



CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

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

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars) - unaudited

As at	September 30, 2022	December 31, 2021
ASSETS		
Current		
Cash	\$ 152,378	\$ 127,227
Prepaid expenses	8,333	-
Receivables	4,314	3,219
	165,025	130,446
Reclamation deposit (Note 3)	16,850	16,850
Mineral property (Note 3)	1,618,983	1,695,293
	\$ 1,800,858	\$ 1,842,589
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 326,074	\$ 235,513
	326,074	235,513
Shareholders' equity		
Share capital (Note 5)	3,261,496	3,211,246
Reserves (Note 5)	340,640	320,605
Deficit	(2,127,352)	(1,924,775)
	1,474,784	1,607,076
	\$ 1,800,858	\$ 1,842,589

Nature and continuance of operations (Note 1)

Subsequent event (Note 8)

Approved and authorized by the Board on November 25, 2022.

<i>"Gary Schellenberg"</i>	Director	<i>"Geoff Schellenberg"</i>	Director
Gary Schellenberg		Geoff Schellenberg	

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars) - unaudited

	Three months		Nine months	
	ended September 30,		ended September 30,	
	2022	2021	2022	2021
Expenses				
Consulting fees (Note 4)	\$ 30,000	\$ 30,000	\$ 90,000	\$ 109,644
Filing and transfer agent fees	1,871	1,761	16,842	18,752
Investor relations	573	5,906	3,641	24,327
Interest and bank charges	48	48	181	849
Office and administration	5,049	9,294	13,929	17,239
Professional fees (Note 4)	24,202	8,723	53,673	50,021
Rent (Note 4)	5,400	4,800	16,200	13,800
Share-based payments (Note 5)	-	-	20,035	-
Loss before other items	(67,143)	(60,532)	(214,501)	(234,632)
Flow-through premium recognized (Note 5)	753	-	10,050	1,945
Interest income	1,569	79	1,874	468
Loss and comprehensive loss for the period	\$ (64,821)	\$ (60,453)	\$ (202,577)	\$ (232,219)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	14,516,134	14,654,203	14,329,614	14,174,090

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars) - unaudited

For the nine-month period ended September 30,	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (202,577)	\$ (232,219)
Non-cash items:		
Share-based payments	20,035	-
Flow-through premium recognized	(10,050)	(1,945)
Non-cash working capital item changes:		
Receivables	(1,095)	3,108
Prepaid expenses	(8,333)	-
Accounts payable and accrued liabilities	99,303	(247)
Net cash used in operating activities	<u>(102,717)</u>	<u>(231,303)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property tax credits received	162,098	-
Mineral property expenditures	(94,530)	(626,703)
Net cash provided by (used in) investing activities	<u>67,568</u>	<u>(626,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	60,300	720,000
Proceeds from warrant exercises	-	71,000
Share issuance costs	-	(1,080)
Net cash provided by financing activities	<u>60,300</u>	<u>789,920</u>
Change in cash for the period	25,151	(68,086)
Cash, beginning of period	<u>127,227</u>	<u>202,555</u>
Cash, end of period	\$ 152,378	\$ 134,469

No cash was paid for interest or taxes for the periods ended September 30, 2022 and 2021.

During the nine-month period ended September 30, 2022, the Company accrued \$nil (2021 - \$3,250) in mineral property costs through accounts payable and accrued liabilities and recognized \$nil (2021 - \$142,500) in additions to mineral properties on the issuance of common shares.

