER RECEIVABLES

As at		August 31, 2024		May 31, 2024
Government sales tax receivable	\$	43,090	\$	22,016
	\$	43,090	\$	22,016

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# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

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(Unaudited)

### 5. EXPLORATION AND EVALUATION ASSETS

	<b>Green Gold Project</b>	<b>Tick Tock Project</b>	<b>Lake Owen Project</b>	<b>Lac Jaques Project</b>	<b>Mica Peak Project</b>	<b>Total</b>
Balance at May 31, 2023	202,996	220,000	35,342	-	-	458,338
Acquisition cost – cash	-	-	17,403	50,000	-	67,403
Acquisition cost – shares	-	-	-	50,000	-	50,000
Exploration costs	180,957	2,708	94,922	497,302	7,004	782,893
Impairment	(383,953)	-	-	-	(7,004)	(390,957)
<b>Balance at May 31, 2024</b>	<b>-</b>	<b>222,708</b>	<b>147,667</b>	<b>597,302</b>	<b>-</b>	<b>967,677</b>
Exploration costs	11,599	1,133	573,904	25,538	-	612,174
Impairment	(11,599)	-	-	-	-	(11,599)
<b>Balance at August 31, 2024</b>	<b>-</b>	<b>223,841</b>	<b>721,571</b>	<b>622,840</b>	<b>-</b>	<b>1,568,252</b>

#### 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 (completed).

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.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

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### 5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

#### 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 in Wyoming, USA. On December 1, 2023, the Company entered into an amended agreement resulting in the addition of 9 new mineral claims for a total of 100 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\$487,500 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\$487,500 in cash to Wyoming as follows:
  - A. USD\$25,000 within three business days of the Lake Owen Effective date (paid);
  - B. USD\$12,500 on or before the first anniversary of the Lake Owen Effective Date (paid subsequent to year end);
  - 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.
  
- (ii) Incur US\$1,000,000 in Expenditures on the Property as follows:
  - A. USD\$500,000 on or before the third anniversary of the Lake Owen Effective Date
  - B. USD\$200,000 on or before the fourth anniversary of the Lake Owen Effective Date
  - C. 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.

# **Troy Minerals Inc.**

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

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### **5. EXPLORATION AND EVALUATION ASSET (CONTINUED)**

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

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

As at August 31, 2024 the Company holds a reclamation bond with the Wyoming Department of Environmental Quality of \$100,516 (USD \$74,500) (May 31, 2024 - \$101,686) related to the Lake Owen Property.

#### **Tick Tock Project**

During the year ended May 31, 2023, the Company purchased the Tick Tock Property from Rockbridge Resources Inc. in exchange for cash consideration of \$120,000 and the issuance of 2,500,000 common shares of the Company with a fair value of \$100,000. The Ticktock Property is located in British Columbia, Canada.

#### **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 various mineral claims located in British Columbia that comprise the Green Gold Project. 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);

# **Troy Minerals Inc.**

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

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### **5. EXPLORATION AND EVALUATION ASSET (CONTINUED)**

#### **Green Gold Project (Continued)**

- 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);
- 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.

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.

On July 20, 2022, 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.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

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### 5. EXPLORATION AND EVALUATION ASSET (CONTINUED)

#### Green Gold Project (Continued)

On April 29, 2024, the Company terminated the option agreement to acquire a 75% beneficial interest in the Green Gold property. Prior to termination, the Company had incurred sufficient expenditure and filed the assessment work to extend the claim expiry dates to June 2025, thus satisfying the requirement to have a minimum of 12 months credit if the option was terminated. An impairment expense of \$383,953 was recognized in relation to the Green Gold property during the year ended May 31, 2024.

