



TRILLIUM GOLD™

Trillium Gold Mines Inc.

(Formerly Confederation Minerals Ltd.)

Interim condensed consolidated financial statements

Three Months Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed financial statements of Trillium Gold Mines Inc. for the three months ended September 30, 2020, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the financial statements.

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

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

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Notes	September 30, 2020	June 30, 2020
		\$	\$
ASSETS			
Current assets			
Cash		1,168,889	1,831,921
Receivables	5	129,967	21,827
Prepaid expenses		273,727	5,133
Total current assets		1,572,583	1,858,881
Non-current assets			
Exploration and evaluation assets	6 & 7	4,408,002	4,408,002
Total assets		5,980,585	6,266,883
LIABILITIES			
Current liabilities			
Payables and accruals	8 & 11	897,531	746,461
Due to shareholders	11	28,500	28,500
Loans payable	9	-	84,675
Total liabilities		926,031	859,636
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital	10	29,055,767	27,695,650
Shares to be issued	6	1,608,750	1,608,750
Reserves	10	3,751,557	3,923,704
Accumulated deficit		(29,361,520)	(27,820,857)
Total shareholders' equity		5,054,554	5,407,247
Total liabilities and shareholders' equity		5,980,585	6,266,883

Nature and Continuance of Operations (note 1)

Subsequent Events (note 17)

These interim condensed consolidated financial statements are authorized for issue by the Board of Directors on November 30, 2020. They are signed on the Company's behalf by:

On behalf of the Board:

“Robert Kang” Director “David Velisek” Director
Robert Kang David Velisek

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

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the Three Months Ended September 30,	Notes	2020	2019
		\$	\$
Expenses			
Bank charges and interest		1,986	60
Consulting and management fees	11	64,000	91,000
Exploration and evaluation expenditures	7	758,852	2,768
Filing fees		95,820	200
Insurance		6,118	1,738
Meals and entertainment		6,638	280
Management fees	11	65,000	-
Office expenses		20,384	7,881
Professional fees		159,616	11,604
Project investigation		-	550
Shareholder information		317,677	-
Transfer agent fees		9,552	1,874
Travel and accommodation		9,493	3,226
Salaries and Wages	11	29,902	-
		(1,545,038)	(121,181)
Interest income		4,375	77
Loss for the period		(1,540,663)	(121,104)
Total comprehensive loss for the period		(1,540,663)	(121,104)

Loss per share (note 12)

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

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the Period Ended September 30,	2020	2019
	\$	\$
Cash provided by (used in):		
Operating activities:		
Loss for the period	(1,540,663)	(121,104)
Items not involving cash:		
Interest income	(4,375)	(77)
Changes in non-cash working capital:		
Receivables	(108,140)	1,018
Prepaid expenses	(268,594)	(4,474)
Payables and accruals	151,070	81,751
	(1,770,702)	(42,886)
Investing activities:		
Interest received	4,375	77
	4,375	77
Financing activities:		
Proceeds from shares issued	999,840	-
Proceeds from exercise of warrants	58,580	-
Proceeds from exercise of options	180,000	-
Share issuance costs	(50,450)	-
Loan payables	(84,675)	-
	1,103,295	-
Net change in cash	(663,032)	(42,809)
Cash, beginning of period	1,831,921	435,294
Cash, end of period	1,168,889	392,485

Supplemental disclosure with respect to cash flows (note 14)

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

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital				Total Shareholders'	
	Number of	Amount	Shares to be issued	Reserves	Deficit	Equity
	Shares	\$	\$	\$	\$	\$
Balance - June 30, 2019	9,063,489	24,144,725	-	2,955,549	(26,213,763)	886,511
Loss for the period	-	-	-	-	(121,104)	(121,104)
Balance - September 30, 2019	9,063,489	24,144,725	-	2,955,549	(26,334,867)	765,407
Balance - June 30, 2020	20,922,447	27,695,650	1,608,750	3,923,704	(27,820,857)	5,407,247
Private placement	2,083,000	999,840	-	-	-	999,840
Warrant exercise	161,867	61,470	-	(2,890)	-	58,580
Option exercise	225,000	349,257	-	(169,257)	-	180,000
Share issuance costs	-	(50,450)	-	-	-	(50,450)
Loss for the period	-	-	-	-	(1,540,663)	(1,540,663)
Balance - September 30, 2020	23,392,314	29,055,767	1,608,750	3,751,557	(29,361,520)	5,054,554