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars) - unaudited

	Share Capital				
	Number	Amount	Reserves	Deficit	Total
Balance, December 31, 2020	10,897,134	\$ 2,278,826	\$ 258,121	\$ (1,570,721)	\$ 966,226
Shares issued for cash	2,400,000	720,000	-	-	720,000
Shares issued for warrant exercises	284,000	71,000	-	-	71,000
Shares issued for mineral property (Note 3)	600,000	142,500	-	-	142,500
Share issuance costs – cash	-	(1,080)	-	-	(1,080)
Loss for the period	-	-	-	(232,219)	(232,219)
Balance, September 30, 2021	14,181,134	3,211,246	258,121	(1,802,940)	1,666,427
Share-based payments	-	-	62,484	-	62,484
Loss for the period	-	-	-	(121,835)	(121,835)
Balance, December 31, 2021	14,181,134	3,211,246	320,605	(1,924,775)	1,607,076
Shares issued for cash	335,000	60,300	-	-	60,300
Share-based payments	-	-	20,035	-	20,035
Flow-through premium	-	(10,050)	-	-	(10,050)
Loss for the period	-	-	-	(202,577)	(202,577)
Balance, September 30, 2022	14,516,134	\$ 3,261,496	\$ 340,640	\$ (2,127,352)	\$ 1,474,784

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Troubadour Resources Inc. (the “Company”) was incorporated in Canada under the British Columbia Corporations Act on March 22, 2012. The Company is principally engaged in the acquisition and exploration of resource properties. The Company’s shares are publicly traded on the TSX Venture Exchange (the “TSXV”) under the symbol TR. The head office, records office, and principal address of the Company is 488-625 Howe Street, Vancouver, British Columbia, V6C 2T6.

The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company’s primary focus is on two properties in British Columbia: the Amarillo Property, located in the Osoyoos Mining District, and the Texas Property, located in the Greenwood Mining District (Note 3).

On December 29, 2021, the Company consolidated its issued and outstanding capital on the basis of one (1) post-consolidation share for each two and a half (2.5) pre-consolidation shares. All per share option, warrant, and share amounts have been retroactively restated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations this time.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. SIGNIFICANT ACCOUNTING POLICES AND BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements are prepared using accounting policies consistent with the Company’s annual audited financial statements issued under International Financial Reporting Standards (“IFRS”) for the year ended December 31, 2021.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. BASIS OF PREPARATION (cont'd...)

Use of estimates and critical judgments

The recognition of exploration and evaluation assets requires judgments regarding future recoverability and carrying cost. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

3. MINERAL PROPERTY

As at September 30, 2022, the Company held \$16,850 (December 31, 2021 - \$16,850) in deposits with a financial institution as security for reclamation requirements.

Amarillo Property, BC

The Company owns a 100% interest in certain claims located in the Osoyoos Mining District, British Columbia, comprising the Amarillo property. The seller retains a 1.5% Net Smelter Returns ("NSR") royalty, of which the Company may purchase 1.0% for a payment of \$1,000,000.

Texas Property, BC

On October 6, 2020, the Company entered into a mineral property option agreement with 1218802 B.C. Ltd. (the "Vendor") to acquire a 100% interest in the Texas property, located in the Greenwood Mining District in Southern British Columbia. The Company can acquire a 100% interest by paying the Vendor a total of \$80,000 and issuing 1,200,000 shares and incurring \$250,000 in exploration expenditures over a two-year period as follows:

- (a) paying \$30,000 (paid) and issuing 600,000 shares (issued with a fair value of \$142,500 – Note 5) within fifteen business days of exchange approval; and
- (b) paying \$50,000 and issuing 600,000 shares on or before the first anniversary.

During the year ended December 31, 2021, the Company entered into an agreement with the Vendor to extend the remaining \$50,000 payment and 600,000 share issuances by six-months to April 6, 2022, by paying \$5,000. The agreement was further extended during the period ended September 30, 2022 by to October 6, 2022 by paying an additional \$5,000. Subsequent to the period ended September 30, 2022, the Company satisfied the option by paying \$50,000 and issuing 600,000 common shares to 1218802 B.C. Ltd.

TROUBADOUR RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars) – unaudited

3. MINERAL PROPERTY (cont'd...)

The Company must incur \$250,000 in exploration expenditures as follows:

- (a) \$100,000 on or before the first anniversary (spent); and
- (b) \$150,000 on or before the second anniversary (spent).

