



TROUBADOUR RESOURCES INC.

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

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024

**NOTICE OF NO AUDITOR REVIEW OF
CONSOLIDATED 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 consolidated interim financial statements they must be accompanied by a notice indicating that these consolidated interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditor Davidson & Company LLP has not performed a review of these consolidated 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.

November 29, 2024

TROUBADOUR RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	September 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current		
Cash	\$ 1,783,055	\$ 48,920
Prepaid expenses	1,123,390	5,208
Receivables	157,295	2,960
	3,063,739	57,088
Reclamation deposit (Note 4)	16,850	16,850
Mineral property (Note 4)	5,871,629	1,702,755
	\$ 8,952,218	\$ 1,776,693

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities (Note 5)	\$ 353,296	\$ 558,665
	353,296	558,665
Shareholders' equity		
Share capital (Note 6)	11,370,414	3,297,496
Reserves (Note 6c)	685,648	340,640
Deficit	(3,457,140)	(2,420,108)
	8,598,922	1,218,028
	\$ 8,952,218	\$ 1,776,693

Nature and continuance of operations (Note 1)

Subsequent events (Note 9)

Approved and authorized by the Board on November 29, 2024.

<u>“Blake Morgan”</u> Blake Morgan	Director	<u>“Christopher Huggins”</u> Christopher Huggins	Director
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The accompanying notes are an integral part of these consolidated interim financial statements.

TROUBADOUR RESOURCES INC.**CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
EXPENSES				
Consulting fees (Note 5)	\$ 328,426	\$ 30,000	\$ 465,394	\$ 90,000
Management fees (Note 5)	22,500	-	22,500	-
Filing and transfer agent fees	25,838	1,721	36,940	12,385
Investor relations	276,299	241	284,140	355
Interest and bank charges	735	49	1,196	173
Office and administration	26,934	4,894	35,693	14,905
Professional fees (Note 5)	22,704	7,741	64,307	46,954
Rent (Note 5)	-	5,400	-	16,200
Share-based payments (Note 6c)	19,011	-	106,524	-
Travel & entertainment	20,677	-	20,677	-
	(743,124)	(50,046)	(1,037,371)	(180,972)
Gain/(loss) on foreign exchange	(519)	-	(519)	-
Interest income	858	138	858	1,515
Loss and comprehensive loss for the period	\$ (742,785)	\$ (49,908)	\$ (1,037,032)	\$ (179,457)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.04)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	51,084,249	15,116,134	29,140,101	15,116,134

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

TROUBADOUR RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - expressed in Canadian Dollars)

For the periods ended September 30,	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (1,037,032)	\$ (179,457)
Non-cash items:		
Share-based payments	106,524	-
Non-cash working capital item changes:		
Receivables	(154,334)	380
Prepaid expenses	(1,118,182)	(3,125)
Accounts payable and accrued liabilities	(205,369)	142,561
Net cash used in operating activities	(2,408,393)	(39,641)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and acquisition of mineral properties	(13,874)	6,977
Net cash (used) provided in investing activities	(13,874)	6,977
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of share capital	4,455,000	-
Share issue costs	(298,597)	-
Net cash provided in financing activities	4,156,402	-
Change in cash for the period	1,734,135	(32,664)
Cash, beginning of period	48,920	85,967
Cash, end of period	\$ 1,783,055	\$ 53,303
SUPPLEMENTAL NON-CASH DISCLOSURES		
Value of shares issued for mineral property acquisition	\$ 4,155,000	\$ -

No cash was paid for interest or taxes for the periods ended September 30, 2024 and 2023.

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

TROUBADOUR RESOURCES INC.
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - expressed in Canadian Dollars)

	Share Capital (Note 6)				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
Balance, December 31, 2022	15,116,134	\$ 3,297,496	\$ 340,640	\$ (2,177,662)	\$ 1,460,474
Loss for the period	-	-	-	(179,457)	(179,457)
Balance, September 30, 2023	15,116,134	\$ 3,297,496	\$ 340,640	\$ (2,357,119)	\$ 1,281,017
Balance, December 31, 2023	15,116,134	\$ 3,297,496	\$ 340,640	\$ (2,420,108)	\$ 1,218,028
Shares issued for mineral property acquisition (Note 6b)	20,500,000	4,155,000	-	-	4,155,000
Flow through private placement (Note 6b)	4,304,760	904,000	-	-	904,000
Shares issued for UNIT financing (Note 6b)	20,442,000	2,555,250	-	-	2,555,250
Shares issued for LIFE financing (Note 6b)	7,558,000	944,750	-	-	944,750
Share issue costs (Note 6b)	-	(573,230)	274,633	-	(298,597)
Stock options exercised (Note 6d)	600,000	87,149	(36,149)	-	51,000
Share-based payments (Note 6d)	-	-	106,524	-	106,524
Loss for the period	-	-	-	(1,037,032)	(1,037,032)
Balance, September 30, 2024	68,520,894	\$ 11,370,414	\$ 685,648	\$ (3,457,140)	\$ 8,598,922

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

TROUBADOUR RESOURCES INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

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 and on the OTCQB Venture Market under the ticker symbol “TROUF”. The Company’s head office address is Suite 1245 – 200 Granville Street, Vancouver BC, V6C 2S4, Canada. The registered and records office address is 6th Floor, 905 W Pender Street, Vancouver, BC V6C 1L6, Canada.