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

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Trillium Gold Mines Inc. (formerly Confederation Minerals Ltd; the “Company” or “Trillium”) was incorporated on November 3, 2005 under the Business Corporations Act (British Columbia) and trades on the TSX Venture Exchange (“TSX-V”) under the symbol “TGM”. The Company’s principal business activity is the exploration of exploration and evaluation assets.

The amounts shown as exploration and evaluation assets represent net acquisition costs to date, less any amounts amortized and/or written down and any additional amounts required to place these assets into commercial production are dependent upon certain factors. These factors include the existence of ore deposits sufficient for commercial production and the Company’s ability to obtain the required additional financing necessary to develop these assets.

The Company has a working capital as at September 30, 2020 of \$646,552 and an accumulated deficit of \$29,361,520.

These interim condensed consolidated financial statements have been prepared under the assumptions of a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses from inception and does not currently have the financial resources to maintain its operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds from these operations and/or raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These interim condensed consolidated financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern.

The financial information is presented in Canadian Dollars (CDN\$), which is the functional currency of the Company and its subsidiaries.

The head office and principal address of the Company are located at Suite 2250, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9.

Effective February 12, 2020, the Company consolidated its issued and outstanding share capital on the basis of one (1) post consolidation share for each two (2) pre-consolidation common shares. Outstanding stock options and warrants were adjusted by the same consolidation ratio. All references to shares and per share amounts have been retroactively restated to give effect to the consolidation.

COVID-19

Given the ongoing and dynamic nature of the circumstances surrounding the COVID-19 pandemic, it is difficult to predict how significant the impact of COVID-19, including any responses to it, will be on the global economy and the business of the Company or for how long any disruptions are likely to continue. The extent of such impact will depend on future developments, which are highly uncertain, rapidly evolving and difficult to predict, including new information which may emerge about COVID-19 and additional actions which may be taken to contain it. Such developments could have a material adverse effect on the Company’s business, financial condition, results of operations and cash flow, and exposure to credit risk. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

Statement of compliance

The interim condensed interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) on a basis consistent with the significant accounting policies disclosed in note 3.

Basis of measurement

The interim condensed consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the interim condensed consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed in note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these interim condensed consolidated financial statements.

a) Basic of Consolidation

These interim condensed consolidated financial statements incorporate the financial statements of the Company, 1106877 B.C. Ltd., Canadian Shield Developments Corp. and Trillium Gold Ontario INC., the Company’s wholly owned subsidiaries. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. All significant intercompany transactions and balances have been eliminated.

b) Cash

Cash includes cash on hand, and demand deposits with financial institutions.

c) Mineral Exploration and Evaluation Expenditures

Pre-exploration costs are expensed in the period in which they are incurred. Once the legal right to explore a mineral property has been acquired, all costs related to the acquisition of mineral properties are capitalized by property. All exploration and evaluation expenditures are expensed until properties are determined to have economically recoverable resources. These direct expenditures include such costs as materials used, surveying costs, geological studies, drilling

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Mineral Exploration and Evaluation Expenditures (continued)

costs, payments made to contractors and depreciation of plant and equipment during the exploration phase.

