
**WESTERN TROY CAPITAL RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
AUGUST 31, 2017
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Western Troy Capital Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Western Troy Capital Resources Inc.**Condensed Interim Consolidated Statements of Financial Position****(Expressed in Canadian dollars)****Unaudited**

	As at August 31, 2017	As at November 30, 2016
ASSETS		
Current assets		
Cash	\$ 338,365	\$ 42,315
Legal judgment receivable (note 10)	500,000	1,664,981
Amounts receivable and other assets (note 4)	11,237	8,446
Total current assets	849,602	1,715,742
Portfolio investments	-	1
Total assets	\$ 849,602	\$ 1,715,743
EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 9 and 10)	\$ 557,671	\$ 977,488
Equity		
Share capital (note 5)	11,959,780	11,959,780
Reserves (note 6)	3,750	36,175
Accumulated deficit	(11,671,599)	(11,257,700)
Total equity	291,931	738,255
Total equity and liabilities	\$ 849,602	\$ 1,715,743

Nature of operations and going concern (note 1)

Contingencies and commitments (note 10)

Subsequent events (note 11)

Approved on behalf of the Board:

"Mel Williams", Director _____

"John Archibald", Director _____

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

Western Troy Capital Resources Inc.
Condensed Interim Consolidated Statements of Loss
(Expressed in Canadian dollars)
Unaudited

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2017	2016	2017	2016
Operating expenses				
Exploration and evaluation expenditures (note 3)	\$ 30,687	\$ 405	\$ 30,687	\$ 7,685
General and administrative (note 8)	280,779	64,853	472,680	224,273
Total operating expenses	(311,466)	(65,258)	(503,367)	(231,958)
Interest and other income	33,200	2,956	33,200	5,266
Foreign exchange gain (loss)	4,555	(10,806)	23,843	(16,756)
(Impairment) recovery of marketable securities	-	(3,722)	-	11,628
Net loss for the period	\$ (273,711)	\$ (76,830)	\$ (446,324)	\$ (231,820)
Basic and diluted net loss per share (note 7)	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	33,589,970	33,589,970	33,589,970	33,589,970

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

Western Troy Capital Resources Inc.**Condensed Interim Consolidated Statements of Comprehensive Loss****(Expressed in Canadian dollars)****Unaudited**

	Three Months Ended		Nine Months Ended	
	August 31,		August 31,	
	2017	2016	2017	2016
Net loss for the period	\$ (273,711)	\$ (76,830)	\$ (446,324)	\$ (231,820)
Items that will be reclassified subsequently to income				
Unrealized (loss) gain on marketable securities	-	(3,722)	-	11,628
Items reclassified to net loss				
(Impairment) recovery of marketable securities	-	3,722	-	(11,628)
Total comprehensive loss	\$ (273,711)	\$ (76,830)	\$ (446,324)	\$ (231,820)

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

Western Troy Capital Resources Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian dollars)****Unaudited**

	Nine Months Ended August 31,	
	2017	2016
Operating activities		
Net loss for the period	\$ (446,324)	\$ (231,820)
Adjustments for:		
Recovery of marketable securities	-	(11,628)
Changes in non-cash working capital items:		
Amounts receivable and other assets	1,162,191	15,718
Amounts payable and other liabilities	(419,817)	98,980
Net cash provided by (used in) operating activities	296,050	(128,750)
Investing activities		
Sale of marketable securities	-	24,753
Sale of short-term investments	-	98,830
Net cash provided by investing activities	-	123,583
Net change in cash	296,050	(5,167)
Cash, beginning of period	42,315	11,485
Cash, end of period	\$ 338,365	\$ 6,318

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

Western Troy Capital Resources Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
Unaudited

		Reserves		
	Share capital	Equity settled share-based payments reserve	Accumulated deficit	Total
Balance, November 30, 2016	\$ 11,959,780	\$ 36,175	\$ (11,257,700)	\$ 738,255
Stock options cancelled and expired	-	(32,425)	32,425	-
Net loss for the period	-	-	(446,324)	(446,324)
Balance, August 31, 2017	\$ 11,959,780	\$ 3,750	\$ (11,671,599)	\$ 291,931
Balance, November 30, 2015	\$ 11,959,780	\$ 240,878	\$ (12,592,424)	\$ (391,766)
Stock options expired	-	(193,675)	193,675	-
Net loss for the period	-	-	(231,820)	(231,820)
Balance, August 31, 2016	\$ 11,959,780	\$ 47,203	\$ (12,630,569)	\$ (623,586)

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

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

1. Nature of operations and going concern

Western Troy Capital Resources Inc. (the "Company" or "Western Troy") was incorporated under the laws of the Province of Ontario, Canada, by Articles of Incorporation dated November 8, 1989. The Company is engaged in the acquisition, exploration and evaluation of properties for the mining of precious and base metals and currently has interests in resource properties in Canada. The primary office of the Company is located at The Canadian Venture Building, 82 Richmond St. East, Suite 200, Toronto, Ontario, Canada, M5C 1P1.