The Company is in the exploration stage and engages principally in the acquisition and exploration of mineral properties. The recoverability of the amounts shown for mineral properties is ultimately dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, obtaining necessary financing to explore and develop the mineral properties, entering into agreements with others to explore and develop the mineral properties, and upon future profitable production or proceeds from disposition of the mineral properties.

These consolidated interim financial statements have been prepared in accordance with IFRS Accounting 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.

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. BASIS OF PREPARATION

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, Greenflame Metals Inc., which was acquired on September 25, 2024. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Statement of compliance

These consolidated 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 consolidated interim financial statements are prepared using accounting policies consistent with the Company’s annual audited financial statements issued under IFRS for the year ended December 31, 2023.

The consolidated 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.

TROUBADOUR RESOURCES INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are recognized at their fair value, except for deferred tax assets or liabilities, which are measured per IAS 12 (Income Taxes). Changes in fair values after the acquisition date are adjusted against the acquisition cost if they qualify as measurement period adjustments. The measurement period spans from the acquisition date to when significant information to determine fair values is available, not exceeding 12 months. Changes beyond this period are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation requires estimating the fair value of identifiable assets (including intangible assets) and liabilities (including contingent consideration). Valuation techniques, often involving discounted future net cash flows, are used. These rely on assumptions about asset performance and discount rates. Acquisition-related costs are recorded as incurred in the consolidated statements of comprehensive loss.

Management assesses if the assets and liabilities constitute a business per IFRS 3 (Business Combinations). A business includes inputs and processes capable of producing outputs. During the nine months ended September 30, 2024, a transaction was completed but deemed not to qualify as a business combination under IFRS 3.

3. 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.

On an ongoing basis, management evaluates its estimates underlying various assumptions. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date that could result in material adjustments to the carrying amounts of assets and liabilities include the following:

Critical accounting estimates

- Variables used in calculating the fair value of equity instruments used in equity-settled transactions
- Variables used in determining expected credit losses

Critical accounting judgments

- Impairment of exploration and evaluation assets
- Recognition of deferred tax assets and liabilities

TROUBADOUR RESOURCES INC.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

- Determination of functional currencies
- Determination of whether a transaction constitutes a business combination or asset acquisition
- Going concern

4. MINERAL PROPERTY

As at September 30, 2024, the Company held \$16,850 (December 31, 2023 - \$16,850) in deposits with a financial institution as security for reclamation requirements.

During the nine months ended September 30, 2024, the Company incurred the following in relation to mineral properties:

	Amarillo Property	Texas Property	Monarch Property	Senneville Project	Senneterre Project	Total
<i>Acquisition Costs</i>						
Balance, December 31, 2022 and 2023	\$ 66,202	\$ 271,307	\$ -	\$ -	\$ -	\$ 337,509
Additions	-	-	502,500	987,500	2,640,000	4,130,000
Balance, September 30, 2024	\$ 66,202	\$ 271,307	\$ 502,500	\$ 987,500	\$ 2,640,000	\$ 4,467,509
<i>Exploration Costs</i>						
Balance, December 31, 2022 and 2023	\$ 914,989	\$ 450,257	\$ -	\$ -	\$ -	\$ 1,365,246
Assays	-	925	-	-	-	925
Claim management	-	-	-	570	-	570
Field expenditures	-	2,128	-	30,000	-	32,128
Field personnel	-	-	-	5,251	-	5,251
Total Additions	-	3,053	-	35,821	-	38,874
Total, September 30, 2024	\$ 981,191	\$ 724,617	\$ 502,500	\$ 1,023,321	\$ 2,640,000	\$ 5,871,629

During the year ended December 31, 2023, the Company incurred the following in relation to mineral properties:

	Amarillo Property	Texas Property	Total
<i>Acquisition Costs</i>			
Balance, December 31, 2022 and 2023	\$ 66,202	\$ 271,307	\$ 337,509
<i>Exploration Costs</i>			
Balance, December 31, 2022	915,385	456,838	1,372,223
BC Mining Exploration Tax Credit	(396)	(6,581)	(6,977)
Balance, December 31, 2023	914,989	450,257	1,365,246
Total, December 31, 2023	\$ 981,191	\$ 721,564	\$ 1,702,755

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 vendor retains a 1.5% Net Smelter Returns royalty, of which the Company may purchase 1.0% for a payment of \$1,000,000. The 100% interest was earned through payment of \$10,000 and the issuance of 200,000 shares.