Mineral property acquisition costs for each mineral property are carried forward as an asset provided that one of the following conditions is met:

- Such costs are expected to be recouped in full through successful development and exploration of the mineral property or alternatively, by sale; or
- Exploration and evaluation activities in the mineral property have not reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves; however; active and significant operations in relation to the mineral property are continuing, or planned for the future.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. In the case of undeveloped properties, there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for the development of such a property. If a mineral property does not prove viable, all unrecoverable costs associated with the property are charged to profit or loss at the time the determination is made.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is first tested for impairment and is then considered to be a mine under development and is classified as "mining assets", within property, plant, and equipment. Exploration and evaluation acquisition costs accumulated are also tested for impairment before they are transferred to development properties.

d) Foreign Currencies Translation and Transaction

The functional currency of the Company is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

e) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be

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For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its cash as FVTPL and its receivables, payables and accruals, due to shareholders and loans payable at amortized cost.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and are subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

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(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

f) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company performs impairment testing on each cash-generating unit.

An impairment loss is charged to profit or loss, except to the extent it reverses gains previously recognized in accumulated other comprehensive loss/income.

g) Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records, if any, the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Income Taxes

Income tax expense comprises current and deferred tax expense. Current tax and deferred tax expense are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

i) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of warrants. Depending on the terms and conditions of equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned a value based on the residual value, if any, and included in reserves.

Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share Capital (continued)

liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the liability and recognizes the premium as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

j) Earnings / Loss Per Share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. For the years presented, this calculation proved to be anti-dilutive.

k) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. Options or warrants granted that relate to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

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Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Recent accounting pronouncement

The following accounting standard was adopted by the Company for the fiscal year beginning on July 1, 2019:

IFRS 16 Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. The new standard did not have an impact on the Company's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the interim condensed consolidated financial statements within the next financial year are discussed below:

Acquisition of Assets

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The transactions with Canadian Shield Developments Corp. and 1106877 B.C. Ltd. were determined to constitute acquisitions of assets (note 6).

Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

TRILLIUM GOLD MINES INC. (FORMERLY CONFEDERATION MINERALS LTD.)

Notes to the Interim condensed consolidated financial statements

For the Period Ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

5. RECEIVABLES

At September 30, 2020 and June 30, 2020, the Company's receivables consist of GST – value added tax.

6. ACQUISITION

South-West Red Lake Properties and Shining Tree Property

On May 5, 2020, the Company completed the acquisition of Canadian Shield Developments Corp. (“**Canadian Shield**”) which holds South-West Red Lake Properties and the Shining Tree Property (collectively, the “**CS Properties**”). The Company acquired 100% of the issued and outstanding common of Canadian Shield by agreeing to issue an aggregate of 6,500,000 common shares to the shareholders of Canadian Shield in two tranches as follows:

- (a) On May 5, 2020, the Company issued the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the “**First Tranche**”); and
- (b) Nine (9) months following closing and upon meeting certain conditions, the Company will issue the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the “**Second Tranche**”). As at June 30, 2020, the Company had an obligation to issue 3,250,000 common shares with a fair value of \$1,608,750. The shares to be issued have been recognized within shareholders' equity on the statement of financial position.

The Company's acquisition of Canadian Shield is being accounted for as an acquisition of net assets as the transaction did not qualify as a business combination under IFRS 3 Business Combinations. The allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration		
	Value of 3,250,000 common shares issued	\$ 1,608,750
	Value of 3,250,000 common shares to be issued	1,608,750
	Transaction costs	22,631
		<u>\$ 3,240,131</u>
Net assets acquired		
	Cash	\$ 613
	Exploration and evaluation assets	3,280,303
	Accounts payable	(12,285)
	Due to shareholders	(28,500)
		<u>\$ 3,240,131</u>

Red Lake Gold Mining District, Ontario

On June 28, 2019, the Company completed the acquisition of 1106877 B.C. Ltd. (the “Privco”) which holds certain exploration properties (note 7). The Company acquired 100% of the issued and outstanding common of the Privco by issuing 2,250,000 common shares to the shareholders of the Privco.

The Company's acquisition of the Privco is being accounted for as an acquisition of net assets as the transaction did not qualify as a business combination under IFRS 3 Business Combinations.

