

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act (“U.S. Persons”)), unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Troilus Gold Corp. at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3, telephone (416) 216-5443, and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

New Issue

November 23, 2020



**TROILUS GOLD CORP.**

**\$10,502,400**

**5,470,000 Flow-Through Shares**

This short form prospectus is being filed by Troilus Gold Corp. (“Troilus” or the “Corporation”) to qualify the distribution (the “Offering”) of 5,470,000 common shares of Troilus issued as “flow-through shares” (the “Flow-Through Shares”) within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”) and the *Taxation Act* (Québec) (the “Québec Tax Act”) at a price of \$1.92 per Flow-Through Share (the “Offering Price”).

The Offered Securities (as defined herein) will be issued pursuant to an underwriting agreement (the “Underwriting Agreement”) dated November 13, 2020 among the Corporation and Cormark Securities Inc. (the “Lead Underwriter”) as lead underwriter, and Stifel Nicolaus Canada Inc., Haywood Securities Inc., Canaccord Genuity Corp., Scotia Capital Inc., BMO Nesbitt Burns Inc., Laurentian Bank Securities Inc. and Red Cloud Securities Inc. (collectively with the Lead Underwriter, the “Underwriters”). The Offering Price was determined by arm’s length negotiation between the Corporation and the Lead Underwriter, with reference to the prevailing market price of the common shares in the capital of the Corporation (the “Common Shares”). See “Plan of Distribution”.

The Corporation will incur (or be deemed to incur) sufficient Canadian exploration expense (“CEE”) as defined in the Tax Act and the Québec Tax Act on or before December 31, 2021 (or December 31, 2022 if the tax proposals announced on July 10, 2020 by the Department of Finance (Canada) and on November 6, 2020 by the Ministère des Finances (Québec) (the “July 10 and November 6 Proposals”) become law), so as to enable the Corporation to renounce, on or before December 31, 2020, in favour of the purchasers of Flow-Through Shares, an amount equal to the gross proceeds raised from the issuance of the Flow-Through Shares. The Corporation has agreed that all of such renounced CEE will qualify as “flow-through mining expenditures” as defined in subsection 127(9) of the Tax Act (the “Super-Flow-Through Expenditures”). In addition, for eligible purchasers subject to the Québec Tax Act, the CEE so renounced will be included in such purchasers’ “exploration base relating to certain Québec exploration expenses” (within the meaning of section 726.4.10 of the Québec Tax Act) and such purchasers’ “exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses” (within the meaning of section 726.4.17.2 of the Québec Tax Act). See “Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CEE” and “Certain Canadian Federal and Provincial Income Tax Considerations”.

The Corporation understands that purchasers of Flow-Through Shares may subsequently sell some or all of such Flow-Through Shares or donate some or all of such Flow-Through Shares to registered charities who may sell such shares (collectively, the “Resale Shares”), in each case, on the Closing Date (as defined herein) or the closing date for the Over-Allotment Option (as defined herein), as applicable, to purchasers arranged by the Underwriters. The Resale Shares will only qualify as “flow-through shares” for purposes of the Tax Act and the Québec Tax Act for the original subscriber and will not qualify as “flow-through shares” for a registered charity or subsequent purchaser and consequently the Corporation will only renounce CEE to the original subscriber of the

Resale Shares. This short form prospectus qualifies the issuance of the Flow-Through Shares as well as the subsequent resale of the Resale Shares on the Closing Date or the closing date for the Over-Allotment Option, as applicable, to purchasers arranged by the Underwriters.

The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the symbol “TLG” and on the OTCQB Venture Market (“OTCQB”) under the symbol “CHXMF”. On November 6, 2020, the last trading day prior to the date of announcement of the Offering, the closing price of the Common Shares on the TSX was \$1.23 and on the OTCQB was US\$0.949. On November 20, 2020, the last trading day prior to the date of the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$1.14 and on the OTCQB was US\$0.8619. The TSX has conditionally approved the listing of the Offered Securities and the Placement Shares (as defined herein). Listing of the Offered Securities is subject to the Corporation fulfilling all of the requirements of the TSX on or before February 5, 2021. Listing of the Placement Shares is subject to the Corporation fulfilling all of the requirements of the TSX, including closing the Concurrent Private Placement (as defined herein) by no later than December 24, 2020.

**Price: \$1.92 per Flow-Through Share**

	<b>Price to the Public</b>	<b>Underwriters’ Fee <sup>(1)(4)</sup></b>	<b>Net Proceeds to the Corporation <sup>(2)(4)</sup></b>
Per Flow-Through Share.....	\$1.92	\$0.1152	\$1.8048
Total <sup>(3)(4)</sup> .....	\$10,502,400	\$630,144	\$9,872,256

- (1) In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay the Underwriters a fee (the “**Underwriters’ Fee**”) of 6.0% of the gross proceeds of the Offering, including any Additional Flow-Through Shares (as defined herein) sold pursuant to the exercise of the Over-Allotment Option. See “*Plan of Distribution*”.
- (2) After deducting the Underwriters’ Fee, but before deducting the expenses relating to the Offering, including the preparation and filing of this short form prospectus, which expenses are estimated to be \$600,000 and which will be paid from the proceeds of the Offering.
- (3) The Corporation has granted the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part, in the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional 820,500 Flow-Through Shares (the “**Additional Flow-Through Shares**”), at the Offering Price, to cover over-allotments, if any, made by the Underwriters in connection with the Offering and for market stabilization purposes. The grant of the Over-Allotment Option and the Additional Flow-Through Shares issuable upon exercise of the Over-Allotment Option are hereby qualified for distribution under this short form prospectus. A purchaser who acquires Additional Flow-Through Shares forming part of the Underwriters’ over-allocation position acquires such Additional Flow-Through Shares under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters’ Fee and net proceeds to the Corporation (before deducting the expenses relating to the Offering (see note 2 above)) will be \$12,077,760, \$724,665.60 and \$11,353,094.40, respectively. See “*Plan of Distribution*” and the table below.
- (4) The information provided excludes the Concurrent Private Placement, for which the closing is anticipated to occur on or about December 1, 2020. See “*Other Information*”.

<u><b>Underwriters’ Position</b></u>	<u><b>Number of Flow-Through Shares Available</b></u>	<u><b>Exercise Period</b></u>	<u><b>Exercise Price</b></u>
Over-Allotment Option	Up to 820,500 Additional Flow-Through Shares	Up to 30 days from and including the Closing Date	\$1.92 per Additional Flow-Through Share

Unless the context otherwise requires, when used herein, all references to the “Offering” include the exercise of the Over-Allotment Option, all references to “Flow-Through Shares” include the Additional Flow-Through Shares issuable upon exercise of the Over-Allotment Option, and all references to “Offered Securities” shall mean the Flow-Through Shares and the Resale Shares, as applicable.

The Underwriters, as principals, conditionally offer the Offered Securities, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*”, and subject to the approval of certain legal matters on behalf of the Corporation by Cassels Brock & Blackwell LLP and BCF LLP and on behalf of the Underwriters by Dentons Canada LLP.

The Offering is being made in each of the provinces of Canada. The Offered Securities will be offered in each of the provinces of Canada through those Underwriters or their affiliates who are registered to offer Offered Securities for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Resale Shares in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Corporation and the Underwriters. See “*Plan of Distribution*”.

Subscriptions for the Flow-Through Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 1, 2020, or such other date as may be agreed upon by the Corporation and the Lead Underwriter, but in any event not later than 42 days after the date of the receipt for this short form prospectus (the “**Closing Date**”). Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may offer the Offered Securities at a lower price than stated above.** See “*Plan of Distribution*”.

It is anticipated that the Offered Securities will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Offered Securities, including a purchaser of Resale Shares in the United States, or purchasing for the account or benefit of a U.S. Person, that is a “qualified institutional buyer” as defined in Rule 144A of the U.S. Securities Act (a “**Qualified Institutional Buyer**”), will receive only a customer confirmation from the registered dealer from or through which the Offered Securities are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Securities on behalf of owners who have purchased Offered Securities in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

**Prospective investors should rely only on the information contained or incorporated by reference in this short form prospectus. The Corporation and the Underwriters have not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this short form prospectus. The Underwriters are offering to sell and seeking offers to buy the Offered Securities only in jurisdictions where, and to persons whom, offers and sales are lawfully permitted. An investment in the Offered Securities is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this short form prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “Cautionary Note Regarding Forward-Looking Information” and “Risk Factors” in this short form prospectus and in the AIF (as defined herein) and the risk factors set forth in the Annual MD&A (as defined herein) which are available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com), before purchasing the Offered Securities.**

**Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of the Offered Securities.**

The Corporation’s head and registered office is located at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3.

