
**WESTERN TROY CAPITAL RESOURCES
INC.**

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS
ENDED AUGUST 31, 2021**

(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, 2021	As at November 30, 2020
ASSETS		
Current assets		
Cash	\$ 532,862	\$ 362,761
Marketable securities (note 3)	52,504	91,945
HST receivable	29,268	3,906
Total assets	\$ 614,634	\$ 458,612
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Amounts payable and other liabilities (notes 9 and 11)	\$ 188,390	\$ 30,102
Total liabilities	188,390	30,102
Shareholders' equity		
Share capital (note 4)	12,907,027	12,642,902
Reserves (notes 5, 6 and 7)	306,477	270,802
Accumulated deficit	(12,787,260)	(12,485,194)
Total shareholders' equity	426,244	428,510
Total shareholders' equity and liabilities	\$ 614,634	\$ 458,612

Nature of operations and going concern (note 1)

Subsequent events (note 13)

Approved on behalf of the Board:"Rex Loesby", Director"Stephen Dunn", 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 and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	For the three-month periods ended		For the nine-month periods ended	
	August 31, 2021	August 31, 2020	August 31, 2021	August 31, 2020
Expenses				
General and administrative costs (note 9)	\$ 421,619	\$ 57,125	\$ 467,450	\$ 135,370
Loss before other items	(421,619)	(57,125)	(467,450)	(135,370)
Other items				
Foreign exchange gain (loss)	-	(920)	-	78
Unrealized gain (loss) on marketable securities (note 3)	43	-	(39,441)	-
Total other items	43	(920)	(39,441)	78
Net income (loss) and comprehensive income (loss) for the period	(421,576)	(58,045)	(506,891)	(135,292)
Basic and diluted earnings (loss) per share	(0.03)	(0.02)	(0.04)	(0.04)
Weighted average number of shares outstanding	12,415,971	3,393,730	11,837,601	3,755,390

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)

	For the nine-month period ended August 31,	
	2021	2020
Operating Activities		
Net income (loss) for the period	\$ (506,891)	\$ (135,292)
Adjustments for		
Share-based payments	146,000	-
Unrealized loss on marketable securities	39,441	543
Foreign exchange	-	68
Changes in non-cash working capital		
HST receivable	(25,362)	(1,053)
Accounts payable and accrued liabilities	158,288	66,389
Cash used in operating activities	(188,524)	(69,891)
Financing Activities		
Issuance of shares	364,125	500,000
Issuance cost of units	(5,500)	(8,552)
Cash provided by financing activities	358,625	491,448
Change in cash during the period	170,101	421,557
Cash, beginning of the period	362,761	351
Cash, end of the period	\$ 532,862	\$ 421,908
Supplemental Disclosures		
Shares issued for settlement of debt	\$ -	\$ 42,560

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 Shareholders Equity

(Expressed in Canadian dollars)

(Unaudited)

	Capital Stock			Reserves			Accumulated deficit	Total
	Number of shares	Amount	Obligation to issue shares	Warrants	Special warrants	Share-based payments		
Balance at November 30, 2019	2,727,576	\$ 12,317,720	\$ 20,060	\$ 28,055	\$ -	\$ 65,977	\$ (12,453,968)	\$ (22,156)
Common shares issued for debt settlement	484,336	42,560	(20,060)	-	-	-	-	22,500
Special warrant issuance	-	-	-	-	500,000	-	-	500,000
Special warrant issue cost	-	-	-	-	(12,553)	-	-	(12,553)
Conversion of special warrants	8,333,326	289,900	-	210,100	(500,000)	-	-	-
Share issue costs	-	(7,278)	-	(5,275)	12,553	-	-	-
Warrants expired	-	-	-	(28,055)	-	-	28,055	-
Net loss for the period	-	-	-	-	-	-	(135,292)	(135,292)
Balance at August 31, 2020	11,545,238	\$ 12,642,902	\$ -	\$ 204,825	\$ -	\$ 65,977	\$ (12,561,205)	\$ 352,499
Net income for the period	-	-	-	-	-	-	76,011	76,011
Balance at November 30, 2020	11,545,238	\$ 12,642,902	\$ -	\$ 204,825	\$ -	\$ 65,977	\$ (12,485,194)	\$ 428,510
Issuance of units	2,427,500	364,125	-	-	-	-	-	364,125
Warrant issuance	-	(96,000)	-	96,000	-	-	-	-
Share issue costs	-	(4,000)	-	(1,500)	-	-	-	(5,500)
Warrants expired	-	-	-	(204,825)	-	-	204,825	-
Share based payments	-	-	-	-	-	146,000	-	146,000
Net loss for the period	-	-	-	-	-	-	(506,891)	(506,891)
Balance at August 31, 2021	13,972,738	\$ 12,907,027	\$ -	\$ 94,500	\$ -	\$ 211,977	\$ (12,787,260)	\$ 426,244

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, 2021

(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 pursues interests in business opportunities in, primarily in the resource sector, but will consider opportunities outside that sector. The primary office of the Company is located at 217 Queen Street West, Suite 401, Toronto, Ontario, Canada, M5V 0R2.