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6. ACQUISITION (continued)

The allocation of the consideration to the assets and liabilities acquired are as follows:

Consideration	Value of 2,250,000 common shares issued	\$ 1,035,000
	Transaction costs	6,701
		\$ 1,041,701
Net assets acquired	Cash	\$ 5,678
	Exploration and evaluation assets	1,115,698
	Loans payable	(79,675)
		\$ 1,041,701

Transactions to be closed**Rivard Property**

On July 31, 2020, the Company signed an asset purchase agreement to acquire the Rivard Property, contiguous to its Newman Todd Property, in the Red Lake Mining District, Ontario. The Rivard Property consists of one lease of six contiguous minerals claims encompassing 90 hectares. Upon completion of the transaction Trillium will acquire a 100% interest in the property, subject to a 1.5% NSR royalty (the "Royalty"), by completing cash payments totalling \$400,000 and issuing 400,000 common shares of the Company over 3.5 years. The Company has the right to repurchase ½ of the Royalty (0.75%) for consideration of \$1.2 million, payable in cash or shares. In addition, the Company has a right of first refusal should the holders of the Royalty sell the Royalty in the future.

The deal is subject to obtaining consent from the Ministry of Energy, Northern Development and Mines (the "Ministry") under the *Mining Act* (Ontario) for the transfer of the claims.

This property will be explored as an integral part of the Newman Todd Project.

Gold Centre Property

On August 31, 2020, Trillium Gold Ontario Inc. ("Trillium Ontario"), a wholly-owned subsidiary of the Company, signed an agreement with Rupert Resources Ltd. ("Rupert") to acquire an 80% ownership in the Gold Centre property from Rupert. In order for Trillium Ontario to maintain its 80% participating interest in and to the properties, Trillium Ontario is required to spend \$2,000,000 each year for five years on the property; and spend \$500,000 per year thereafter. On behalf of Trillium Ontario, the Company is required to issue four tranches of 500,000 common shares of the Company to Rupert, for a total of 2,000,000 common shares over the course of three years.

The deal is subject to obtaining consent from the Ministry under the *Mining Act* (Ontario) for the transfer of the claims.

Caribou Creek, Moose Creek and Copperlode Properties

On October 21, 2020, the Company entered into an asset purchase agreement (the "CMC Purchase Agreement") to acquire 293 units in 90 claims covering a total of 5,960 hectares east of Great Bear Resources' Dixie property, underlain by the Confederation Greenstone Belt of metavolcanic and metasedimentary rocks (the "CMC Purchased Assets").

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6. ACQUISITION (continued)**Transactions to be closed (continued)**

In consideration for the CMC Purchased Assets, the Company has agreed to pay an aggregate cash amount of \$180,000; issue an aggregate of 200,000 common shares in the capital of the Company; and issue an aggregate of 200,000 common share purchase warrants entitling the holder thereof to purchase one common share per warrant at a price of \$5.00 per common share within two (2) years from the closing date of the transaction.

The CMC Purchase Agreement is subject to certain conditions including approval of the TSX-V. On November 13, 2020, the Company received TSX-V's approval for this transaction.

7. EXPLORATION AND EVALUATION ASSETS**Newman Todd Project**

The Company holds an 83.5% interest in and to the Newman Todd Project.

The Project is subject to a 2% net smelter return ("NSR") and a 15% net carried interest. The latter interest does not receive payment until capital expenditures have been recovered with interest.

The Company also owns an effective 41.75% interest in certain other claims adjacent to the Newman Todd Project.

The Company previously impaired the mineral property value to \$1.

The schedule below outlines the costs incurred on the Newman Todd Project as at September 30, 2020:

	As at June 30, 2019	Additions/ (Writedowns)	As at June 30, 2020	Additions/ (Writedowns)	As at September 30, 2020
	\$	\$	\$	\$	\$
Acquisition					
Cash payments	1	-	1	-	1
	1	-	1	-	1

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7. EXPLORATION AND EVALUATION ASSETS (continued)