The unaudited condensed interim consolidated financial statements were approved by the Board of Directors on October 26, 2017.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast doubt upon the entity's ability to continue as a going concern. The Company has incurred losses in the current and prior periods, with a loss of \$446,324 for the nine months ended August 31, 2017 (nine months ended August 31, 2016 - \$231,820) and as at August 31, 2017 has an accumulated deficit of \$11,671,599 (November 30, 2016 - \$11,257,700).

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. Based on current projections and operating plans, the Company may be required to raise additional funds through equity financing. There is, however, no assurance that any such initiatives will be successful and, as a result, there exists material uncertainty casting significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

2. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual consolidated financial statements required by IFRS as issued by the IASB and interpretations issued by IFRIC.

Western Troy Capital Resources Inc.
Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended August 31, 2017
(Expressed in Canadian dollars)
Unaudited

2. Significant accounting policies (continued)

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of October 26, 2017. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended November 30, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending November 30, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

Change in accounting policies

IAS 1 – Presentation of Financial Statements (“IAS 1”)

IAS 1 was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. At December 1, 2016, the Company adopted this standard and there was no impact on the Company's unaudited condensed interim consolidated financial statements.

New accounting standards and interpretations

IFRS 9 – Financial Instruments (“IFRS 9”)

IFRS 9 was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 - Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

Western Troy Capital Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three and Nine Months Ended August 31, 2017****(Expressed in Canadian dollars)****Unaudited**

3. Exploration and evaluation expenditures

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
<u>MacLeod Lake and Eastmain River</u>				
Exploration expenditures				
Sample storage	-	405	-	1,485
Total	-	405	-	1,485
<u>Willow Creek</u>				
Exploration expenditures				
Geologists fees and costs	14,190	-	14,190	-
Fuel and transportation	568	-	568	-
Water and environmental	3,633	-	3,633	-
Meals, travel and accommodation	7,013	-	7,013	-
Equipment rental, supplies and services	1,184	-	1,184	-
Storage cost	1,775	-	1,775	-
Permits and licences	2,324	-	2,324	-
Total	30,687	-	30,687	-
Total exploration and evaluation expenditures	30,687	405	30,687	1,485
Quebec refundable tax credit and mining duties	-	-	-	6,200
Total exploration and evaluation expenditures, net	30,687	405	30,687	7,685

4. Amounts receivable and other assets

	As at August 31, 2017		As at November 30, 2016	
Sales tax receivable - (Canada)	\$	3,888	\$	3,672
Prepaid expenses		7,349		4,774
	\$	11,237	\$	8,446

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

5. Share capital

a) Authorized share capital

Unlimited number of common shares, no par value

Unlimited number of Class A shares, no par value

b) Shares issued

As at August 31, 2017, the issued share capital amounted to \$11,959,780. There were no changes in issued share capital during the nine months ended August 31, 2017 and August 31, 2016.

	Number of common shares	Amount
Balance, November 30, 2015, August 31, 2016, November 30, 2016 and August 31, 2017	33,589,970	\$ 11,959,780

6. Stock options

Under the Company's stock option plan (the "Plan"), the directors of the Company can grant options to acquire common shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The stock options are non-transferable and have no maximum term of grant. The exercise price of the stock options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant. The aggregate number of common shares reserved for issuance under this plan is limited to 10% of the aggregate number of common shares of the Company that are issued and outstanding.

The following table reflects the continuity of stock options:

	Number of stock options	Weighted average exercise price (\$)
Balance, November 30, 2015	1,335,000	0.22
Expired	(585,000)	0.36
Balance, August 31, 2016	750,000	0.11
Balance, November 30, 2016	690,000	0.11
Cancelled	(250,000)	0.10
Expired	(290,000)	0.13
Balance, August 31, 2017	150,000	0.10

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

6. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of August 31, 2017:

Expiry date	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
July 24, 2018	0.10	0.90	150,000	150,000

7. Net loss per common share

The calculation of basic and diluted income per share for the three and nine months ended August 31, 2017 was based on the loss attributable to common shareholders of \$273,711 and \$446,324, respectively (three and nine months ended August 31, 2016 - loss of \$76,830 and \$231,820, respectively) and the weighted average number of common shares outstanding of 33,589,970 (three and nine months ended August 31, 2016 - 33,589,970). Diluted loss per share did not include the effect of stock options as they are anti-dilutive.