In addition to and concurrent with the Offering, the Corporation intends to complete a private placement offering of 9,100,000 Common Shares (the “**Placement Shares**”) at a price of \$1.10 per Placement Share for gross proceeds of \$10,010,000 (the “**Concurrent Private Placement**”). The Concurrent Private Placement will be completed on a bought deal private placement basis through a syndicate of underwriters led by the Lead Underwriter. In consideration for the services rendered in connection with the Concurrent Private Placement, the Corporation has agreed to pay the underwriters of the Concurrent Private Placement a fee (the “**Private Placement Underwriters’ Fee**”) of 6.0% of the gross proceeds of the Concurrent Private Placement. The Placement Shares are not being offered in Canada and this short form prospectus does not qualify the Placement Shares to be issued under the Concurrent Private Placement. The anticipated aggregate net proceeds from the Offering and the Concurrent Private Placement, after deducting the Underwriters’ Fee and the Private Placement Underwriters’ Fee, but before deducting the expenses relating to the Offering and the Concurrent Private Placement, which expenses are estimated to be \$600,000, are estimated to be approximately \$19,281,656 (or approximately \$20,762,494.40 if the Over-Allotment Option is exercised in full), and will serve to replenish the Corporation’s balance sheet following the utilisation of cash on hand for the repurchase of the First Quantum NSR (as defined herein). For further details, see “*Other Information*”. See also “*The Business – Recent Developments – Acquisition of NSR from First Quantum*”, “*Use of Proceeds*” and “*Plan of Distribution*”.

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## ABOUT THIS PROSPECTUS

Investors should rely only on the information contained or incorporated by reference in this short form prospectus and are not entitled to rely only on certain parts of the information contained or incorporated by reference in this short form prospectus to the exclusion of the remainder. The Corporation and the Underwriters have not authorized anyone to provide investors with different information. If anyone provides you with different or additional information, you should not rely on it. The Corporation is not offering the securities in any jurisdiction in which the Offering is not permitted. Investors should assume that the information contained in this short form prospectus is accurate only as of the date on the front of this short form prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this short form prospectus or of any sale of the securities pursuant thereto.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This short form prospectus and documents incorporated by reference herein contain “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of applicable United States securities laws (together, “**forward-looking information**”). Forward-looking information includes, but is not limited to, statements with respect to: the completion of the Offering and the Concurrent Private Placement; the use of proceeds of the Offering and the Concurrent Private Placement and use of available funds; the proposed Closing Date and the proposed closing date of the Concurrent Private Placement; the results of the preliminary economic assessment (“**PEA**”) completed on the Troilus Project (as defined herein); the impact and implications of the economic statements related to the PEA, such as future projected production, costs, including, without limitation, AISC (all-in sustaining costs), total cash costs, cash costs per ounce, capital costs and operating costs, mineral resource estimates, recovery rates, IRR (internal rate of return), NPV (net present value), mine life, CAPEX (capital expenditures), payback period, sensitivity analysis to gold prices, timing of future studies (including the pre-feasibility study), environmental assessments (including timing of an environmental impact study) and development plans, and the Corporation’s understanding of the Troilus Project; the potential to extend mine life beyond the period contemplated in the PEA, opportunity to expand the scale of the Troilus Project and the Troilus Project becoming a cornerstone mining project in Québec and Canada; the Corporation’s exploration and development potential and timetable associated with the Troilus Project; future precious metal and copper prices; the ability to raise additional financing; the timing and cost of estimated future exploration and development activities; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Mineral resource estimates, the PEA and certain other technical and scientific information are based on the assumptions and parameters set out herein, in the technical report and PEA entitled “Preliminary Economic Assessment of the Troilus Gold Project, Québec, Canada” dated October 14, 2020 (the mineral resource estimate has an effective date of July 20, 2020 and the PEA has an effective date of August 31, 2020) prepared by Gordon Zurowski, P.Eng., Andrew Holloway, P.Eng. and Paul Daigle, P.Geo. of AGP Mining Consultants Inc. (the “**Technical Report**”) and on the opinion of “qualified persons” (as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”)). Forward-looking information is also based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of activities are based on informed reasonable assumptions, the key ones of which are set out herein, in the AIF and in the Technical Report. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information including, but not limited to, those relating to: possible changes to the use of proceeds of the Offering and the Concurrent Private Placement and use of funds available to the Corporation; uncertainties related to the novel coronavirus (“**COVID-19**”) pandemic; fluctuations in the state of the economy and capital markets; unexpected events and delays during exploration; variations in grade and recovery rates; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; cost of supplies and labour force; future precious metal and copper prices; exchange rate fluctuations; failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; future costs of supplies and labour;

risks inherent in conducting exploration, development and operational mining activities; community relations, including relations with First Nations and other stakeholders; other risks of the mining industry and those risk factors identified elsewhere in this short form prospectus, the AIF, the Technical Report and other disclosure documents of the Corporation filed at [www.sedar.com](http://www.sedar.com). Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except as required by applicable securities laws.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

References to “\$” or “C\$” in this short form prospectus are to Canadian dollars, unless otherwise indicated. References to “US\$” in this short form prospectus are to United States dollars. On November 20, 2020, the Bank of Canada indicative average rate of exchange for Canadian dollars and United States dollars was \$1.00 = US\$0.7651 or US\$1.00 = \$1.3071.

## DIFFERENCES IN REPORTING OF MINERAL RESOURCE ESTIMATES

This short form prospectus and documents incorporated by reference herein have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Canadian reporting requirements for disclosure of mineral properties are governed by NI 43-101. Subject to the SEC Modernization Rules described below, the United States reporting requirements are currently governed by the United States Securities and Exchange Commission (“SEC”) Industry Guide 7 (“**SEC Industry Guide 7**”) under the U.S. Securities Act. The definitions used in NI 43-101 are incorporated by reference from the Canadian Institute of Mining, Metallurgy and Petroleum (“**CIM**”) – Definition Standards adopted by CIM Council on May 10, 2014 (the “**CIM Definition Standards**”). For example, the terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in NI 43-101, and these definitions differ from the definitions in SEC Industry Guide 7. Furthermore, while the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in NI 43-101, these terms are not defined terms under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. Further, under SEC Industry Guide 7, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Any mineral reserves reported by the Corporation in the future and in compliance with NI 43-101 may not qualify as “reserves” under SEC Industry Guide 7. Further, until recently, the SEC has not recognized the reporting of mineral deposits which do not meet the SEC Industry Guide 7 definition of “reserve”.

The SEC adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Securities Exchange Act of 1934, as amended. These amendments became effective February 25, 2019 (the “**SEC Modernization Rules**”) with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM Definition Standards, incorporated by reference in NI 43-101.

Investors are cautioned that while the above terms are “substantially similar” to the corresponding CIM Definition Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Corporation may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources” under NI 43-101 would be the same had the

Corporation prepared the mineral reserve or mineral resource estimates under the standards adopted under the SEC Modernization Rules.

Investors are also cautioned that while the SEC will now recognize “measured mineral resources”, “indicated mineral resources” and “inferred mineral resources”, investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as mineral reserves. Accordingly, investors are cautioned not to assume that any “measured mineral resources”, “indicated mineral resources” or “inferred mineral resources” that the Corporation reports are or will be economically or legally mineable. Further, “inferred mineral resources” have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of the “inferred mineral resources” exist. In accordance with Canadian securities laws, estimates of “inferred mineral resources” cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

For the above reasons, information contained in this short form prospectus and documents incorporated by reference herein containing descriptions of the Corporation’s mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

#### DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of the Corporation at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3, telephone (416) 216-5443, and are also available electronically under the profile of the Corporation at [www.sedar.com](http://www.sedar.com).

The following documents filed by the Corporation with the securities commissions or similar regulatory authorities in Canada are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the (revised) annual information form of the Corporation dated October 15, 2020 (the “**AIF**”);
- (b) the audited annual consolidated financial statements of the Corporation as at July 31, 2020 and for the years ended July 31, 2020 and 2019, together with the notes thereto and the auditor’s report thereon (the “**Annual Financial Statements**”);
- (c) the management’s discussion and analysis of financial condition and results of operations of the Corporation for the years ended July 31, 2020 and 2019 (the “**Annual MD&A**”);
- (d) the management information circular of the Corporation dated November 8, 2019 (the “**Management Information Circular**”), regarding the annual and special meeting of shareholders of the Corporation held on December 16, 2019;
- (e) the material change report of the Corporation dated September 1, 2020 in respect of the announcement of the positive results of the PEA completed on the Troilus Project (the “**September 2020 MCR**”);
- (f) the material change report of the Corporation dated November 16, 2020 in respect of the announcement of the entering into of a definitive agreement to repurchase the First Quantum NSR and the announcement of the Offering and the Concurrent Private Placement; and
- (g) the template version of the indicative term sheet dated November 9, 2020 in connection with the Offering (the “**Marketing Materials**”).