TROUBADOUR RESOURCES INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

Texas Property, BC

The Company owns a 100% interest in certain claims in the Greenwood Mining District, British Columbia, comprising the Texas property. The vendor retains a 1.5% Net Smelter Returns royalty, of which the Company may purchase 1.0% for a payment of \$1,000,000. The 100% interest was earned through payment of \$85,000 and the issuance of 3 million shares.

Monarch Property, Nuvavut

The Company owns a 100% interest in certain claims in the Thelon Basin in the Territory of Nunavut comprising the Monarch property. The transaction was completed during the nine months ended September 30, 2024. The vendor retains a 2% Net Smelter Returns royalty. The 100% interest was earned through payment of \$35,000 and the issuance of 5,500,000 (issued - Note 6b).

Senneville Project, Quebec

On May 21, 2024, the Company entered into an option agreement to earn a 100% interest in 173 mineral claims comprising the Senneville Project, located in the eastern part of the Abitibi Greenstone Belt, Quebec. Pursuant to the option agreement, the Company may acquire a 100% interest in the property by issuing 5,000,000 common shares and incurring \$2,000,000 in work expenditures as follows:

- Within five days of exchange approval: issue 2,500,000 common shares (issued – Note 6b);
- Within six-months of signing: issue 2,500,000 common shares (issued – Note 6b); and
- Within 24-months of signing: incur an aggregate of \$2,000,000 in work expenditures

The project has the following net-smelter returns royalties (the "NSR") which will be assumed by the Company:

- 2% NSR to North American Exploration Ltd. for 72 claims
- 2% NSR to Silverwater Capital Corp. for 62 claims
- 2% NSR to Terrance Coyle / 9093-6725 Quebec Inc. for 39 claims

Senneterre Mineral Claims, Quebec

On September 25, 2024, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Greenflame Metals Inc. ("Greenflame") and the shareholders of Greenflame (the "Shareholders"). Under the terms of the Share Exchange Agreement, the Company acquired all of the issued and outstanding common shares of Greenflame (the "Greenflame Shares") from the Shareholders in exchange for 10,000,000 common shares of the Company at a deemed price of \$0.27 per share (the "Exchange"). The terms of the Exchange were determined based on the fair value of the Company shares as of the date of issuance.

As part of the share exchange transaction, the Company acquired a 100% interest in 76 mineral claims located in Senneterre, Quebec (the "Property"), a region known for its prospective mineral potential. The claims are validly located, granted, and duly recorded, with their registration in good standing under Quebec law until no earlier than June 26, 2027, with the exception of certain claims noted as pending. Greenflame held 100% ownership interest in the Property, free of any liens, charges, encumbrances, or outstanding taxes. There are no existing agreements, royalties, or encumbrances with third parties that could affect the Property or its proceeds.

The acquisition of Greenflame did not meet the definition of a business combination and has therefore been accounted for as an asset purchase of mineral property interests, with the Company acquiring the outstanding shares of Greenflame on September 25, 2024. The fair value of the total consideration paid and the aggregate fair value of the identified assets acquired and liabilities assumed:

TROUBADOUR RESOURCES INC.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

Purchase Price	
10,000,000 units of the Company issued	\$ 2,700,000
Net Assets acquired	
Exploration and evaluation assets	\$ 2,640,000
Cash balances	60,000

Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of operations and comprehensive loss.

5. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities as at September 30, 2024 was \$148,047 payable to related parties. As at December 31, 2023, \$548,117 was included in accounts payable and accrued liabilities due to current and former related parties.

Key management personnel consist of directors and senior management including the Chief Executive Officer and Chief Financial Officer. During the nine months ended September 30, 2024, the Company paid or accrued, to current and former key management personnel and their related companies:

	Professional fees	Consulting fees	Management fees	Total
Chief Executive Officer	\$ -	\$ 5,000	\$ 22,500	\$ 27,500
Former interim Chief Executive Officer	-	50,000	-	50,000
Former Chief Financial Officer	17,500	-	-	17,500
Chief Financial Officer	3,500	-	-	3,500
Total	\$ 21,000	\$ 55,000	\$ 22,500	\$ 98,500

During the nine months ended September 30, 2024, \$20,000 (2023 - \$nil) in consulting fees was paid or accrued to a spouse of a former Director.