#### Mica Peak Project

On March 18, 2024, the Company completed the staking of a new property. The Mica Peak property is 100% owned by the company and is unencumbered by any royalties at the present time. The property is located in British Columbia. During the year ended May 31, 2024 the Company determined not to proceed with exploration of the property. An impairment expense of \$7,004 was recognized in relation to the Mica Peak property during the year ended May 31, 2024.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at		August 31, 2024		May 31, 2024
Accounts payable	\$	251,653	\$	67,320
Accrued liabilities		220,713		69,435
	\$	472,366	\$	136,755

### 7. FLOW-THROUGH PREMIUM

On December 28, 2023, the Company closed a private placement and issued 800,000 flow-through units ("FT Units") at a price of \$1.25 per FT Unit for gross proceeds of \$1,000,000 (Note 8). Upon closing of the private placement, the Company recognized a flow-through premium liability in the statement of financial position of \$72,000 which reflects the value of income tax benefits that the Company will pass on to the flow-through shareholders.

During the three months ended August 31, 2024, the Company incurred qualifying exploration expenditures resulting in recognition of flow-through premium recovery in the statement of loss and comprehensive loss of \$1,809 (2023 - \$nil) and a balance of flow-through premium liability of \$53,632 as of August 31, 2024 (May 31, 2024 - \$55,441). As at August 31, 2024, the Company has a remaining obligation to spend \$744,886 (May 31, 2024 - \$770,012) in eligible expenditures by December 31, 2025.

On July 18, 2024, the Company closed the first tranche of a private placement and issued 1,500,000 FT Units at a price of \$0.28 per FT Unit for gross proceeds of \$420,000 (Note 8). Upon closing of the private placement, the Company did not recognize a flow-through premium liability as the FT units were issued at the current market price of a common shares.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

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### 7. FLOW-THROUGH PREMIUM (CONTINUED)

As at August 31, 2024, the Company has a remaining obligation to spend \$418,489 (May 31, 2024 - \$nil) in eligible expenditures by July 31, 2026.

On July 31, 2024, the Company closed the second tranche of a private placement and issued 1,839,284 FT Units at a price of \$0.28 per FT Unit for gross proceeds of \$515,000 (Note 8). Upon closing of the private placement, the Company recognized a flow-through premium liability in the statement of financial position of \$63,166 which reflects the value of income tax benefits that the Company will pass on to the flow-through shareholders to the flow-through shareholders.

As of August 31, 2024 the Company has of flow-through premium liability balance of \$63,166 (May 31, 2024 - \$55,441). As at August 31, 2024, the Company has a remaining obligation to spend \$515,000 (May 31, 2024 - \$nil) in eligible expenditures by July 31, 2026.

<b>Balance, May 31, 2023 and 2022</b>	<b>\$</b>	<b>-</b>
Issuance of flow-through shares		72,000
Flow-through recovery		(16,559)
<b>Balance, May 31, 2024</b>	<b>\$</b>	<b>55,441</b>
Issuance of flow-through shares		63,166
Flow-through recovery		(1,809)
<b>Balance August 31, 2024</b>		<b>116,798</b>

### 8. 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 three months ended August 31, 2024

On June 5, 2024 the Company issued 50,000 common shares on settlement of 50,000 restricted share units which vested during the year ended May 31, 2024.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 8. SHARE CAPITAL (CONTINUED)

#### Shares issued (Continued)

For the three months ended August 31, 2024 (Continued)

On July 18, 2024, the Company completed the first tranche of a private placement issuing 1,500,000 FT Units at a price of \$0.28 per FT Unit for gross proceeds of \$420,000. Each FT Unit is comprised of one common share of the Company which qualifies as a “flow-through” share as defined in subsection 66(15) of the *Income Tax Act* (Canada) and one-half of one share purchase warrant of the Company. Each whole warrant is exercisable for one non-flow-through common share of the Company at an exercise price of \$0.45 per share for a period of two years from the date of issuance. A value of \$nil was allocated to the warrants and flow-through premium using the residual value method.