Any documents of the foregoing type, and all other documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* (“NI 44-101”) to be incorporated by reference in a short form prospectus including, without limitation, any material change reports (excluding material change reports filed on a confidential basis), interim financial statements, annual financial statements and the auditor’s report thereon, management’s discussion and analysis, information circulars, annual information forms, marketing materials and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in any of the provinces of Canada, subsequent to the date of this short form prospectus and prior to the termination of this Offering shall be deemed to be incorporated by reference in this short form prospectus.

**Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.**

**The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

#### **MARKETING MATERIALS**

The Marketing Materials do not form part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this short form prospectus and before the termination of the distribution of the Offered Securities (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference into this short form prospectus.

#### **ELIGIBILITY FOR INVESTMENT**

In the opinion of BCF LLP, tax counsel to the Corporation, and Dentons Canada LLP, counsel to the Underwriters, based on the current provisions of the Tax Act and the regulations thereunder, in force as of the date hereof, the Offered Securities, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively referred to as “**Registered Plans**”) or deferred profit sharing plan (“**DPSP**”), provided that the Offered Securities are listed on a designated stock exchange in Canada for the purposes of the Tax Act (which currently includes the TSX) or the Corporation qualifies as a “public corporation” (as defined in the Tax Act).

Notwithstanding the foregoing, the holder, subscriber or annuitant of, or under, a Registered Plan (the “**Controlling Individual**”) will be subject to a penalty tax in respect of Offered Securities held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. An Offered Security generally will not be a “prohibited investment” for a Registered Plan unless (i) the Controlling Individual does not deal at arm’s length with the Corporation for the purposes of the Tax Act, or (ii) the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in the Corporation. In addition, the Offered Securities will generally not be a “prohibited investment” if such securities are “excluded property” (as defined in the Tax Act) for the Registered Plan. Controlling Individuals should consult their own tax advisors as to whether the Offered Securities will be a prohibited investment in their particular circumstances.

**It is not anticipated that Registered Plans or a DPSP will subscribe for Flow-Through Shares as Registered Plans and DPSPs, or the holders, annuitants, beneficiaries or subscribers of such Registered Plans or DPSPs, as the case may be, would not benefit from the deduction of CEE renounced by the Corporation.**

## THE CORPORATION

The Corporation was incorporated on October 15, 1985 in the province of British Columbia by registration of its Articles and Memorandum pursuant to the *Company Act* (British Columbia) under the name “Silverquest Resources Ltd.”. Effective on December 11, 1991, the Corporation consolidated its outstanding shares on a five for one basis and changed its name to “Cash Resources Ltd.”. Effective May 7, 2001, the Corporation consolidated its shares again on a five to one basis and changed its name to “Cash Minerals Ltd.”. The Corporation was continued into the Province of Ontario pursuant to the provisions of the *Business Corporations Act* (Ontario) on June 14, 2006. On June 24, 2010, the Corporation consolidated its common shares on a twenty for one basis and changed its name to “Pitchblack Resources Ltd.” (“**Pitchblack**”).

On December 20, 2017, the Corporation closed a transaction whereby it indirectly acquired the option to acquire a 100% indirect interest in the Troilus project, a past-producing gold and copper mine located in Québec (the “**Troilus Project**”) through a reverse take-over acquisition involving an amalgamation of two other companies and a wholly-owned subsidiary of Pitchblack. On December 19, 2017, in connection with this transaction, the Corporation changed its name from “Pitchblack Resources Ltd.” to “Troilus Gold Corp.” and consolidated its common shares on a four to one basis. On February 28, 2018, the Corporation amalgamated with its wholly-owned subsidiary, TLG Project Inc., and thereby became the direct owner of the option to acquire a 100% interest in the Troilus Project. As of the date hereof, the Corporation has no significant subsidiary.

The Corporation’s registered and head office is located at 36 Lombard Street, Floor 4, Toronto, Ontario, M5C 2X3.

## THE BUSINESS

The Corporation is a Toronto-based, Québec focused, advanced stage exploration and early-development company focused on the mineral expansion and potential mine restart of the former gold and copper Troilus mine. The approximately 107,320 hectare Troilus Project is located within the Frotêt-Evans Greenstone Belt in Québec, Canada. From 1996 to 2010, Inmet Mining Corporation operated the Troilus Project as an open pit mine, producing more than 2,000,000 ounces of gold and nearly 70,000 tonnes of copper. The Corporation holds a 100% interest in the Troilus Project.

The Troilus Gold property consists of 1,988 mineral claims and one surveyed mining lease that collectively cover approximately 107,320 hectares and includes the former Troilus mine. The Troilus Gold property was acquired in various transactions. The first consisted of the acquisition from First Quantum Minerals Ltd. (“**First Quantum**”) of 81 mineral claims and one surveyed mining lease that collectively covered approximately 4,700 hectares and included the former Troilus mine. The second transaction consisted of the acquisition from Emgold Mining Corporation (“**Emgold**”) of 209 mineral claims that covers approximately 11,300 hectares. The next transaction consisted of the acquisition of 3 mining claims from O3 Mining Inc. (“**O3**”) that fall within the boundaries of the northern block of the Troilus Gold property and cover approximately 160 hectares. In April 2020, the Corporation acquired an additional 627 claims from O3 representing approximately 33,400 hectares. In addition, in April and May 2020, the Corporation staked 646 claims covering an area of approximately 34,700 hectares. In July 2020, the Corporation acquired an additional 91 claims from Globex Mining Enterprises Inc. (“**Globex**”) representing approximately 4,960 hectares, and acquired an additional 21 claims from 9219-8845 Qc. Inc. dba Canadian Mining House (“**CMH**”) representing approximately 1,140 hectares. In addition, in July 2020, the Corporation staked 310 claims covering an area of approximately 16,905 hectares.

The 81 claims previously owned by First Quantum were, until recently, subject to a variable net smelter return royalty (“**NSR**”) to First Quantum of 1.5% or 2.5% depending on whether the price of gold was above or below US\$1,250 per ounce, and continue to be subject to a 1% royalty to an arm’s length private company. See “*Recent Developments – Acquisition of NSR from First Quantum*”. The 209 claims acquired from Emgold (formerly known as the Troilus North project) are subject to a 1% NSR to Emgold that the Corporation has the right to purchase for \$1 million. The 3 claims acquired from O3 in November 2019 are subject to a 2% NSR to O3, half of which can be purchased for \$1 million and a 2% NSR to an individual, half of which can be purchased for \$1 million. The 627 claims acquired from O3 in April 2020 are subject to a 2% NSR to O3, half of which can be purchased for \$1 million, a 2% NSR granted to Inco Limited (now Vale) on seven of the 627 claims, and a 1% NSR

granted to Falconbridge (now Glencore) on 73 claims of the 627 claims. The 91 claims acquired from Globex in July 2020 are subject to a 2% gross metals royalty to Globex, half of which can be purchased for \$1 million. The 21 claims acquired from CMH in July 2020 are subject to a 1% NSR to CMH, half of which can be purchased for \$500,000 and the other half of which can be purchased for \$1.5 million.

## Recent Developments

### *Preliminary Economic Assessment*

On August 31, 2020, the Corporation announced the positive results of the PEA completed on the Troilus Project. See the September 2020 MCR for further details.

### *Acquisition of NSR from First Quantum*

On November 9, 2020, the Corporation announced that it had entered into a definitive agreement with First Quantum pursuant to which it bought back the sliding 2.5% NSR (the “**First Quantum NSR**”) attached to the 81 mineral claims and one surveyed mining lease known as the Troilus mine, which were previously acquired from First Quantum, thereby cancelling the First Quantum NSR. In consideration for the repurchase and cancellation of the First Quantum NSR, the Corporation paid cash consideration of \$20 million to First Quantum from cash on hand. The Corporation would not have entered into the agreement to repurchase the First Quantum NSR without having entered into the engagement letter with the Lead Underwriter in respect of the Offering and the Concurrent Private Placement (such engagement letter has been superseded by the Underwriting Agreement) and thereby preserving its strong cash position.