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.

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 may cast significant doubt upon the Company's ability to continue as a going concern. The Company has incurred losses in the prior periods, with a loss of \$506,891 for the nine months ended August 31, 2021 (2020 - \$135,292), and as at August 31, 2021 has an accumulated deficit of \$12,787,260 (November 30, 2020 - \$12,485,194) and working capital of \$426,244 (November 30, 2020 - \$428,510).

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 ability to raise funds. The Company is monitoring the business environment as a result to ensure minimal disruption to business operations.

The Company's ability to continue to meet its obligations 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.

On August 25, 2020, the Company completed a share consolidation of 1 post share to 3 pre share basis. Unless otherwise stated, the number of shares presented in these unaudited condensed interim consolidated financial statements have been retroactively restated to reflect the share consolidation.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of October 28, 2021. 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, 2020. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending November 30, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

New accounting standards and interpretations adopted

Amendments to IAS 1 - Presentation of financial statements ("IAS 1") and IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8")

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The Company adopted the amendments to IAS 1 effective December 1, 2020, which did not have a material impact on the Company's unaudited condensed interim consolidated financial statements.

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

The Company adopted this policy on December 1, 2020, and there was no material impact to the 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, 2021

(Expressed in Canadian dollars)

(Unaudited)

3. Marketable securities

	Amount	August 31, 2021	Amount	November 30, 2020
Common shares (i)	666,666	\$ 40,000	666,666	\$ 63,333
Warrants (i)	333,333	12,504	333,333	28,612
Common shares (ii)	60,000	-	-	-
		\$ 52,504		\$ 91,945

- (i) On November 3, 2020 the Company sold its remaining 36% participating interest in the Schefferville Gold (Ashuanipi Gold Property) Joint Venture (the "Joint Venture") for \$25,000 in cash, 666,666 common shares, and 333,333 warrants of IC Capitalight Corp. The Company's accounting policy is to expense exploration expenditures, and the Company has not had any expenditures on the property since fiscal 2013. During the nine months ended August 31, 2021, the Company recorded an unrealized loss on marketable securities of \$39,441.

The inputs used to determine the fair value of the IC Capitalight Corp. warrants are below:

	August 31, 2021	November 30, 2020
Stock price	\$ 0.06	\$ 0.10
Exercise price	\$ 0.08	\$ 0.08
Risk-free interest rate	0.39%	0.25%
Dividend yield	nil	Nil
Expected volatility	178%	232%
Expected life	1.16	1.92

- (ii) On August 29, 2019, Cultivation Technologies, Inc. ("CTI") and the Company agreed to terminate the LOI with CTI agreeing to pay a break-up fee of \$40,076 (US\$30,000). During the year ended November 30, 2020, the Company wrote off the receivable balance of \$19,448 (US \$15,000). In January 2021, the Company received 60,000 common shares of CTI to settle the debt of \$15,000 USD related to the terminated LOI, however as CTI is a private company and the shares are subject to certain restrictions the Company determined the fair value to be \$nil upon acquisition of the shares.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

4. 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

Issued and outstanding

	Shares	Amount
Balance, November 30, 2019	2,727,576	\$ 12,317,720
Common shares issued for debt settlement (i)(ii)	484,336	42,560
Conversion of special warrants (iii and Note 6)	8,333,326	500,000
Warrants (iii)	-	(204,825)
Shares and warrant issue costs	-	(12,553)
Balance, November 30, 2020	11,545,238	\$ 12,642,902
Common shares issued for cash (iv)	2,427,500	364,125
Warrants (iv)	-	(96,000)
Shares and warrant issue costs	-	(4,000)
Balance, August 31, 2021	13,972,738	\$ 12,907,027