	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to September 30, 2020
	\$	\$	\$	\$	\$
Exploration and evaluation expenditures					
Assays and reports	1,363,866	-	1,363,866	3,600	1,367,466
Camp construction	115,276	9,080	124,356	76,561	200,917
Drilling	4,860,038	-	4,860,038	457,706	5,317,744
Environmental	291,336	-	291,336	-	291,336
Equipment installation	101,950	-	101,950	-	101,950
Equipment and supplies	-	-	-	86,024	86,024
Field expenses	1,206,969	-	1,206,969	20,733	1,227,702
General and administration	92,895	39,706	132,601	56,434	189,035
Metallurgy studies	133,482	-	133,482	-	133,482
Geological consulting	3,008,085	19,989	3,028,074	1,952	3,030,026
Permitting	4,340	-	4,340	-	4,340
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	33,100	-	33,100	-	33,100
Surveys and geophysics	15,068	-	15,068	-	15,068
Travel and accommodation	480,250	-	480,250	-	480,250
Total exploration and evaluation expenditures	11,716,655	68,775	11,785,430	703,010	12,488,440

Red Lake Gold Mining District, Ontario

On June 28, 2019, the Company acquired certain exploration properties in the Red Lake Gold Mining District, Ontario (note 6). The Company controls two contiguous properties located in the Red Mining Lake District of Ontario.

The first property is held under an option agreement whereby the Company can acquire a 100% interest in the property, subject to a 1.5% NSR Royalty, by making cash payments based on the following schedule totaling \$100,000. The Company can purchase 1/2 of the NSR for \$400,000.

Amount (CAD)	Due Date
\$13,000	Within 7 days after the effective date (November 21, 2018) (paid)
\$12,000	On or before October 31, 2019 (paid)
\$15,000	On or before October 31, 2020 (Subsequently paid on October 16, 2020)
\$25,000	On or before October 31, 2021
\$35,000	On or before October 31, 2022

The second property is not subject to any cash payments or royalties.

These two properties are collectively called the "Leo Property".

The schedule below outlines the costs incurred on the Leo Property as at September 30, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30, 2020	Additions/ (Writedowns)	As at September 30, 2020
	\$	\$	\$	\$	\$
Acquisition					
Acquisition costs	1,115,698	12,000	1,127,698	-	1,127,698
	1,115,698	12,000	1,127,698	-	1,127,698

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7. EXPLORATION AND EVALUATION ASSETS (continued)

	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to September 30, 2020
	\$	\$	\$	\$	\$
Exploration and evaluation expenditures					
General and administration	-	14,148	14,148	200	14,348
Geological consulting	-	19,631	19,631	3,760	23,391
Total exploration and evaluation expenditures	-	33,779	33,779	3,960	37,739

South-West Red Lake Properties and Shining Tree Property

On May 5, 2020, the Company acquired the South-West Red Lake Properties and the Shining Tree Property (note 6).

Within the nine (9) month period following the closing date, May 5, 2020, the Company must:

- Complete exploration expenditures on the South-West Red Lake Properties and the Shining Tree Property of not less than \$200,000.
- Obtain a technical report prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects for one of the CS Properties (the "Technical Report")

The schedule below outlines the costs incurred on the South-West Red Lake Properties and Shining Tree Property as at September 30, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30, 2020	Additions/ (Writedowns)	As at September 30, 2020
	\$	\$	\$	\$	\$
Acquisition					
Acquisition costs	-	3,280,303	3,280,303	-	3,280,303
	-	3,280,303	3,280,303	-	3,280,303

8. PAYABLES AND ACCRUALS

	Note	September 30, 2020	June 30, 2020
		\$	\$
Trade payables and accruals		851,631	679,149
Due to related parties	11	45,900	67,312
		897,531	746,461

9. LOANS PAYABLE

As of September 30, 2020, the Company has repaid loans of \$84,675 (June 30, 2020 - \$84,675) which are unsecured, bear no interest, and are payable upon demand.

10. SHARE CAPITAL**a) Authorized**

Unlimited common shares with no par value

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10. SHARE CAPITAL (continued)

b) Issued Share Capital

At September 30, 2020, there were 23,392,314 common shares issued and outstanding (June 30, 2020 – 20,922,447)

c) Common Shares

Fiscal 2021

On July 16, 2020, the Company closed a non-brokered private placement. The financing raised gross proceeds of \$999,840 by the issuance of 2,083,000 units at a price of \$0.48 per unit. Each unit consisted of one common share and one share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$0.60 per share for a period of 24 months from the closing date. The Company paid finders' fees equal to \$50,400 in cash.