For additional information with respect to the Troilus Project and the business of the Corporation, readers are referred to the AIF, September 2020 MCR and Annual MD&A, all of which are incorporated by reference herein. See also “*Risk Factors*” in this short form prospectus and the AIF and the risk factors set forth in the Annual MD&A.

## CONSOLIDATED CAPITALIZATION

As at July 31, 2020, there were 114,939,339 Common Shares issued and outstanding as well as 250,000 stock options (“**Options**”), 3,136,660 restricted share units (“**RSUs**”) and 26,105,000 warrants (“**Warrants**”) of the Corporation outstanding which, if exercised in the case of Options and Warrants and vested in the case of RSUs, would result in the issuance of an additional 29,491,660 Common Shares. As at November 20, 2020, there were 114,939,339 Common Shares issued and outstanding as well as 250,000 Options, 10,918,327 RSUs and 26,105,000 Warrants outstanding which, if exercised in the case of Options and Warrants and vested in the case of RSUs, would result in the issuance of an additional 37,273,327 Common Shares. Other than as disclosed above and in “*Prior Sales*”, there have not been any material changes in the share and loan capital of the Corporation since July 31, 2020.

Upon completion of the Offering and the Concurrent Private Placement, and assuming no outstanding Options or Warrants are exercised and no outstanding RSUs vest, there will be an aggregate of 129,509,339 Common Shares issued and outstanding, or 130,329,839 Common Shares if the Over-Allotment Option is exercised in full, as well as 250,000 Options, 10,918,327 RSUs and 26,105,000 Warrants outstanding.

## USE OF PROCEEDS

The net proceeds to the Corporation from the Offering and the Concurrent Private Placement are estimated to be \$18,681,656, after deducting the payment of the Underwriters’ Fee of \$630,144 and the Private Placement Underwriters’ Fee of \$600,600, and after deducting the estimated expenses of the Offering and the Concurrent Private Placement (estimated to be approximately \$600,000). If the Over-Allotment Option is exercised in full, the net proceeds to the Corporation from the Offering and the Concurrent Private Placement are estimated to be \$20,162,494.40, after deducting the payment of the Underwriters’ Fee of \$724,665.60 and the Private Placement

Underwriters' Fee of \$600,600, and after deducting the estimated expenses of the Offering and the Concurrent Private Placement (estimated to be approximately \$600,000).

The Corporation will use an amount equal to the gross proceeds of the Offering to incur CEE in the Province of Québec. See "*Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CEE*" and "*Certain Canadian Federal and Provincial Income Tax Considerations*".

The Corporation intends to use the net proceeds of the Offering and the Concurrent Private Placement towards advancing work related to its planned exploration and development program at the Troilus Project and for working capital purposes during the remainder of 2020 and during 2021. The table below sets out the intended use of the net proceeds of the Offering and the Concurrent Private Placement with a comparison to the recommended budget included in the recommendations section of the Technical Report.

#### Use of Proceeds

	<b>Intended Use of Proceeds</b>	<b>Recommended Budget in Technical Report</b>
Exploration, drilling and all associated costs	\$9,502,400	\$13,600,000
Geotechnical work	\$1,000,000	\$1,261,250
Prefeasibility study and associated studies	\$2,750,000	\$3,000,000
Infrastructure	\$500,000	\$500,000
Environment	\$250,000	\$300,000
Underground Mining	-	\$100,000
Metallurgy	-	\$500,000
General & administrative costs	\$4,679,256	-
<b>Total:</b>	<b>\$18,681,656</b>	<b>\$19,261,250</b>

The Corporation estimates that the net proceeds of the Offering and the Concurrent Private Placement, when combined with other funds on hand, will be sufficient to fund the Corporation's optimal operations and planned exploration and development program expenditures to the end of July 2021, which costs are estimated to be approximately \$20 million.

Blake Hylands, P.Ge., Senior Vice-President of Exploration of the Corporation is the "qualified person" (as such term is defined in NI 43-101) who supervised the preparation of the above use of proceeds.

The above noted allocation represents the Corporation's intentions with respect to its use of proceeds of the Offering and the Concurrent Private Placement based on current knowledge, planning and expectations of management of the Corporation. The Corporation's actual use of the net proceeds of the Offering and the Concurrent Private Placement may vary depending on the Corporation's operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors – Risks Related to the Securities – Discretion in the Use of Proceeds*".

In the event that the Over-Allotment Option is exercised, any additional net proceeds are intended to be allocated to further exploration, geotechnical work, drilling and associated costs.

Pending the use of the net proceeds described above, the Corporation may invest all or a portion of the net proceeds of the Offering and the Concurrent Private Placement in short-term, high quality, interest bearing corporate, government-issued or government-guaranteed securities.

During the fiscal year ended July 31, 2020, the Corporation had negative cash flow from operating activities. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at the Troilus Project. As a result, certain of the net proceeds from the Offering and the Concurrent Private Placement may be used to fund such negative cash flow from operating activities in future periods. See “*Risk Factors – Risks Related to the Securities – Negative Operating Cash Flow and Additional Funding*”.

## **Business Objectives**

The Corporation focuses on the advancement of the Troilus Project with the goal of ultimately bringing the mine back into production. The Corporation’s two main near-term objectives to be pursued with the net proceeds of the Offering and the Concurrent Private Placement and other available funds, and which the Corporation expects would occur during the remainder of 2020 and during 2021, are: (i) continue project exploration towards the goal of potentially upgrading and expanding current mineral resources; and (ii) continue project work towards the goal of publishing a prefeasibility study for the Troilus Project. There is no assurance the foregoing goals and objectives will be achieved. The exploration, development and construction of mineral projects are subject to a number of risks and uncertainties. See “*Risk Factors*”.

## **PLAN OF DISTRIBUTION**

Pursuant to the Underwriting Agreement, the Corporation has agreed to issue and sell, and the Underwriters have severally (and not jointly, nor jointly and severally) agreed to purchase, as principals, on the Closing Date, an aggregate of 5,470,000 Flow-Through Shares at the Offering Price, payable in cash to the Corporation against delivery of the Flow-Through Shares, subject to compliance with the conditions contained in the Underwriting Agreement. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint, nor joint and several), and may be terminated at their discretion on the basis of “disaster out”, “regulatory out”, “material change out” and “breach out” provisions in the Underwriting Agreement, and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Flow-Through Shares if any of the Flow-Through Shares are purchased under the Underwriting Agreement.

The Corporation has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part, in the sole discretion of the Underwriters, for a period of 30 days from and including the Closing Date, to purchase up to an additional 820,500 Flow-Through Shares, at the Offering Price, to cover over-allotments, if any, made by the Underwriters in connection with the Offering and for market stabilization purposes. The grant of the Over-Allotment Option and the Additional Flow-Through Shares issuable upon exercise of the Over-Allotment Option are qualified for distribution under this short form prospectus. A purchaser who acquires Additional Flow-Through Shares forming part of the Underwriters’ over-allocation position acquires such Additional Flow-Through Shares under this short form prospectus regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay the Underwriters the Underwriters’ Fee of 6.0% of the gross proceeds of the Offering, including any Additional Flow-Through Shares sold pursuant to the exercise of the Over-Allotment Option. The Offering Price and other terms of the Offering were determined by arm’s length negotiation between the Corporation and the Lead Underwriter, with reference to the prevailing market price of the Common Shares.

The Offering is being made in each of the provinces of Canada. The Offered Securities will be offered in each of the provinces of Canada through those Underwriters or their affiliates who are registered to offer Offered Securities for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Resale Shares in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Corporation and the Underwriters.

The TSX has conditionally approved the listing of the Offered Securities and the Placement Shares. Listing of the Offered Securities is subject to the Corporation fulfilling all of the requirements of the TSX on or before February 5, 2021. Listing of the Placement Shares is subject to the Corporation fulfilling all of the requirements of the TSX, including closing the Concurrent Private Placement by no later than December 24, 2020.

**The Underwriters propose to offer the Offered Securities initially at the Offering Price. After the Underwriters have made reasonable efforts to sell all of the Offered Securities at such price, the Offering Price may be decreased, and further changed from time to time, to an amount not greater than the Offering Price. However, in no event will the Corporation receive less than net proceeds of \$1.8048 per Offered Security. If the selling price is reduced, the compensation realized by the Underwriters will be reduced by the amount that the aggregate price paid by the purchasers for the Offered Securities is less than the gross proceeds paid by the Underwriters to the Corporation. In addition, the Underwriters may offer selling group participation to other registered dealers that are satisfactory to the Corporation, acting reasonably, with compensation to be negotiated between the Underwriters and such selling group participants, but at no additional cost to the Corporation.**

Pursuant to policy statements of certain securities regulators, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (iii) a bid or purchase to cover a short position entered into prior to the commencement of the prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on the TSX, in the over-the-counter market or otherwise.