Upon vesting the Vendor will retain a 1.5% NSR of which Troubadour can purchase 1% for \$1,000,000 any time prior to commencement of commercial production.

During the period ended September 30, 2022, the Company incurred the following in relation to mineral properties:

	Amarillo Property		Texas Property		Total
<i>Acquisition Costs</i>					
Balance, December 31, 2021	\$	66,202	\$	178,326	\$ 244,528
Additions		-		6,981	6,981
Balance, September 30, 2022		66,202		185,307	251,509
<i>Exploration Costs</i>					
Balance, December 31, 2021		936,285		514,480	1,450,765
Assays		-		23,028	23,028
Field expenditures		-		19,093	19,093
Field personnel		-		14,000	14,000
Geological consulting		-		21,750	21,750
Mobilization		-		936	936
BC Mining Exploration Tax Credit		(25,648)		(136,450)	(162,098)
Balance, September 30, 2022		910,637		456,837	1,367,474
Total, September 30, 2022	\$	976,839	\$	642,144	\$ 1,618,983

During the year ended December 31, 2021, the Company incurred the following in relation to mineral properties:

	Amarillo Property		Texas Property		Total
<i>Acquisition Costs</i>					
Balance, December 31, 2020	\$	66,202	\$	826	\$ 67,028
Additions		-		177,500	177,500
Balance, December 31, 2021		66,202		178,326	244,528
<i>Exploration Costs</i>					
Balance, December 31, 2020		848,984		50,034	899,018
Administrative Expenditures		-		195	195
Assays		-		48,835	48,835
Drilling		-		291,159	291,159
Field expenditures		-		51,655	51,655
Field personnel		500		26,824	27,324
Geological Consulting		750		42,658	43,408
Geophysical		84,206		1,056	85,262
Mobilization		398		2,064	2,462
Staking		1,447		-	1,447
Balance, December 31, 2021		936,285		514,480	1,450,765
Total, December 31, 2021	\$	1,002,487	\$	692,806	\$ 1,695,293

TROUBADOUR RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars) – unaudited

4. RELATED PARTY TRANSACTIONS

During the period ended September 30, 2022, the Company paid or accrued \$80,788 (2021 - \$168,610) included in mineral property expenditures and \$16,200 (2021 - \$9,000) included in rent expense recognized in loss and comprehensive loss to a company related to two officers of the Company. Included in accounts payable and accrued liabilities as at September 30, 2022 was \$307,342 (December 31, 2021 - \$230,785) payable to companies controlled by officers of the Company.

Key management personnel consist of directors and senior management including the President, Chief Executive Officer, and Chief Financial Officer. During the period ended September 30, 2022, the Company paid or accrued, to key management personnel and their related companies:

	Professional fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	\$ -	\$ 22,500	\$ 2,222	\$ 24,722
President	-	67,500	3,889	71,389
Chief Financial Officer	22,500	-	1,389	23,889
Non-executive Directors	-	-	2,778	2,778
Total	\$ 22,500	\$ 90,000	\$ 10,278	\$ 122,778

During the period ended September 30, 2021, the Company paid or accrued, to key management personnel and their related companies:

	Professional fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	\$ -	\$ 22,500	\$ -	\$ 22,500
President	-	67,500	-	67,500
Chief Financial Officer	22,500	-	-	22,500
Non-executive Directors	-	1,050	-	1,050
Total	\$ 22,500	\$ 91,050	\$ -	\$ 113,550

5. SHAREHOLDERS' EQUITY

Authorized

An unlimited number of common shares without par value.

Issued share capital

During the period ended September 30, 2022, the Company closed a private placement by issuing 335,000 flow-through share units (each, a "FT Unit") at \$0.18 per FT Unit for gross proceeds of \$60,300. Each FT Unit consisted of one flow-through common share and one-half of one common share purchase warrant, with each full warrant entitling the holder to purchase one additional common share at a price of \$0.25 for a period of two years.