In connection with the offering, the Company paid cash finders’ fees of \$29,400 and issued 105,000 finder’s warrants with a fair value of \$15,559, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 122%, risk-free interest rate of 3.70%, expected life of 2 years, exercise price of \$0.45, a dividend yield of 0%, and a share price of \$0.28. The finder’s warrants are exercisable into one common share of the Company at a price of \$0.45 for a period of 24 months. In connection with the offering, the Company paid \$1,154 in professional and legal fees.

On July 31, 2024, the Company completed the second tranche of a private placement issuing 1,839,284 FT Units at a price of \$0.28 per FT Unit for gross proceeds of \$515,000. Each FT Unit is comprised of one common share of the Company which qualifies as a “flow-through” share as defined in subsection 66(15) of the *Income Tax Act* (Canada) and one-half of one share purchase warrant of the Company. Each whole warrant is exercisable for one common share of the Company at an exercise price of \$0.45 per share for a period of two years from the date of issuance. A value of \$83,977 was allocated to the warrants estimated using the Black-Scholes pricing model and the following assumptions: estimated volatility of 121%, risk-free interest rate of 3.46%, expected life of 2 years, exercise price of \$0.45, a dividend yield of 0%, and a share price of \$0.20. A value of \$63,166 was recognized as flow-through premium liability (Note 7) using the residual value method.

On July 31, 2024 the Company completed a private placement issuing 1,511,000 non-flow-through units (“NFT”) at a price of \$0.25 per NFT unit for gross proceeds of \$377,750. Each NFT Unit is comprised of one common share of the Company and one-half of one share purchase warrant of the Company. Each whole warrant is exercisable for one common share of the Company at an exercise price of \$0.40 per share for a period of two years from the date of issuance. A value of \$75,550 was allocated to the warrants using the residual value method.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 8. SHARE CAPITAL (CONTINUED)

#### Shares issued (Continued)

##### For the three months ended August 31, 2024 (Continued)

In connection with the July 31, 2024 offerings, the Company paid cash finders' fees of \$62,453 and incurred \$11,483 in share issuance costs, relating to professional and legal fees, which are included in accounts payable and accrued liabilities as of August 31, 2024. The Company issued 128,749 finder's warrants with an exercise price of \$0.45 per share and with a fair value of \$11,757, and 105,770 finders warrants with an exercise price of \$0.40 per share and a fair value of \$10,175 which were estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 121%, risk-free interest rate of 3.46%, expected life of 2 years, exercise price of \$0.45 and \$0.40, respectively, a dividend yield of 0%, and a share price of \$0.20. The finder's warrants are exercisable into one common share of the Company at a price of \$0.45 and \$0.40, respectively, for a period of 24 months.

##### For the year ended May 31, 2024

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

On October 3, 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. In connection with the offering, the Company paid \$6,277 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. In connection with the offering, the Company paid \$8,924 in professional and transaction fees.



# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

### 8. SHARE CAPITAL (CONTINUED)

#### Shares issued (Continued)

For the year ended May 31, 2024 (Continued)

On December 28, 2023, the Company completed a private placement issuing 800,000 FT Units at a price of \$1.25 per FT Unit for gross proceeds of \$1,000,000, of which \$72,000 was recognized as flow-through premium liability (Note 7). Each FT Unit is comprised of one common share of the Company which qualifies as a “flow-through” share as defined in subsection 66(15) of the Income Tax Act (Canada) and section 359.1 of the Taxation Act (Quebec) and one-half of one non transferable share purchase warrant of the Company. Each whole warrant is exercisable for 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. The value of \$nil was allocated to the warrants using the residual value method. In connection with the offering, the Company paid cash commissions of \$45,000 and issued 36,000 finder’s warrants with a fair value of \$17,869, estimated using the Black Scholes pricing model. In connection with the offering, the Company paid \$10,033 in professional and transaction fees.

During the year ended May 31, 2024 the Company issued 1,950,000 common shares for gross proceeds of \$253,500 pursuant to the exercise of warrants. The related reserve of \$nil were reclassified to common shares on settlement.