Pursuant to the Underwriting Agreement, the Corporation has agreed that it will not, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, during the period commencing on the signing of the Underwriting Agreement and ending 90 days following the Closing Date, issue any Common Shares or securities convertible into Common Shares; provided, however, that such restriction shall not apply to securities issued in connection with: (i) the Offering and the Concurrent Private Placement, (ii) the grant or vesting of RSUs or grant or exercise of Options and other similar issuances pursuant to the Corporation's share compensation arrangements (existing or to be adopted in the future), (iii) acquisitions (including but not limited to claims acquisitions and royalty buybacks), (iv) the exercise of any outstanding Warrants, Options, rights or other convertible securities, and (v) satisfying existing contractual obligations.

Pursuant to the Underwriting Agreement, the Corporation has also agreed that it will use its commercially reasonable efforts to cause each of the directors and executive officers of the Corporation to enter into lock-up agreements in a form satisfactory to the Corporation and the Lead Underwriter, each acting reasonably, to be executed concurrently with the closing of the Offering, pursuant to which each such person agrees to not, for a period ending 90 days following the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, directly or indirectly offer, sell, contract to sell, grant any option to purchase, make any short sale, lend, swap, or otherwise dispose of, transfer, assign, or announce any intention to do so, any Common Shares or any securities convertible into or exchangeable for Common Shares, with respect to which each has beneficial ownership or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than: (i) if the Corporation receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement, (ii) in respect of sales or transfers to affiliates of such person, (iii) as a result of his or her death, and (iv) to satisfy tax withholding obligations upon the exercise of Options or the vesting of any RSUs.

The Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person or any person in the United States.

The Underwriters have agreed not to offer the Flow-Through Shares within the United States. Each Underwriter has agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, it will not offer or sell the Resale Shares at any time within the United States or to, or for the account or benefit of, a U.S. Person as part of its distribution. The Underwriting Agreement permits the Underwriters, acting through their United States registered broker-dealer affiliates, to offer and sell the Resale Shares to Qualified Institutional Buyers in the United States and to, or for the account or benefit of, U.S. Persons that are Qualified Institutional Buyers in accordance with available exemptions under the U.S. Securities Act and applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will otherwise offer and sell the Offered Securities outside the United States in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Resale Shares that are sold in the United States or to, or for the account or benefit of, a U.S. Person will be “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and under applicable state securities laws.

Subscriptions for the Flow-Through Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about December 1, 2020, or such other date as may be agreed upon by the Corporation and the Lead Underwriter, but in any event not later than 42 days after the date of the receipt for this short form prospectus. It is anticipated that the Offered Securities will be delivered under the book-based system through CDS or its nominee and deposited in electronic form. A purchaser of Offered Securities, including a purchaser of Resale Shares in the United States, or purchasing for the account or benefit of a U.S. Person, that is a Qualified Institutional Buyer, will receive only a customer confirmation from the registered dealer from or through which the Offered Securities are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Offered Securities on behalf of owners who have purchased Offered Securities in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required.

Pursuant to the terms of the Underwriting Agreement, the Corporation has agreed to reimburse the Underwriters for certain expenses incurred in connection with the Offering and to indemnify the Underwriters and any of their affiliates and each of their directors, officers and employees against certain liabilities and expenses and to contribute to payments the Underwriters may be required to make in respect thereof.

### **Flow-Through Shares**

Subscriptions for the Flow-Through Shares will be made pursuant to one or more subscription and renunciation agreements (collectively, the “**Flow-Through Share Subscription Agreements**”) to be made between the Corporation and the purchasers, but executed by one or more of the Underwriters or one or more sub-agents of an Underwriter, as agent for, on behalf of and in the name of all purchasers of the Flow-Through Shares. The execution and delivery of a Flow-Through Share Subscription Agreement by the Underwriters or a sub-agent of an Underwriter, as agent on behalf of the subscriber, will bind such subscriber to the terms thereof as if such subscriber had executed the Flow-Through Share Subscription Agreement personally. Each subscriber who places an order to purchase Flow-Through Shares with an Underwriter or any sub-agent of an Underwriter will be deemed to have authorized any of such Underwriters or such sub-agents to execute and deliver, on the subscriber’s behalf, the Flow-

Through Share Subscription Agreement. The Underwriters acknowledge that they will have the authority to bind a subscriber to the Flow-Through Share Subscription Agreement upon receipt of an order to purchase Flow-Through Shares from the said subscriber.

The Corporation understands that purchasers of Flow-Through Shares may subsequently sell some or all of such Flow-Through Shares or donate some or all of such Flow-Through Shares to registered charities who may sell such shares, in each case, on the Closing Date or the closing date for the Over-Allotment Option, as applicable, to purchasers arranged by the Underwriters. The Resale Shares will only qualify as “flow-through shares” for purposes of the Tax Act and the Québec Tax Act for the original subscriber and will not qualify as “flow-through shares” for a registered charity or subsequent purchaser and consequently the Corporation will only renounce CEE to the original subscriber of the Resale Shares. This short form prospectus qualifies the issuance of the Flow-Through Shares as well as the subsequent resale of the Resale Shares on the Closing Date or the closing date for the Over-Allotment Option, as applicable, to purchasers arranged by the Underwriters.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### Common Shares

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The holders of Common Shares are entitled to one vote per share at all meetings of the shareholders of the Corporation either in person or by proxy. The holders of Common Shares are also entitled to dividends, if and when declared by the directors of the Corporation and the distribution of the residual assets of the Corporation in the event of a liquidation, dissolution or winding up of the Corporation. The Common Shares are not subject to call or assessment rights or any conversion rights or pre-emptive rights. There are no redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions.

As of the date of this short form prospectus, the Corporation has not declared dividends and has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of the Corporation’s board of directors and will depend on, among other things, the Corporation’s results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the board of directors may deem relevant.

### Flow-Through Shares – Renunciation of CEE

The Flow-Through Shares will be Common Shares issued as “flow-through shares” as that term is defined under subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act and, except as a consequence of any charitable donation arrangement taking place after the issuance of the Flow-Through Shares or any agreement to which the Corporation is not a party, should not be “prescribed shares” as defined in the regulations to the Tax Act or to the Québec Tax Act.

Pursuant to the Flow-Through Share Subscription Agreements, the Corporation will agree to incur (or be deemed to incur) sufficient CEE on or before December 31, 2021 (or December 31, 2022 if the July 10 and November 6 Proposals become law), so as to enable the Corporation to renounce, pursuant to the Tax Act, on or before December 31, 2020, in favour of the purchasers of Flow-Through Shares, an amount equal to the gross proceeds raised from the issuance of Flow-Through Shares (the “**Flow-Through Funds**”). Flow-Through Funds will also be renounced to purchasers pursuant to the Québec Tax Act in the manner described above if the Flow-Through Share Subscription Agreements of such purchasers provide for such renunciation pursuant to the Québec Tax Act. There is no guarantee that an amount equal to the Flow-Through Funds will be expended by the Corporation as indicated. The Corporation has agreed that all of such renounced CEE will qualify as Super-Flow-Through Expenditures. In addition, for eligible purchasers subject to the Québec Tax Act, the CEE renounced pursuant to the Québec Tax Act will be included in such purchasers’ “exploration base relating to certain Québec exploration expenses” (within the meaning of section 726.4.10 of the Québec Tax Act) and such purchasers’ “exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses” (within the meaning of section 726.4.17.2 of the Québec Tax Act).

If the Corporation is unable to renounce an amount equal to the entire amount of the Flow-Through Funds in accordance with the Flow-Through Share Subscription Agreements, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act or the Québec Tax Act, the amount of deductions and credits that purchasers will be able to claim for income tax purposes will be correspondingly reduced. Under the Flow-Through Share Subscription Agreements, the Corporation will agree to indemnify a subscriber as to, and pay in settlement therefor to the subscriber, an amount equal to the amount of any tax payable under the Tax Act and the Québec Tax Act (and under any other corresponding provincial legislation) by the subscriber as a consequence of such failure or reduction. See “*Certain Canadian Federal and Provincial Income Tax Considerations*”. The Flow-Through Share Subscription Agreements will contain additional representations, warranties, covenants and agreements by the Corporation in favour of the subscriber of Flow-Through Shares which are consistent with and supplement the Corporation’s obligations as described in this short form prospectus.