The Company used the residual value method to calculate the fair value of the tax deduction attached with the flow-through common share and recorded a flow-through liability of \$10,050. During the period ended September 30, 2022, the Company spent the entire required flow-through expenditures under the issuance and \$10,050 was recognized to loss and comprehensive loss.

During the year ended December 31, 2021, the Company:

- a) issued 600,000 common shares valued at \$142,500 to 1218802 B.C. Ltd., as stipulated in its mineral property option agreement for the Texas Property (Note 3); and

TROUBADOUR RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars) – unaudited

5. SHAREHOLDERS' EQUITY (cont'd...)

Issued share capital (cont'd...)

- b) closed a non-brokered private placement by issuing 2,400,000 units at a price of \$0.30 per unit for gross proceeds of \$720,000. Each unit consists of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.45 for a period of 18-months. In connection with the offering, the Company paid finders' fees of \$1,080.

Warrants

The following is a summary of warrants outstanding as at September 30, 2022 and December 31, 2021 and changes during the periods then ended:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2020	2,186,000	\$ 0.26
Issued during the period	1,200,000	0.45
Exercised during the period	(284,000)	0.25
Expired during the period	(1,776,000)	0.25
Balance, December 31, 2021	1,326,000	0.44
Issued during the period	167,500	0.25
Expired during the period	(1,200,000)	0.45
Balance, September 30, 2022	293,500	\$ 0.30

As at September 30, 2022 the following warrants were outstanding:

	Number outstanding and exercisable	Exercise Price	Expiry Date
Warrants	126,000	\$ 0.375	December 29, 2022
Warrants	167,500	\$ 0.250	June 1, 2024
	293,500		

Stock Options

On September 25, 2017, the Company adopted a stock option plan. The stock option plan provides that, subject to the requirement of the TSXV, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is ten years from the date that such options are granted.

During the period ended September 30, 2022 the Company granted nil (year ended December 31, 2021 – 160,000) stock options with a weighted average fair value of \$nil (year ended December 31, 2021 - \$0.39). Total share-based payments recognized in the interim condensed statement of loss and comprehensive loss for the period ended September 30, 2022 was \$20,035 (2021 - \$nil) related to the repricing of stock options and was recognized in profit or loss.

TROUBADOUR RESOURCES INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022
(Expressed in Canadian Dollars) – unaudited

5. SHAREHOLDERS' EQUITY (cont'd...)

Stock Options (cont'd...)

The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	September 30, 2022	December 31, 2021
Risk-free interest rate	2.53%	0.48%
Expected life of option	2.12 years	3 years
Expected annualized volatility	140.96	145.18%
Expected dividend rate	0%	0%

The following is a summary of stock options outstanding as at September 30, 2022 and December 31, 2021 and changes during the periods ended:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2020	1,020,000	0.27
Issued during the year	160,000	0.45
Balance, December 31, 2021 and September 30, 2022	1,180,000	\$ 0.15

As at September 30, 2022 the following stock options were outstanding:

Number outstanding	Number outstanding and exercisable	Exercise Price	Expiry Date
580,000	580,000	\$ 0.160 ¹	September 11, 2023
440,000	440,000	\$ 0.125	February 27, 2025
160,000	160,000	\$ 0.160 ²	May 10, 2024
1,180,000	1,180,000		

1. During the period ended September 30, 2022, these options were repriced from \$0.375 to \$0.16.
2. During the period ended September 30, 2022, these options were repriced from \$0.45 to \$0.16.

6. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in one geographical location, being Canada.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The carrying value of receivables, reclamation bond, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Receivables, reclamation bond, and accounts payable and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and reclamation bond are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at September 30, 2022, the Company is not exposed to significant interest rate risk.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Risk management (cont'd...)

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

8. SUBSEQUENT EVENT

Subsequent to the period ended September 30, 2022, the Company issued 600,000 common shares and paid \$50,000 to satisfy all obligations on the Texas Property option agreement and earned a 100% in the property (Note 3).