During the nine months ended September 30, 2023, the Company paid or accrued, to former key management personnel and their related companies:

	Professional fees	Consulting fees	Management fees	Total
Former Chief Executive Officer	\$ -	\$ 22,500	\$ -	\$ 22,500
Former President	-	67,500	-	67,500
Former Chief Financial Officer	22,500	-	-	22,500
Total	\$ 22,500	\$ 90,000	\$ -	\$ 112,500

6. SHAREHOLDERS' EQUITY**a) Authorized**

An unlimited number of common shares without par value.

TROUBADOUR RESOURCES INC.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

b) Issued share capital

During the nine months ended September 30, 2024, the Company:

- i) Issued 5,500,000 common shares valued at \$467,500 on the acquisition of the Monarch Uranium Property (Note 4).
- ii) Issued 2,500,000 common shares valued at \$412,500 pursuant to the Senneville Project option agreement (Note 4).
- iii) Issued 2,500,000 common shares valued at \$575,500 pursuant to the Senneville Project option agreement (Note 4).
- iv) Issued 10,000,000 common shares in connection with the acquisition of mineral property assets for Senneterre Mineral Claims, Quebec., at a deemed price of \$0.27 per share (Note 4).
- v) Closed a LIFE offering by issuing 7,558,000 common shares of the Company at a price of \$0.125 per share for total proceeds of \$944,750.
- vi) Closed a non-brokered private placement by issuing 20,442,000 units of the Company a price of \$0.125 per unit for total proceeds of \$2,555,250. Each unit is comprised of one common share and one-half of one transferable share purchase warrant with each whole warrant entitling the holder to purchase an additional share at a price of \$0.175 for a period of two years. In connection with the private placement the Company paid finders' fees of \$228,938 and issued 1,957,500 finders' warrants exercisable for a period of two years at a price of \$0.175.
- vii) Closed the first tranche of a non-brokered flow-through private placement by issuing 4,304,760 flow-through shares at a price of \$0.21 for gross proceeds of \$904,000. In connection with the offering the Company paid finders' fees of \$35,280 and issued 168,000 finders' warrants exercisable for a period of two years at a price of \$0.21.
- viii) Issued 600,000 common shares valued at \$87,149 pursuant to the stock option exercise.

The Company did not issue any shares during the year ended December 31, 2023.

c) Warrants

The following is a summary of warrants outstanding as at September 30, 2024 and December 31, 2023 and changes during the periods then ended:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2022 and 2023	167,500	\$ 0.25
Expired	(167,500)	0.25
Issued	12,346,500	0.18
Balance, September 30, 2024	12,346,500	\$ 0.18

TROUBADOUR RESOURCES INC.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

As at September 30, 2024, the following warrants were outstanding:

	Number	Exercise price	Expiry date
Warrants	10,221,000	\$ 0.175	July 18, 2026
Finder warrants	1,957,500	\$ 0.175	July 18, 2026
Finder warrants	168,000	\$ 0.210	August 7, 2026
	12,346,500		

d) 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 nine months ended September 30, 2024, the Company granted 2,090,000 (year ended December 31, 2023 – nil) stock options with a weighted average fair value of \$0.17 (year ended December 31, 2023 - \$nil). Total share-based payments recognized in the statement of loss and comprehensive loss for the nine months ended September 30, 2024, was \$106,524 (2023 - \$nil) related to options granted and vested, and was recognized in profit or loss.

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

	September 30, 2024	December 31, 2023
Risk-free interest rate	4.20%	N/A
Expected life of option	2 years	N/A
Expected annualized volatility	140.94%	N/A
Expected dividend rate	0.00%	N/A

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2022	1,180,000	\$ 0.15
Expired	(580,000)	0.16
Balance, December 31, 2023	600,000	\$ 0.13
Granted	2,090,000	0.17
Cancelled/Expired	(480,000)	0.14
Exercised	(600,000)	0.09
Balance, September 30, 2024	1,610,000	\$ 0.19

TROUBADOUR RESOURCES INC.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(Unaudited - expressed in Canadian Dollars)

As at September 30, 2024 the following stock options were outstanding:

Number outstanding	Number outstanding and exercisable		Exercise Price	Expiry Date
120,000	120,000	\$	0.125	February 27, 2025
1,340,000	1,340,000	\$	0.200	April 2, 2026
150,000	150,000	\$	0.175	July 2, 2026
1,610,000	1,610,000			

7. 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.

8. 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 cash, receivables, reclamation bond, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash, 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, 2024, the Company is not exposed to significant interest rate risk.

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 adjusts 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.

9. SUBSEQUENT EVENTS

Subsequent to the nine months ended September 30, 2024:

On November 12, 2024, the Company commenced trading of its common shares on the OTCQB Venture Market under the ticker symbol "TROUF". The Company's shares continue to trade on the TSX Venture Exchange under the symbol "TR".