During the year ended May 31, 2024 the Company issued 10,000 common shares for gross proceeds of \$3,500 pursuant to the exercise of options. The related reserve of \$2,630 were reclassified to common shares on settlement.

#### Warrants

A summary of the warrant activity for the three months ended August 31, 2024, and the year ended May 31, 2024 is as follows:

	<b>Three months ended August 31, 2024</b>	Year ended May 31, 2024
	<b>Number of warrants</b>	Number of warrants
Balance, beginning of the period	<b>4,056,618</b>	5,400,000
Issued	<b>2,764,661</b>	606,618
Exercised	-	(1,950,000)
Balance, end of the period	<b>6,821,279</b>	4,056,618

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

### 8. SHARE CAPITAL (CONTINUED)

#### Warrants (Continued)

As at August 31, 2024, the following warrants are outstanding:

<b>Expiry date</b>	<b>Number of warrants outstanding</b>	<b>Exercise price</b>
31-May-25	3,450,000	\$0.13
11-Oct-25	133,315	\$0.35
22-Nov-25	37,303	\$0.35
28-Dec-25	436,000	\$2.50
18-Jul-26	855,000	\$0.45
31-Jul-26	1,016,891	\$0.45
31-Jul-26	884,249	\$0.40
<b>Total</b>	<b>6,812,758</b>	

As at May 31, 2024, the following warrants are outstanding:

<b>Expiry date</b>	<b>Number of warrants outstanding</b>	<b>Exercise price</b>
31-May-25	3,450,000	\$0.13
11-Oct-25	133,315	\$0.35
22-Nov-25	37,303	\$0.35
28-Dec-25	436,000	\$2.50
<b>Total</b>	<b>4,056,618</b>	

The weighted average exercise price of warrants outstanding is \$0.41 (May 31, 2024 - \$0.39) and the average remaining contractual life of outstanding warrants is 1.26 years (May 31, 2024 – 1.08 years).

#### For the three months ended August 31, 2024

On July 18, 2024, the Company completed the first tranche of a flow-through private placement financing issuing 750,000 warrants as part of the 1,500,000 FT Units issued. Each warrant is exercisable for one non-flow-through common share of the Company at an exercise price of \$0.45 per share for a period of two years from the date of issuance. A value of \$nil was allocated to the warrants using the residual value method.

In connection with the private placement, the company issued 105,000 warrants as finders fee on July 18, 2024. Each finder's warrant may be exercised at a price of \$0.45 per share until July 18, 2026. The fair value of the warrants was \$15,559, estimated using the Black Scholes pricing model and the following assumptions: estimated volatility of 122%, risk-free interest rate of 3.70%, expected life of 2 years, exercise price of \$0.45, a dividend yield of 0%, and a share price of \$0.28. The finder's warrants are exercisable into one common share of the Company at a price of \$0.45 for a period of 24 months.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 8. SHARE CAPITAL (CONTINUED)

#### Warrants (Continued)

##### For the three months ended August 31, 2024 (Continued)

On July 31, 2024, the Company completed the second tranche a flow-through private placement financing issuing 919,642 warrants as part of the 1,839,284 FT Units issued. Each warrant is exercisable for one common share of the Company at an exercise price of \$0.45 per share for a period of two years from the date of issuance. A value of \$83,977 was allocated to the warrants estimated using the Black-Scholes pricing model and the following assumptions: estimated volatility of 121%, risk-free interest rate of 3.46%, expected life of 2 years, exercise price of \$0.45, a dividend yield of 0%, and a share price of \$0.20.

On July 31, 2024, the Company completed a non-flow-through private placement financing issuing 755,500 warrants as part of the 1,511,000 NFT Units issued. Each warrant is exercisable for one common share of the Company at an exercise price of \$0.40 per share for a period of two years from the date of issuance. A value of \$75,550 was allocated to the warrants using the residual value method.