During the period, the Company issued 386,867 common shares of the Company for the exercise of stock options and warrants.

Fiscal 2020

On February 5, 2020, the Company closed a non-brokered private placement. The financing raised gross proceeds of \$1,000,000 by the issuance of 4,166,667 units at a price of \$0.24 per unit. Each unit consisted of one common share and one share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$0.36 per share for a period of 5 years from the closing date. The Company issued 42,291 common shares at a price of \$0.24 per share and a total value of \$10,150 as finders' fee.

Effective February 12, 2020, the Company consolidated its issued and outstanding share capital on the basis of one (1) post consolidation share for each two (2) pre-consolidation common shares. Outstanding stock options and warrants were adjusted by the same consolidation ratio. All references to shares and per share amounts have been retroactively restated to give effect to the consolidation.

On May 5, 2020, the Company issued 3,250,000 common shares at a value of \$1,608,750 in connection to the acquisition of Canadian Shield (note 6).

On May 20, 2020, the Company closed a non-brokered private placement. The financing raised gross proceeds of \$1,100,000 by the issuance of 4,400,000 units at a price of \$0.25 per unit. Each unit consisted of one common share and one-half of one share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$0.40 per share for a period of 24 months from the closing date. The Company paid finders' fees equal to \$63,000 in cash and 252,000 non-transferrable warrants. Each finder's warrant has the same terms as the warrants issued under this private placement.

(d) Share-based Payments

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option will not be less than the discounted market price of the common shares as permitted by the TSX-V policies. The options can be granted for a maximum term of 5 years.

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10. SHARE CAPITAL (continued)

On June 15, 2020, the Company granted 1,550,000 options to the directors, officers and consultants of the Company. The options are exercisable at \$0.60, vested immediately and expire on June 15, 2025. The Company recorded a share-based payment amount of \$873,580. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 0.36%; dividend yield of 0%; expected volatility of 167.62%; and expected option life of 5 years.

The continuity of stock options for the period ended September 30, 2020 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price (\$)
Balance June 30, 2019	525,000	0.80
Granted	1,550,000	0.60
Balance June 30, 2020	2,075,000	0.65
Exercised	(225,000)	(0.80)
Balance September 30, 2020	1,850,000	0.63

The options outstanding and exercisable at September 30, 2020 are as follows:

Expiry Date	Number	Exercise Price	Remaining Contractual Life (in years)
March 29, 2023	300,000	\$ 0.80	2.49
June 15, 2025	1,550,000	\$ 0.60	4.71

e) Warrants

On February 5, 2020, as part of the private placement, the Company issued 4,166,667 warrants which were valued at \$nil.

On May 20, 2020, as part of the private placement, the Company issued 2,200,000 warrants which were valued at \$nil.

The Company issued 252,000 non-transferrable broker's warrants with the same terms as the warrants as finder's fees. The broker's warrants were valued at \$94,575 using the Black-Scholes Option Pricing Model with the following assumption at the issue date: risk free interest rate of 0.30%; dividend yield of 0%; expected volatility of 140.81% and expected life of 2 years.

On July 16, 2020, as part of the private placement, the Company issued 2,083,000 warrants which were valued at \$nil.