- (i) On November 30, 2019, the Company entered into debt settlement agreements whereby the vendors, including related party, agreed to settle accounts payable of \$50,150 with 334,336 Common shares of the Company with fair value of \$20,060. These shares were issued and recorded on January 14, 2020.
- (ii) On December 2, 2019, the Company entered into debt settlement agreements with certain related parties to settle accounts payable of \$22,500 with 150,000 Common shares of the Company. These shares were issued and recorded on January 14, 2020.
- (iii) On August 25, 2020, as a result of the conversion of special warrants, the Company issued 8,333,326 common shares and 8,333,326 warrants. The warrants were valued at \$204,825 net of share issuance costs which is determined by using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.26%, a dividend yield of 0%, an expected volatility of 169.83%, exercise price of \$0.15 and an expected life of approximately 9 months.
- (iv) On July 30, 2021, the Company closed its non-brokered private placement for aggregate gross proceeds of \$364,125 comprised of 2,427,500 units at a price of \$0.15 per unit. Each unit is comprised of one common share and one warrant. Each warrant will entitle the holder to purchase one common share for \$0.20 at any time within 12 months after closing.

The warrants were valued at \$96,000 (\$94,500 net of share issuance costs of \$1,500) which is determined by using the Black-Scholes option pricing model assuming a risk-free interest rate of 0.38%, a dividend yield of 0%, an expected volatility of 109%, exercise price of \$0.20 and an expected life of 1 year.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

4. Share capital

c) Obligation to issue shares

On November 30, 2019, the Company entered into debt settlement agreements whereby the vendors, including related party, agreed to settle accounts payable of \$50,150 with 334,336 Common shares of the Company with fair value of \$20,060. As of November 30, 2019, these shares have not been issued and recorded as an obligation to issue shares. During the year ended November 30, 2019, the Company recorded a gain on settlement of debt of \$30,090. On January 14, 2020 these shares were issued to the vendors.

5. Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price (\$)	Grant date fair value of warrants (\$)
Balance, November 30, 2019	66,667	0.75	28,055
Forfeited (i)	(66,667)	0.75	(28,055)
Granted (note 4(b)(iii))	8,333,326	0.15	204,825
Balance, November 30, 2020	8,333,326	0.15	204,825
Forfeited (ii)	(8,333,326)	0.15	(204,825)
Granted (note 4(b)(iv))	2,427,500	0.20	94,500
Balance, August 31, 2021	2,427,500	0.20	94,500

(i) On December 9, 2019, 66,667 warrants with an exercise price of \$0.75 expired unexercised.

(ii) On July 3, 2021, 8,333,326 warrants with an exercise price of \$0.15 expired unexercised.

The following table reflects the warrants issued and outstanding as of August 31, 2021:

Number of warrants outstanding	Exercise price (\$)	Expiry date
2,427,500	0.20	July 30, 2022

6. Special Warrants

On July 10, 2020 the Company closed its non-brokered private placement of 8,333,326 special warrants ("Special Warrants") for 6 cents per special warrant for gross proceeds of \$500,000, in connection with the offering the Company recognized \$12,553 of issuance costs. The Special Warrants were automatically exchanged for units upon approval of the share consolidation at the shareholders meeting, held on August 4, 2020, and final approval from the NEX which was granted on August 25, 2020. Each unit consisted of one common share and one warrant which is exercisable at 15 cents per share until July 3, 2021. Insiders of the Company subscribed to 599,998 special warrants.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

7. 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 options	Weighted average exercise price (\$)
Balance, November 30, 2019	133,333	0.75
Cancelled	(53,333)	0.75
Balance, November 30, 2020	80,000	0.75
Granted (i)	1,050,000	0.16
Balance, August 31, 2021	1,130,000	0.20

- (i) On August 23, 2021, 1,050,000 options were granted to directors and consultants of the Company to acquire the Company's common shares at an exercise price of \$0.16 until August 23, 2024. These options had an estimated fair value of \$146,000 at grant date which was calculated using the Black-Scholes using the following assumptions: grant date share price – \$0.16, exercise price – \$0.16, expected volatility – 174%, expected life – 3 years, expected dividend yield – 0%, risk free interest rate – 0.56%.

The following table reflects the stock options issued and outstanding as of August 31, 2021:

Expiry date	Weighted average exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of Options vested (exercisable)
August 23, 2024	0.16	1.30	1,050,000	1,050,000
December 18, 2022	0.75	2.98	80,000	80,000
	0.20	2.86	1,130,000	1,130,000

8. Loss per common share

The calculation of basic and diluted loss per share for the three and nine months ended August 31, 2021 was based on the loss attributable to common shareholders of \$0.03 and \$0.04, respectively (three and nine months ended August 31, 2020 - \$0.02 and \$0.04, respectively) and the weighted average number of common shares outstanding of 12,415,971 and 11,837,601, respectively (three and nine months ended August 31, 2020 - 3,393,730 and 3,755,390, respectively). When determining the diluted earnings per share as of August 31, 2021, the effect of the exercise of stock options and warrants was excluded because the predetermined target market price thresholds were not met.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