8. General and administrative

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2017	2016	2017	2016
Management and consulting fees (note 9)	\$ 234,557	\$ 23,623	\$ 260,378	\$ 71,988
Shareholder relations	(6,101)	1,344	17,108	23,182
Accounting and corporate	4,310	7,398	26,219	22,294
Professional fees	24,994	25,458	125,826	68,752
Office, travel and general	20,169	3,880	30,849	29,407
Directors' fees (note 9(b))	2,850	3,150	12,300	8,650
	\$ 280,779	\$ 64,853	\$ 472,680	\$ 224,273

9. Related party balances and transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties:

(i) During the three and nine months ended August 31, 2017, the Company paid consulting fees of \$233,216 and \$259,037, (three and nine months ended August 31, 2016 - \$23,623 and \$71,988) to a corporation controlled by the President and Chief Executive Officer of the Company. As of August 31, 2017, there is an amount owing of \$282,045 (November 30, 2016 - \$111,461) by the Company to the corporation and it has been included in amounts payable and other liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(ii) During the three and nine months ended August 31, 2017, the Company paid consulting fees totaling \$3,969 (three and nine months ended August 31, 2016 - \$nil) to a company controlled by a director of the Company. As of August 31, 2017, there is an amount owing of \$nil (November 30, 2016 - \$nil) by the Company to the company.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

9. Related party balances and transactions (continued)

(iii) To the knowledge of the directors and executive officers of the Company, the common shares of the Company are widely held, except for 9,977,000 common shares or approximately 29.7% of the total common shares outstanding held or controlled by Stephen Hardy and 5,511,927 common shares or approximately 16.4% of the total common shares outstanding held or controlled by Barbara Mourin. As of August 31, 2017, directors and officers collectively control 1,138,500 common shares of the Company or approximately 3.4% of the total common shares outstanding. These holdings can change at any time at the discretion of the owner.

The Company is not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

(b) Remuneration of directors and key management personnel (including the Chief Executive Officer (note 9(i)), Chief Financial Officer and directors), other than consulting fees, of the Company was as follows:

	Three Months Ended August 31,		Nine Months Ended August 31,	
	2017	2016	2017	2016
Salaries and benefits ⁽¹⁾	\$ 240,557	\$ 26,773	\$ 271,337	\$ 80,638

⁽¹⁾ Salaries and benefits include director fees. Directors are entitled to director fees and stock options for their services and officers are entitled to stock options for their services.

As of August 31, 2017, there is an amount owing of \$285,195 (November 30, 2016 - \$124,786) by the Company to its directors and key management personnel (including the balance owing to the Chief Executive Officer's corporation in note 9(i)) and it has been included in amounts payable and other liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

10. Contingencies and commitments

Management agreements

The Company is party to management severance agreements which require that additional payments of up to US\$144,000 (\$180,518) be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these unaudited condensed interim consolidated financial statements.

Environmental contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

10. Contingencies and commitments (continued)

Flow-through and other tax matters

During 2015, the Company received the results of an audit by the Canada Revenue Agency (the "CRA") related to its 2011 flow-through forms filed. The reassessment resulted in certain expenditures being denied by the CRA and a liability of Part XII.6 tax and interest as at August 31, 2017, of \$100,240 (November 30, 2016 - \$100,240). In addition, as a consequence of the denied expenditures, the Company will reimburse certain investors for income taxes owing as a result of the reduced tax deduction by the investors. As at August 31, 2017, the Company has accrued \$96,430 (November 30, 2016 - \$396,430) for the potential income tax liability for which the Company has indemnified the investors. These amounts have been recorded in amounts payable and other liabilities. It is uncertain whether the Company will be required to pay these amounts. The Company filed a Notice of Objection with the CRA on December 3, 2015. The Company received a letter from CRA on December 24, 2015 indicating a review of the Notice of Objection will take place within 9 to 12 months. During the second quarter of 2016, the CRA rejected the Company's Notice of Objection. The Company believes this ruling was made without significant analysis by the CRA of the underlying issues involved, and it appealed the ruling with the Tax Court of Canada. The appeal was rejected and the Company now intends to take its appeal to the next level. Management believes it has good grounds to have the assessment reversed, which would also result in the investor income tax liability being reduced to \$nil. The Company has retained the services of a tax attorney at Thorsteinssons LLP in Toronto to pursue the appeal process.