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10. SHARE CAPITAL (continued)

The continuity of the warrants during the period ended September 30, 2020 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance June 30, 2019	1,165,811	1.10
Granted	6,618,667	0.37
Expired	(1,165,811)	(1.10)
Balance June 30, 2020	6,618,667	0.37
Granted	2,083,000	0.60
Exercised	(161,867)	(0.36)
Balance September 30, 2020	8,539,800	0.43

The outstanding warrants at September 30, 2020 are as follows:

Expiry Date	Price per Share	Warrants Outstanding
February 5, 2025	\$ 0.36	4,012,500
May 20, 2022	\$ 0.40	2,444,300
July 16, 2022	\$ 0.60	2,083,000

11. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The aggregate value of transactions recorded as consulting fees and salaries and wages relating to key management personnel and entities which they have control or significant influence over were as follows:

Services provided by:	Note	Periods Ended September 30,	
		2020	2019
		\$	\$
Baron Global Financial Canada Ltd.	(a)	30,000	30,000
David Velisek	(b)	7,500	3,000
James Lenec	(c)	19,000	16,000
Ridgeside Canada Inc.	(d)	65,000	-
William Paterson	(e)	13,333	-
Altair Management Ltd.	(f)	7,500	-

- a) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.
- b) David Velisek, Director of the Company who provided business development consulting services.

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11. RELATED PARTY TRANSACTIONS (continued)

- c) James Lenec, the former President and Director of the Company who provided consulting services.
- d) Ridgeside Canada Inc. is fully owned by Russell Starr who is the CEO and Director of the Company provided management services.
- e) William Paterson, Vice President of Exploration of the Company who managed the mineral exploration programs and technical and exploration team, and assisted the development of the mineral asset portfolio for the Company.
- f) Altair Management Ltd. is fully owned by an affiliate of the CFO and provides advisory services to the Company.

The following table outlines the Company's related party payables:

	Note	September 30, 2020	June 30, 2020
		\$	\$
Aier Queenie Kuang	8	1,139	596
Baron Global Financial Canada Ltd.	8	10,500	21,000
David Velisek	8	20,972	12,946
Denise Lok	8	-	1,595
James Lenec	9	-	2,675
Luke Norman		28,500	28,500
Ridgeside Canada Inc.	8	13,289	-
		74,400	67,312

On December 1, 2019, the Company settled debt owing to Baron Global Financial Canada in the amount of \$204,500 by paying cash of \$140,000. The Company recognized a gain of \$61,275 and a GST receivable reverse of \$3,225 at the time of the settlement.

On June 15, 2020, the Company granted 200,000 options to the directors and officers of the Company which incurred a share-based payment amount of \$112,720. (note 10)

During the fiscal year 2020, Luke Norman Consulting Ltd has paid \$28,500 on behalf of the Company's subsidiary, Canadian Shield. There is no formal agreement in place and the amount bears no interest, and is payable upon demand. Luke Norman Consulting Ltd. is fully owned by Luke Norman who is the former Director of Canadian Shield.

12. LOSS PER SHARE

The calculation of basic and diluted loss per share for the periods ended September 30, 2020 and 2019 was as follows:

For the Period Ended September 30,	2020	2019
Loss for the period	(\$1,540,663)	(\$121,104)
Weighted average number of common shares outstanding	22,913,950	6,825,815
Basic and diluted loss per share	(\$0.07)	(\$0.02)

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13. SEGMENT INFORMATION

The Company has one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets within Canada.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Supplementary disclosure of non-cash investing and financing activities during the periods ended September 30, 2020 and 2019 were as follow:

For the Period Ended September 30,	2020	2019
	\$	\$
Warrant exercise	(2,890)	-
Option exercise	(169,257)	-

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Interest Rate Risk**

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At September 30, 2020, the Company was not subject to significant interest rate risk.

Foreign Exchange Rate Risk

The Company is not subject to significant foreign exchange risk as all of the Company's operations are located in Canada.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to cash held on deposit and receivables.

The Company manages its credit risk by investing only in high quality financial institutions. Receivables are due from a government agency.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash balances. If necessary, the Company may raise funds through the issuance of debt, equity or sale of non-core assets. The Company ensures that there is sufficient capital to meet its obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs. The Company is exposed to liquidity risk.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Cash is measured at fair value using level 1. The carrying value of receivables, payables and accruals, due to shareholders and loans payable approximates their fair value due to the current nature of those financial instruments.

16. CAPITAL MANAGEMENT

The Company manages its capital, being the components of shareholders' equity, and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any externally imposed capital restrictions.