The Flow-Through Share Subscription Agreements will also provide for representations, warranties and agreements of the subscriber, and by its purchase of Flow-Through Shares, each subscriber of Flow-Through Shares offered hereunder will be deemed to have represented, warranted and agreed, for the benefit of the Corporation and the Underwriters that: (i) the subscriber, and any beneficial purchaser for whom it is acting, deals, and until December 31, 2021 (or December 31, 2022 if the July 10 and November 6 Proposals become law), will continue to deal, at arm’s length with the Corporation for the purposes of the Tax Act, (ii) the subscriber, if an individual, is of the full age of majority and otherwise is legally competent to enter into the Flow-Through Share Subscription Agreement, and (iii) the subscriber has received and reviewed a copy of this short form prospectus.

Notwithstanding the foregoing, the Corporation may enter into one or more subscription and renunciation agreements for Flow-Through Shares on such other terms as may be agreed to by the Corporation and the applicable subscriber.

#### PRIOR SALES

The following table summarizes the issuances by the Corporation of Common Shares (and securities convertible into or exchangeable for Common Shares) for the 12 months prior to the date of this short form prospectus.

Date	Type of Security Issued	Issuance / Exercise Price Per Security	Number of Securities Issued
September 1, 2020	RSUs <sup>(1)</sup>	N/A	75,000
August 4, 2020	RSUs <sup>(1)</sup>	N/A	7,765,000
July 20, 2020	Common Shares <sup>(2)</sup>	N/A	350,000
July 20, 2020	Common Shares <sup>(3)</sup>	N/A	150,000
June 23, 2020	Units <sup>(4)</sup>	\$1.05	24,150,000
April 28, 2020	Common Shares <sup>(5)</sup>	N/A	1,700,000
March 5, 2020	RSUs <sup>(1)</sup>	N/A	206,666
February 28, 2020	Common Shares <sup>(6)</sup>	\$1.00	2,000,000
February 28, 2020	Common Shares <sup>(7)</sup>	\$0.81	2,070,617
February 28, 2020	Common Shares <sup>(8)</sup>	\$0.77	2,378,571
February 28, 2020	Common Shares <sup>(9)</sup>	\$0.65	11,267,667
January 15, 2020	Common Shares <sup>(10)</sup>	\$0.65	1,475,006
November 29, 2019	RSUs <sup>(1)</sup>	N/A	4,425,000

Notes:

- (1) Issued in connection with a grant of RSUs.
- (2) Issued in connection with the acquisition by the Corporation of claims from Globex.
- (3) Issued in connection with the buyback by the Corporation of an NSR relating to the claims previously acquired from Emgold.
- (4) Issued in connection with a bought deal prospectus offering of units, with each unit comprised of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant exercisable to acquire one Common Share at a price of \$1.50 until June 23, 2022.
- (5) Issued in connection with the acquisition by the Corporation of claims from O3.
- (6) Issued in connection with a private placement of Common Shares that qualified as “flow-through shares” and which were sold on a charitable flow-through basis by the Corporation.
- (7) Issued in connection with a private placement of Common Shares that qualified as “flow-through shares”.
- (8) Issued in connection with a private placement of Common Shares that qualified as “flow-through shares”.
- (9) Issued in connection with a private placement of Common Shares.
- (10) Issued in connection with the vesting of RSUs.

### TRADING PRICE AND VOLUME

The outstanding Common Shares are listed and posted for trading on the TSX under the symbol “TLG”. The following table sets forth the reported intraday high and low prices and trading volumes of the Common Shares for the 12 month period prior to the date of this short form prospectus (Source: TMX Datalinx).

Period	High Trading Price	Low Trading Price	Volume
November 2019	\$0.74	\$0.56	1,432,352
December 2019	\$0.65	\$0.52	3,085,638
January 2020	\$0.77	\$0.57	3,870,920
February 2020	\$0.90	\$0.65	3,216,318
March 2020	\$0.77	\$0.415	2,220,244
April 2020	\$1.08	\$0.55	4,277,500
May 2020	\$1.21	\$0.91	3,901,798
June 2020	\$1.19	\$0.94	5,250,684
July 2020	\$1.60	\$1.00	14,066,917
August 2020	\$1.73	\$1.22	7,166,883
September 2020	\$1.82	\$1.13	10,569,046
October 2020	\$1.42	\$1.05	5,283,012
November 1-20, 2020	\$1.29	\$1.07	3,771,749

On November 20, 2020, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX was \$1.14, and on November 6, 2020, the last trading day prior to the date of the announcement of the Offering, the closing price of the Common Shares on the TSX was \$1.23.

### CERTAIN CANADIAN FEDERAL AND PROVINCIAL INCOME TAX CONSIDERATIONS

In the opinion of BCF LLP, tax counsel to the Corporation, and Dentons Canada LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations and Québec provincial income tax considerations as of the date of this short form prospectus generally applicable to initial purchasers of Flow-Through Shares who acquire Flow-Through Shares pursuant to the Offering and who, at all relevant times for purposes of the Tax Act, hold their Flow-Through Shares as capital property, deal at arm’s length with the Corporation and the Underwriters and are not affiliated with the Corporation or the Underwriters, and are resident or deemed to be resident in Canada. The Flow-Through Shares will generally be considered capital property to a purchaser unless either the purchaser holds or uses Flow-Through Shares in the course of carrying on a business of buying and selling securities or the purchaser has acquired the Flow-Through Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a purchaser (i) that is a “principal-business corporation” within the meaning of the Tax Act, (ii) whose business includes trading or dealing in rights, licences or privileges to explore for, drill or take minerals, oil, natural gas or other related hydrocarbons, (iii) an interest in which constitutes a “tax shelter investment” within the meaning of the Tax Act, (iv) that is a “financial institution” as defined in the Tax Act for the purpose of the “mark-to-market” provisions of the Tax Act, (v) that is a partnership or a trust, (vi) that is a “specified financial institution” for purposes of the Tax Act, (vii) that has made a “functional currency” election under the Tax Act to determine its Canadian tax results in a currency other than the Canadian currency, (viii) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition agreement” (as those terms are defined in the Tax Act) in respect of the Flow-Through Shares, (ix) that is exempt from tax under Part 1 of the Tax Act, or (x) that is a corporation resident in Canada that is, or becomes, controlled by a non-resident corporation (or pursuant to the Proposed Amendments (defined below), a non-resident person or a group of persons comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts that do not deal with each other at arm’s length), for the purposes of the “foreign affiliate dumping” rules in Section 212.3 of the Tax Act. Such purchasers should consult their own tax advisors.

This summary is based on the Tax Act and the regulations thereunder and on the Québec Tax Act and the regulations thereunder in force as at the date hereof taking into account all published proposals for the amendment thereof to the date hereof (the “**Proposed Amendments**”) and upon counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) and Revenu Québec published in writing prior to the date hereof. This summary does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial tax laws of Canada or tax laws of any foreign country which may differ from those discussed herein. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular purchaser of Flow-Through Shares. This summary is not exhaustive of all Canadian federal and provincial income tax considerations and in particular does not discuss all of the tax consequences to purchasers of Flow-Through Shares who donate their shares to a registered charity. Accordingly, prospective purchasers of Flow-Through Shares should consult their own tax advisors having regard to their own particular circumstances.**

### **Flow-Through Share Considerations**

This summary assumes that (i) the Corporation will incur CEE in the Province of Québec in an amount not less than the Flow-Through Funds, (ii) CEE in an amount equal to the Flow-Through Funds will be renounced to purchasers of Flow-Through Shares hereunder pursuant to the Tax Act and the Québec Tax Act with an effective date of no later than December 31, 2020, (iii) such CEE will be incurred or be deemed to be incurred during a period (the “**Expenditure Period**”) commencing on the Closing Date and ending on the earlier of (A) the date on which the Flow-Through Funds has been fully incurred in accordance with the terms of the relevant Flow-Through Share Subscription Agreements, and (B) December 31, 2021 (or December 31, 2022 if the July 10 and November 6 Proposals become law), and (iv) all expenses discussed herein will be reasonable in amount. This summary also assumes that the Corporation will make all applicable tax filings in respect of the issuance of the Flow-Through Shares and the renunciation of CEE in the manner and within the time required by the Tax Act and the Québec Tax Act and that all renunciations will be validly made. In addition, while the Corporation will furnish each purchaser of Flow-Through Shares hereunder with information with respect to renounced CEE for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each purchaser. This summary is based upon the representation of the Corporation that it will be a “principal-business corporation”, within the meaning of the Tax Act, a “development corporation”, within the meaning of the Québec Tax Act, and a “qualified corporation”, within the meaning of sections 726.4.15 and 726.4.17.7 of the Québec Tax Act, at all material times and that the Flow-Through Shares, when issued, will be “flow-through shares” and will not be “prescribed shares” within the meaning of the Tax Act and the Québec Tax Act and the regulations thereunder. If any of the above assumptions are incorrect, the Corporation may be unable to renounce some or all of the CEE which it has agreed to renounce hereunder.