On July 5, 2017, the Company paid \$300,000 to Mr. J Tognetti so that Mr. Tognetti could pay his potential lost tax benefit to the Canada Revenue Agency (CRA). The actual amount of Mr. Tognetti's potential lost tax benefit is estimated at approximately \$300,000, but the final amount of that lost tax benefit remains uncertain. Should the Company prevail in its dispute with the CRA and the funds are returned to Mr. Tognetti by the CRA, Mr. Tognetti has agreed to return the funds to Western Troy.

In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The determination of the Company's income and other tax assets and liabilities requires interpretation of complex laws and regulations involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax, deferred tax and other provisions in the period in which such determination is made. As of the date of the statement of financial position, no liability in respect of pending tax issues has been recognized in the unaudited condensed interim consolidated financial statements. Should the ultimate tax liability materially differ from the Company's expectations, the Company's cash position could be affected positively or negatively in the period in which the matters are resolved.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2017

(Expressed in Canadian dollars)

Unaudited

10. Contingencies and commitments (continued)

Lawsuit

On September 28, 2012, Western Troy filed a Statement of Claim in Ontario's Superior Court of Justice (Toronto) against GENIVAR Inc. ("GENIVAR") for \$3.3 million and certain of their professional managers for \$2.2 million for professional negligence in work performed on a feasibility study for the Company's MacLeod Lake Copper/Molybdenum Project. On December 7, 2012, Western Troy received a Statement of Defence and Counterclaim from GENIVAR which asserted a counterclaim of \$450,000 for which the Company filed a defence on December 21, 2012. A trial began on March 1, 2016 and concluded on April 1, 2016. In an order issued by the Ontario Court on November 2, 2016, GENIVAR was found negligent in a number of instances surrounding the work on the MacLeod Lake Project. Western Troy was awarded \$1.25 million in restitution. Western Troy was also awarded costs and interest in the amount of \$414,981.

On March 3, 2017, the Ontario Appeals Court made an order lifting the stay on the payment of the judgment against GENIVAR to allow Western Troy to immediately enforce payment of (a) damages in the amount of \$750,000; (b) pre-judgment interest on the damages award, being \$85,969; and (c) the costs order in the amount of \$329,011. The total amount of the judgment, interest and costs Western Troy is entitled to enforce is \$1,164,981 pending the determination of Western Troy's appeal. The Court of Appeal also awarded costs of Western Troy's motion in the amount of \$2,000. The remaining \$500,000 of the original award is to be held under the original stay pending resolution of the appeal process. The appeal hearing is scheduled for November 22, 2017.

11. Subsequent events

On September 14, 2017, the Company announced that, along with its newly formed wholly owned US subsidiary, Western Troy Mining Company, it has entered into an arm's length Letter Agreement with Mt. Elbert Mining Company LLC ("MEMC"). The letter agreement sets out the terms and condition upon which the Company will enter into a lease agreement on MEMC's interests in the Willow Creek Mine located in Lake Country, Colorado. The Willow Creek Mine is located approximately 10 miles south of Leadville, Colorado. The property consists of 120 acres of private land, and approximately 3,120 acres of contiguous unpatented mining claims.

As consideration for the Transaction, the Company has agreed to pay a 5% Net Smelter Return ("NSR") royalty on simple water and gravity recovery methods, and a 3% NSR royalty on production from bedrock. The NSR on bedrock production may be reduced to 2% by payment to MEMC of US\$2 million. The Company has also agreed to pay a 25% Net Proceeds Interest ("NPI") on simple gravity recovery production of alluvial material, 20% NPI on alluvial material that requires crushing, milling, or leaching, 15% NPI on alluvial material that requires crushing and/or grinding, and leaching, and a 10% NPI from bedrock production. The NPI is to be calculated based on mine site operating cash flow through the 2018 operating season, and will include capital spending incurred thereafter.

The Company will issue to MEMC 1,000,000 Series A common share purchase warrants of the Company. Each Series A warrant shall entitle the holder to acquire one common share of the Corporation at an exercise price of C\$0.05, exercisable for a period of two years from the date of issuance of the warrants. The Company will also issue to MEMC 250,000 Series B common share purchase warrants of the Company. Each Series B warrant shall entitle the holder to acquire one common share of the Company at an exercise price of C\$0.05, exercisable for a period of 120 days from the date of issuance of the warrants. The securities issued will be subject to a four month and one day statutory hold period.

The Company is committed to pay MEMC minimum advance NSR royalties and NPI of US\$25,000 upon signing, US\$100,000 by April 30, 2019, and US\$2 million per year beginning in 2020. Western Troy may terminate the agreement at any time. Should Western Troy terminate the agreement after the 2017 evaluation program, it will be required to provide MEMC with a National Instrument 43-101 report on its evaluation program.