17. SUBSEQUENT EVENTS

- (a) On October 2, 2020, the Company closed a brokered private placement. The financing raised gross proceeds of \$12,947,288 by issuance of: (i) 2,263,000 conventional units of the Company (the "Units") at a price of \$1.70 per Unit; (ii) 1,631,600 common shares of the Company, each of which qualifies as a "flow-through share" (the "FT Shares") as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the "Tax Act") at a price of \$1.90 per FT Share; and (iii) 2,479,400 "flow-through" units of the Company (the "FT Units") at a price of \$2.42 per FT Unit.

Each Unit consists of one common share and one-half of one common share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$2.60 per share for a period of 24 months from the closing date.

Each FT Unit consists of one common share which qualifies as a "flow-through share" as defined in subsection 66(15) of the Tax Act and one-half of one warrant (a "FT Unit Warrant"). Each FT Unit Warrant entitles the holder thereof to acquire one additional common share of the Company at a price of \$2.60 for a period of 24 months from the closing date.

In connection with the private placement, the Company paid finders' fees equal to \$735,251 in cash, and issued an aggregate of 351,766 compensation warrants of the Company. Each compensation warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$1.70 for a period of 24 months from the closing date.

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17. SUBSEQUENT EVENTS (continued)

- (b) On October 16, 2020, the Company closed a non-brokered private placement. The financing raised gross proceeds of \$180,030 by the issuance of 105,900 units at a price of \$1.70 per unit. Each unit consisted of one common share and one half of one common share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$2.60 per share for a period of 24 months from the closing date.
- (c) On July 3, 2020, the Company entered into debt settlement agreements with arms-length parties to settle an aggregate \$458,100 in debt. On October 21, 2020, the Company issued an aggregate of 497,934 common shares in the capital of the Company at a deemed price of \$0.92 per share in settlement of the debt. The debt has been completely satisfied and extinguished upon the issuance of the shares. The Company recognized a loss of \$403,326 at the time of the settlement.
- (d) On October 21, 2020, the Company granted 1,250,000 options to the directors, officers and consultants of the Company. Once vested, the options may be exercised for a period of 5 years from the date of grant at an exercise price of \$1.70. The options shall vest as to one-quarter of the options at the date of grant, one-quarter of the options six months following the date of the grant, one-quarter of the options twelve months following the date of grant, and one-quarter of the options eighteen months following the date of grant.
- (e) On October 21, 2020, the Company entered into an asset purchase agreement to acquire 293 units in 90 claims covering a total of 5,960 hectares east of Great Bear Resources' Dixie property, underlain by the Confederation Greenstone Belt of metavolcanic and metasedimentary rocks.

In consideration for the CMC Purchased Assets, the Company has agreed to pay an aggregate cash amount of \$180,000; issue an aggregate of 200,000 common shares in the capital of the Company; and issue an aggregate of 200,000 common share purchase warrants entitling the holder thereof to purchase one common share per warrant at a price of \$5.00 per common share within two (2) years from the closing date of the transaction.

The CMC Purchase Agreement is subject to certain conditions including approval of the TSX-V. On November 13, 2020, the Company received TSX-V's approval for this transaction.

- (f) On November 13, 2020, the Company has exercised its pre-emptive right to acquire from Heliostar Metals Ltd. ("Heliostar") (formerly "Redstar Gold Corp.") its 16.5% interest in the Newman Todd Project which will result in the Company holding a 100% interest in the 198 hectare Project on the following commercial terms, subject to the approval by the TSX-V:
 - i. The Company shall pay Heliostar a C\$700,000 cash payment;
 - ii. The Company will issue to Heliostar 650,000 Trillium Gold common shares from treasury; and,
 - iii. If, at any point after the transaction completes, there is 1,000,000 or more ounces of gold in measured and indicated reserves and resources on the Newman Todd property, the Company shall make an additional C\$1,000,000 cash payment to Heliostar.
- (g) Subsequent to September 30, 2020, The Company issued 400,000 common shares of the Company for the exercise of stock options and warrants.