The Company issued 128,749 warrants as finder's fees in connection with the private placement financings closed on July 31, 2024. Each finder's warrant may be exercised at a price of \$0.45 per share until July 31, 2026. The fair value of the finder's warrants was \$11,757 and was estimated using the Black Scholes pricing model using the following assumptions: estimated volatility of 121%, risk-free interest rate of 3.46%, expected life of 2 years, exercise price of \$0.45, a dividend yield of 0%, and a share price of \$0.20.

The Company issued 105,770 warrants as finder's fees in connection with the private placement financings closed on July 31, 2024. Each finder's warrant may be exercised at a price of \$0.40 per share until July 31, 2026. The fair value of the finder's warrants was \$10,175 and was estimated using the Black Scholes pricing model using the following assumptions: estimated volatility of 121%, risk-free interest rate of 3.46%, expected life of 2 years, exercise price of \$0.40, a dividend yield of 0%, and a share price of \$0.20.

##### For the year ended May 31, 2024

The Company issued 133,315 warrants as finder's fees in connection with the first tranche of the private placement that closed on October 3, 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 estimated 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.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 8. SHARE CAPITAL (CONTINUED)

#### Warrants (continued)

##### For the year ended May 31, 2024 (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 estimated 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.

The Company issued 400,000 warrants in connection with the private placement offering of 800,000 FT Units that closed on December 28, 2023. Each warrant may be exercised at a price of \$2.50 per share until December 28, 2025. The value of \$nil was allocated to the warrants using the residual value method.

The Company issued 36,000 warrants as finder's fees in connection with the flow through private placement offering closed on December 28, 2023. Each finder's warrant may be exercised at a price of \$2.50 per share until December 28, 2025. The fair value of the finder's warrants was \$17,869 and was determined using the Black Scholes pricing model and the following assumptions: estimated volatility of 113%, risk-free interest rate of 3.92%, expected life of 2 years, exercise price of \$2.50, a dividend yield of 0%, and a share price of \$1.16.

During the year ended May 31, 2024, 1,950,000 warrants were exercised for gross proceeds of \$253,500. The related reserves of \$nil, were reclassified to common shares on settlement.

#### 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.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

### 8. SHARE CAPITAL (CONTINUED)

#### Stock options (continued)

As at August 31, 2024, the following options are outstanding:

Expiry date	Number of options outstanding	Number of options vested	Exercise price
04-Aug-28	590,000	590,000	\$0.35
28-Dec-25	50,000	50,000	\$1.25
08-Jan-29	100,000	75,000	\$1.20
27-Feb-29	100,000	75,000	\$0.39
<b>Total</b>	<b>840,000</b>	<b>790,000</b>	

As at May 31, 2024, the following options are outstanding:

Expiry date	Number of options outstanding	Number of options vested	Exercise price
04-Aug-28	590,000	590,000	\$0.35
28-Dec-25	50,000	50,000	\$1.25
08-Jan-29	100,000	50,000	\$1.20
27-Feb-29	100,000	50,000	\$0.39
<b>Total</b>	<b>840,000</b>	<b>740,000</b>	

A summary of the stock option activity the three months ended August 31, and the year ended May 31, 2024:

	Three months ended August 31, 2024	Year ended May 31, 2024
	Number of options	Number of options
Balance, beginning of the period / year	840,000	-
Granted	-	850,000
Exercised	-	(10,000)
<b>Balance, end of the year</b>	<b>840,000</b>	<b>840,000</b>

As of August 31, 2024, the weighted average remaining life for the outstanding options was 3.89 years (May 31, 2024 – 4.14). The weighted average exercise price of the stock options outstanding is \$0.51 (May 31, 2024 – \$0.51).

As of August 31, 2024, the weighted average remaining life for the outstanding vested options was 3.86 years (May 31, 2024 – 4.07). The weighted average exercise price of the outstanding vested stock options is \$0.49 (May 31, 2024 – \$0.47).