9. General and administrative

Exploration and evaluation expenditures (Note 12)	\$	244,012	\$	-	\$	244,012	\$	-
Share-based payments (Note 7)		146,000		-		146,000		-
Management and consulting fees (note 11)		8,500		6,000		20,500		18,000
Shareholder relations		1,344		24,680		12,228		38,574
Accounting and corporate		11,309		5,940		28,093		20,430
Professional fees		10,221		20,186		16,221		57,945
Office, travel and general		233		319		396		421
	\$	\$421,619	\$	\$57,125	\$	\$467,450	\$	\$135,370

10. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. As discussed in note 1, the Company's ability to continue to carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity (deficiency), which comprises share capital, reserves and accumulated deficit which at totaled at August 31, 2021 equity of \$426,244 (2019 - equity of \$428,510).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

There were no changes in the Company's approach to capital management during the nine month period ended August 31, 2020.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

11. Related party balances and transactions

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

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.

The Company entered into the following transactions with related parties and key management personnel:

- (i) During the three and nine months ended August 31, 2021, the Company expensed consulting fees of \$7,000 and \$19,000, respectively (three and nine months ended August 31, 2020 - \$6,000 and \$18,000) to a corporation controlled by a Chief Executive Officer, Interim Chief Financial Officer, and director of the Company. As at August 31, 2021, the Company had a balance owing of \$7,910 (November 30, 2020 - \$12,000).
- (ii) During the three and nine months ended August 31, 2021, the Company issued 750,000 options to directors of the Company with a value of \$105,000.
- (iii) See Note 4(b)(ii).

12. Exploration and evaluation expenditures

Northern Lights Property:

On August 9, 2021, the Company entered into a contract with Kircher Mine Development LLC ("Kircher"), to lease certain mineral interest in Nevada, USA. Under the terms of the agreement the Company shall make the following minimum payments:

- \$15,000 USD on or before July 30, 2021 ("Effective Date") (paid)
- \$25,000 USD on the first and second anniversary of the Effective Date
- \$50,000 USD on the third and fourth anniversary of the Effective Date
- \$75,000 USD on the fifth anniversary of the Effective Date
- \$75,000 USD each year thereafter until the end of the term

In addition, under the terms of the Agreement, the Company may exercise the Option and acquire a 100% interest in the Property in exchange for payment of US\$350,000, which must be paid prior to the commencement of development or mining of minerals on the Property. All Minimum Payments that have been made prior to exercising the Option will be credited to the purchase price and the purchase price shall be reduced by such amount.

In the event that the Option is exercised, Western Nevada will grant a 2.5% net smelter returns royalty ("NSR") in favour of Kircher, subject to the ability of Western Nevada to purchase 1% of the NSR (resulting in the remaining NSR being 1.5%) for a purchase price of \$2,000,000 at any time before the seventh anniversary of the Effective Date.

Western Troy Capital Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

12. Exploration and evaluation expenditures

Warren Whiteside Property:

On August 23, 2021, the Company entered into an option agreement with U.S. Copper Corp. to acquire a 100-per-cent undivided interest in 14 mineral claims covering approximately 227 hectares located in Whiteside township in the district of Cochrane, Timmons, Ontario.

Pursuant to the terms of the agreement, the total consideration payable by the company to U.S. Copper is an aggregate of 2.5 million common shares in the capital of the company and exploration expenditures, payable as follows:

- Upon receipt of approval by the TSX Venture Exchange, the company will issue 200,000 common shares (not yet issued);
- On or before February 1, 2022, the company shall issue 800,000 common shares following the completion of not less than three diamond drilling holes of an aggregate of at least 450 feet on the property and completing a technical report, prepared in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects;
- On or before December 1, 2023, the company shall issue 1.5 million common shares.

All of the common shares issued in connection with the agreement are subject to a four-month statutory hold period from the date of issue in accordance with applicable securities legislation. The agreement remains subject to the approval of the TSX Venture Exchange.

13. Subsequent events

On September 13, 2021, incentive stock options to purchase up to 150,000 common shares of the company were granted to a consultant of the company pursuant to the company's stock option plan. Each stock option is exercisable at 16 cents for a period of three years from the grant date.

On October 12, 2021, the Company completed a non-brokered private placement for aggregate gross proceeds of \$105,000. The Company issued 700,000 units at a price of \$0.15 per Unit. Each Unit consists of one common share in the capital stock the Company and one warrant. Each warrant will entitle the holder to purchase one common share for \$0.20 at any time within one year after closing.