**The Canadian federal and provincial income tax consequences to a particular purchaser of Flow-Through Shares will vary according to a number of factors, including the particular province in which the purchaser resides, carries on business or has a permanent establishment, the legal characterization of the purchaser as an individual or a corporation, the amount that would be the purchaser's taxable income but for the investment in the Flow-Through Shares and the manner in which the proceeds from the issuance of the Flow-Through Shares are expended.**

## **Certain Canadian Federal Income Tax Considerations**

### *Canadian Exploration Expense*

The Corporation will be entitled to renounce to a purchaser of Flow-Through Shares hereunder certain CEE incurred by the Corporation during the Expenditure Period in an amount equal to the relevant subscription price of the Flow-Through Shares as permitted by and in accordance with the Tax Act. The CEE will be renounced to the purchaser with an effective date on or before December 31, 2020. Such CEE that is properly renounced to a purchaser will be deemed to have been incurred by that purchaser on the effective date of the renunciation and will be added to such purchaser's "cumulative Canadian exploration expense" (as defined in the Tax Act) ("CCEE") account.

The Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Corporation to renounce certain CEE incurred by it in 2021 (or 2022 if the July 10 and November 6 Proposals become law) to purchasers effective on December 31, 2020. In other words, the purchasers are deemed to have incurred the CEE on December 31, 2020 even though the Corporation will not incur the CEE until 2021 (or 2022 if the July 10 and November 6 Proposals become law). For this rule to apply in respect of a Flow-Through Share, the purchaser must have paid the consideration in money for such share, the purchaser and the Corporation must deal with each other at arm's length (for the purposes of the Tax Act) throughout 2021 (and 2022 if the Proposals become law) and the relevant subscription agreement in respect of such share must have been entered into, on or prior to December 31, 2020. In the event that the Corporation does not incur the amounts renounced under the "look-back" rule by the end of 2021 (or 2022 if the July 10 and November 6 Proposals become law) the Corporation will be required to reduce the amount of CEE renounced to the purchasers and the purchasers' income tax returns for the years in which the CEE was claimed will be reassessed accordingly. A purchaser will not be subject to any penalties for any such reassessment and will not be subject to any interest charges for any additional taxes payable if such taxes are paid by the purchaser on or prior to April 30, 2022 or such later date as may be specified in the July 10 and November 6 Proposals, if they become law.

A purchaser may deduct in computing such purchaser's income from all sources for a taxation year an amount not exceeding 100% of the balance of such purchaser's CCEE account at the end of that taxation year. Deductions claimed by a purchaser reduce the purchaser's CCEE account. To the extent that a purchaser does not deduct the balance of such purchaser's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with the provisions of the Tax Act. The right to deduct CCEE accrues to the initial purchaser of Flow-Through Shares and is not transferable.

A purchaser of Flow-Through Shares who is an individual (other than a trust) will be entitled to a non-refundable federal investment tax credit equal to 15 percent of a "flow-through mining expenditure" renounced to the purchaser (the "**Federal Credit**"). A "flow-through mining expenditure" is defined in subsection 127(9) of the Tax Act to include certain CEE incurred in conducting certain mining exploration activity from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource described in paragraph (a) or (d) of the definition of "mineral resource" as defined in the Tax Act. The investment tax credit may be deducted in accordance with detailed rules in the Tax Act against tax payable under the Tax Act in the taxation year in which the "flow-through mining expenditure" is incurred, or carried back three years and forward twenty years. The Corporation has agreed to incur and renounce CEE that will qualify for this investment tax credit.

The purchaser's CCEE account at any time in a taxation year will be reduced by an amount equal to any investment tax credit claimed for a previous taxation year. If the reduction in the purchaser's CCEE account causes the CCEE account to become negative, the amount of the negative balance will be included in the purchaser's income and the purchaser's CCEE will thereupon have a nil balance.

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate purchaser. Corporate purchasers should consult their own independent tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

If a purchaser acquires Flow-Through Shares through a Registered Plan or a DPSP (each as defined above under the heading “*Eligibility for Investment*”) the CEE renounced will not be available as a deduction against the income of the annuitant, holder or beneficiary of such plan and the associated tax benefits will be lost.

#### *Taxation of Dividends*

Dividends received or deemed to be received on a purchaser’s Flow-Through Shares will be included in the purchaser’s income as taxable dividends received from a taxable Canadian corporation. The normal gross-up and dividend tax credit rules applicable to taxable dividends received from a taxable Canadian corporation, including the enhanced dividend tax credit in respect of “eligible dividends” designated by the Corporation to a purchaser, will apply to dividends received by a purchaser who is an individual. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends. Taxable dividends received by such purchasers may give rise to minimum tax under the Tax Act, discussed further below under the heading “*Minimum Tax*”.

In the case of a purchaser that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a purchaser that is a corporation as proceeds of disposition or a capital gain. Purchasers that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A purchaser that is a “private corporation” or a “subject corporation” (each as defined in the Tax Act) will generally be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Flow-Through Shares to the extent such dividends are deductible in computing the purchaser’s taxable income for the year.

#### *Disposition of Flow-Through Shares*

A disposition or deemed disposition of a Flow-Through Share (other than to the Corporation) will result in the realization of a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed (or are less than) the adjusted cost base of such share and reasonable expenses incurred by the purchaser for the purposes of making such disposition. One-half of any capital gain (a “**taxable capital gain**”) must be included in computing the income of a purchaser for the year in which the disposition takes place, while one-half of any capital loss (an “**allowable capital loss**”) will be required to be deducted against taxable capital gains realized by the purchaser in the same taxation year. Allowable capital losses not deducted in the year in which they arise may be deducted by a purchaser from taxable capital gains realized in any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard. Capital gains realized by a purchaser who is an individual (including certain trusts) may give rise to minimum tax under the Tax Act, discussed further below under the heading “*Minimum Tax*”.

**Flow-Through Shares purchased hereunder will be deemed to have been acquired by the purchaser for an initial cost of nil regardless of the subscription price paid.**

Generally, the cost of a common share (other than a “flow-through share” as defined in the Tax Act) for tax purposes will be the amount paid to acquire such share and any reasonable costs associated with the acquisition. The adjusted cost base to a purchaser of a Flow-Through Share will generally be the average tax cost of all Common Shares held by such purchaser as capital property at a particular time. Any tax consequences arising from a subsequent disposition of a Flow-Through Share will be measured by reference to the adjusted cost base of the Flow-Through Shares based on this averaging rule.

A capital loss realized on the disposition of the Flow-Through Shares by a purchaser that is a corporation may in certain circumstances be reduced by the amount of dividends which have been previously received or

deemed to have been received by the purchaser on such shares. Similar rules may apply where a corporation is, directly or indirectly through a trust or partnership, a member of a partnership or a beneficiary of a trust that owns the Flow-Through Shares. A purchaser to which these rules may be relevant is urged to consult its own tax advisor.

A purchaser that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act) for the year, which is defined to include an amount in respect of taxable capital gains.

A purchaser who disposes of Flow-Through Shares will retain the entitlement to the renunciation of CEE from the Corporation as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such shares will not be entitled to any renunciations of CEE.

#### *Minimum Tax*

Under the Tax Act, a minimum tax is payable by an individual, other than certain trusts, equal to the amount by which the minimum tax exceeds the tax otherwise payable. In calculating adjusted taxable income for the purpose of determining minimum tax, certain deductions and credits otherwise available, such as the deduction for CEE not used to reduce resource income, are disallowed and certain amounts not otherwise taxable are included in income, such as 80% of net capital gains. Whether and to what extent the tax liability of a particular purchaser will be increased by the minimum tax will depend upon the amount of such purchaser’s income, the sources from which it is derived and the nature and amounts of any deductions that such purchaser claims. Any additional tax payable for a year from the application of the minimum tax provisions is recoverable in subsequent years to the extent that tax otherwise determined exceeds the minimum tax for any of the following seven taxation years. Purchasers should consult their own independent tax advisors with respect to the potential minimum tax consequences to them having regard to their own particular tax circumstances.