During the three months ended August 31, 2024 the Company recognized stock-based compensation of \$19,917 (2023 - \$157,803) related to the vesting of stock options granted in previous years.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

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(Unaudited)

### 8. SHARE CAPITAL (CONTINUED)

#### Stock options (continued)

The following weighted average assumptions were applied using the Black-Scholes Options Pricing model to estimate the fair value of stock options granted during the three months ended August 31, 2024 and 2023.

	August 31, 2024	August 31, 2023
Risk-free interest rate	-	3.7%
Expected life (years)	-	5
Annualized volatility	-	98%
Dividend yield	-	0%
Share price	-	\$0.35

#### Restricted Share Units (“RSU”s)

A summary of the restricted share unit activity for the three months ended August 31, 2024 and year ended May 31, 2024 is as follows:

	Three months ended August 31, 2024	Year ended May 31, 2024
	Number of RSUs	Number of RSUs
Balance, beginning of the period / year	50,000	-
Granted	25,000	600,000
Settled		(550,000)
Balance, end of the year	25,000	50,000

As of August 31, 2024, 2024, the weighted average issuance price of the RSUs outstanding is \$0.39 (May 31, 2024 – \$0.39).

#### For the three months ended August 31, 2024

During the period 25,000 RSU vested to certain consultants to the company.

#### For the year ended May 31, 2024

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 settlement thereof) are subject to a 4-month hold period under applicable stock exchange rules and Canadian securities laws.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### 8. SHARE CAPITAL (CONTINUED)

#### Restricted Share Units (“RSU”s) (continued)

##### For the year ended May 31, 2024 (Continued)

On February 27, 2024, the Company granted an aggregate of 100,000 RSUs to certain consultants of the Company. The vesting terms of the RSUs are as follows: 25,000 vest immediately on grant, 25,000 vest on May 27, 2024, 25,000 vest on August 27, 2024 and 25,000 vest on November 27, 2024. All of the RSUs (and any common shares issuable upon settlement thereof) are subject to a 4-month hold period under applicable stock exchange rules and Canadian securities laws.

During the year ended May 31, 2024, the Company recognized \$202,880 as share-based compensation expense related to the vesting of RSUs.

### 9. 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.

#### Related Party Balances

As at August 31, 2024, accounts payable and accrued liabilities included \$581 (May 31, 2024 - \$38,868) payable to the President in relation to general expenses incurred on behalf of the Company.

#### Key Management Compensation

During the three months ended August 31, 2024, the Company incurred key management compensation of \$15,000 (2023 - \$15,000) to a company controlled by the President.

During the year ended August 31, 2024, the Company incurred professional fees of \$nil (2023 - \$2,281) to a company controlled by the former Chief Financial Officer.

During the year ended August 31, 2024, professional fees of \$nil (2023 - \$12,195) were paid to a former Director of the Company.

During the three months ended August 31, 2024, the Company recognized \$nil (2023 - \$144,653) in share-based compensation to key management personnel on the vesting of stock options (Note 8).

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayments.

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

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### 10. 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 August 31, 2024, 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.

As at August 31, 2024, the Company's available capital resources consists of cash of \$2,829,939 (May 31, 2024 - \$2,358,392 ). As at August 31, 2024, the Company's total current liabilities were \$472,366 (May 31, 2024 - \$136,755).

### 11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment – mineral exploration. The Company is in the exploration stage, and accordingly, has no reportable segment revenues. The Company's non-current assets are located in Canada or the United States as follows:

	Canada	United States	Total non-current assets
As at August 31, 2024	\$ 890,921	\$ 777,847	\$ 1,668,768
As at May 31, 2024	\$ 820,010	\$ 249,353	\$ 1,069,363

### 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial assets consist of cash and reclamation bond. The Company's 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



# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

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### 12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Financial instrument classification (continued)

- *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:

	August 31, 2024	May 31, 2024
Amortized cost:		
Cash	\$ 2,829,939	\$ 2,358,392
Reclamation bond	100,516	101,686
	\$ 2,930,455	\$ 2,460,078

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

	August 31, 2023	May 31, 2024
Amortized cost:		
Accounts payable and accrued liabilities	\$ 472,366	\$ 136,755
	\$ 472,366	\$ 136,755

#### 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 August 31, 2024, the Company has cash of \$2,829,939 to settle current liabilities of \$472,366. All of the Company's financial liabilities have contractual maturities of 30 days and are subject to normal trade terms.

#### Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Company does not have any variable rate debt, The interest earned on cash is insignificant and the Company does not rely on interest to fund its operations. As a result, the Company is not exposed to significant interest rate risk.

# **Troy Minerals Inc.**

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

For the three months ended August 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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### **12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

#### **Financial instrument classification (continued)**

##### **Price Risk**

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

##### **Currency Risk**

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. As at August 31, 2024, the Company does not hold any financial instruments denominated in foreign currencies, as such the Company is not exposed to currency risk.

### **13. SUBSEQUENT EVENTS**

#### **Share issuance**

On September 13, 2024, the Company issued 25,000 upon vesting of RSUs.

#### **Share Acquisition Agreement**

On June 27, 2024, the Company entered into a share acquisition agreement with CBGB Ventures Corp ("CBGB") and 1489649 B.C. LTD. ("Subco"). The company proposes to acquire all of the outstanding shares of CBGB by way of an amalgamation between CBGB and Subco, a wholly owned subsidiary of the company pursuant to the amalgamation.

On September 3, 2024, the Company completed the acquisition of 100% of the issued and outstanding shares of CBGB Ventures Corp. in consideration for 3,244,151 Troy common shares and 9,732,454 special warrants of the Company. All shares, including shares issuable on conversion of special warrants, are subject to voluntary hold and escrow provisions with an initial 25% release at six months from the closing date, and the remaining 75% released upon achieving certain milestones including commercial production.

The Special Warrants will convert into common shares of the Company as follows:

- 3,244,151 Special Warrants will convert into Troy common shares on the date on which the Company will receive a 23.8% equity interest in Grand Samsara Development LLC.
- 1,601,328 Special Warrants will convert into Troy common shares on that date which is 30 days following the earlier of the date of Table Mountain Project attaining a mineral resource of 5,000,000 tonnes as supported by a technical report prepared for the Company pursuant to National Instrument 43-101 and upon commencing commercial production

# Troy Minerals Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended August 31, 2024 and 2023

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(Unaudited)

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### 13. SUBSEQUENT EVENTS (CONTINUED)

#### Share Acquisition Agreement (continued)

- 1,601,327 Special Warrants will convert into Troy common shares on that date which is 30 days following the date the Table Mountain Project commencing commercial production; and
- 3,285,648 Special Warrants will convert into Troy common shares on that date which is 30 days following the date the Tsagaan Zalaan Project commencing commercial production.

CBGB holds the option to acquire 100% interest in the Table Mountain Silica Project in British Columbia. The Optionor will retain a 2.0% net smelter return royalty. To exercise the option, the Company along with its subsidiary must:

- issue cash payment of \$100,000;
- incur \$5,000,000 in expenditures on the Table Mountain Project over a 5-year period commencing from the date on which the Company has secured a drilling permit, with a minimum of \$1,000,000 CAD spent in the first 3 years; and
- issue 5,000,000 shares of the Company as follows:
  - 250,000 shares upon achieving an average grade of at least 99.6% SiO<sub>2</sub> from metallurgical test work, refinement, upgrading, processing, washing, and/or similar process, performed on a bulk sample from the Table Mountain Project;
  - 250,000 shares upon receiving a quarry permit.
  - 1,500,000 shares upon the earlier of attaining a 5 million tonne mineral resource and upon commencing commercial production
  - 1,500,000 shares upon attaining a 20 million tonne mineral resource;
  - 1,500,000 shares upon attaining a 50 million tonne mineral resource.

CBGB together with Troy, will have the right to acquire up to an 80% equity interest in Grand Samsara Development LLC which holds the Tsagaan Zalaan Silica Project in Mongolia.