#### *Cumulative Net Investment Loss*

One-half of the amount of the CEE renounced to and deducted by a purchaser will be added to the purchaser’s cumulative net investment loss (“CNIL”) account, as defined in the Tax Act. A purchaser’s CNIL account may impact a purchaser’s ability to access the lifetime capital gains exemption available on the disposition of certain qualified small business corporation shares and qualified farm property.

#### **Certain Québec Provincial Income Tax Considerations**

This section only applies to a purchaser of Flow-Through Shares who is an individual resident or subject to tax in the Province of Québec pursuant to the Québec Tax Act and to whom CEE are renounced by the Corporation pursuant to the Québec Tax Act in accordance with the terms of its Flow-Through Share Subscription Agreement (a “**Québec Flow-Through Purchaser**”).

The Québec Tax Act provides that where a Québec Flow-Through Purchaser incurs in a given taxation year “investment expenses” to earn “investment income” in excess of the investment income earned for that year, such excess shall be included in the Québec Flow-Through Purchaser’s income, resulting in an offset of the deduction for such portion of those investment expenses. For these purposes, investment expenses include certain deductible interest and losses of the Québec Flow-Through Purchaser and 50% of CEE (other than CEE incurred in the Province of Québec) renounced to, allocated to and deducted for Québec income tax purposes by such Québec Flow-Through Purchaser, and investment income includes taxable capital gains not eligible for the capital gains exemption. Investment expenses which have been included in the Québec Flow-Through Purchaser’s income in a given taxation year may be deducted against net investment income earned in any of the three previous taxation years and any subsequent taxation year.

Subject to the limitations described herein, in computing income for Québec income tax purposes for a taxation year, a Québec Flow-Through Purchaser of Flow-Through Shares generally may deduct up to 100% of the balance in its “cumulative Canadian exploration expense” account (as defined under the Québec Tax Act) at the end of the year. In computing income for Québec tax purposes for a taxation year, a Québec Flow-Through Purchaser may be entitled to an additional deduction of 10% in respect of its share of certain CEE incurred in the Province of

Québec by a “qualified corporation” (as defined in the Québec Tax Act). Also, such a Québec Flow-Through Purchaser may be entitled to another additional deduction of 10% in respect of his or her share of certain surface CEE incurred in the Province of Québec by such a qualified corporation. Accordingly, provided applicable conditions under the Québec Tax Act are satisfied, a Québec Flow-Through Purchaser may be entitled to deduct for Québec income tax purposes up to 120% of its share of certain CEE incurred in the Province of Québec and renounced to the Québec Flow-Through Purchaser by a qualified corporation.

The Québec Tax Act deems the cost to the Québec Flow-Through Purchaser of any Flow-Through Share which it acquires to be nil and, therefore, the amount of the capital gain realized by the Québec Flow-Through Purchaser on a disposition of Flow-Through Shares will generally equal the proceeds of disposition of the Flow-Through Shares, net of any reasonable costs of disposition. Provided that certain conditions are met, the Québec Tax Act provides for a mechanism to exempt part of the taxable capital gain realized by or attributable to the Québec Flow-Through Purchaser (other than a trust) on the disposition of a “resource property” as defined in the Québec Tax Act. For these purposes, a “resource property” includes a Flow-Through Share. This exemption is based on an historical expenditure account (the “**Expenditure Account**”) comprising one-half of the CEE incurred in the Province of Québec that gives rise to the first additional 10% deduction for individuals described above.

Accordingly, upon the sale of Flow-Through Shares, a Québec Flow-Through Purchaser of Flow-Through Shares may claim a deduction in computing its Québec income in respect of a portion of the taxable capital gain realized which is attributable to the excess of the price paid to acquire the Flow-Through Shares over their cost (which is deemed to be nil). In general, the amount of the deduction may not exceed the lesser of (i) such portion of the taxable capital gain realized, and (ii) the amount of the Expenditure Account at the time, subject to certain other limits provided under the Québec Tax Act. Any amount so claimed will reduce the balance of the Expenditure Account of the Québec Flow-Through Purchaser, while any new deduction in respect of CEE incurred in the Province of Québec claimed by the person will increase it. The portion of the taxable capital gain represented by the increase in value of the Flow-Through Shares over the price paid to acquire such Flow-Through Shares will continue to be taxable and the amount accrued in the Expenditure Account may not reduce this gain. To the extent that the Québec Flow-Through Purchaser of Flow-Through Shares has an amount sufficient in its Expenditure Account at the time, gains realized by such Québec Flow-Through Purchaser on the disposition of any “flow-through shares” (as defined in the Québec Tax Act) acquired may qualify for such capital gains exemption.

A Québec Flow-Through Purchaser’s “cumulative Canadian exploration expenses” does not need to be reduced by the amount of the Federal Credit claimed with respect to a preceding year for Québec income tax purposes.

An alternative minimum tax also exists under the Québec Tax Act. The basic exemption is also equal to \$40,000 and the net capital gains inclusion rate is 80%. The Québec alternative minimum tax rate is 16%.

## **RISK FACTORS**

The acquisition of the securities being distributed under this short form prospectus involves a high degree of risk. Any prospective investor should carefully consider the risk factors set forth in the AIF and the Annual MD&A, which are incorporated by reference in this short form prospectus, and all of the other information contained in this short form prospectus (including, without limitation, the documents incorporated by reference herein) before acquiring any of the securities distributed under this short form prospectus. The risks described herein and therein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems to be immaterial, may also materially and adversely affect its business, financial condition, results of operations or prospects. The Corporation cannot provide any assurances that it will successfully address any or all of these risks.

In addition, the following risk factors should be carefully considered by investors:

## **Risks Related to the Securities**

### *Dilution from Further Financings*

The Corporation may need to raise additional financing in the future through the issuance of additional equity securities or convertible debt securities. If the Corporation raises additional funding by issuing additional equity securities or convertible debt securities, such financings may substantially dilute the interests of shareholders of the Corporation and reduce the value of their investment. Additional financings and share issuances may result in a substantial dilution to shareholders of the Corporation and decrease the value of the Corporation's securities.

### *Volatility of Common Share Prices*

The market prices for securities of mining companies, including those of the Corporation, historically have been volatile. Future developments concerning the Corporation or its industry, including downward fluctuations in the price of gold, may have a significant impact on the market price of the Common Shares.

### *Active Liquid Market for Common Shares*

There may not be an active, liquid market for the Common Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSX and/or the OTCQB. Investors may not be able to sell their Common Shares quickly or at the latest market price if trading in the Common Shares is not active.

### *Discretion in the Use of Proceeds*

Management will have broad discretion concerning the use of the net proceeds of the Offering and the Concurrent Private Placement, as well as the timing of their expenditures. Depending on fluctuations in gold prices and other factors, the intended use of proceeds may change. As a result, an investor will be relying on the judgment of management for the application of the net proceeds of the Offering and the Concurrent Private Placement. Management may use the net proceeds of the Offering and the Concurrent Private Placement in ways that an investor may not consider desirable if they believe it would be in the best interests of the Corporation to do so. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

### *Negative Operating Cash Flow and Additional Funding*

The Corporation has limited financial resources and has no source of operating cash flow. During the fiscal year ended July 31, 2020, the Corporation had negative cash flow from operating activities. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods until profitable commercial production is achieved at the Troilus Project. There is no assurance that additional funding will be available to the Corporation for the exploration and development of its projects. Furthermore, significant additional financing, whether through the issuance of additional securities and/or debt, will be required to continue the development of the Troilus Project. There can be no assurance that the Corporation will be able to obtain adequate additional financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Troilus Project.

### *Canadian Tax Treatment of Flow-Through Shares*

The tax treatment applicable to mining activities and flow-through shares constitutes a major factor when considering an investment in the Flow-Through Shares. Investors are cautioned that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities may be amended or construed in such a way that the tax considerations for a subscriber holding Flow-Through Shares will be altered and, moreover, there may be differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Flow-Through Shares, the status of such Flow-Through Shares and the activities

contemplated by the Corporation's exploration and development programs. See "*Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CEE*" and "*Certain Canadian Federal and Provincial Income Tax Considerations*".

The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct qualifying expenditures accrues to the initial purchaser of the Flow-Through Shares and is not transferable. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. In addition, there is no guarantee that the CEE incurred (or deemed to be incurred) by the Corporation or the expected tax deductions will be accepted by the CRA and/or Revenu Québec. Consequently, the tax considerations for purchasers holding or selling Flow-Through Shares may be fundamentally altered. See "*Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CEE*" and "*Certain Canadian Federal and Provincial Income Tax Considerations*".

There is no guarantee that an amount equal to the Flow-Through Funds will be expended on or prior to December 31, 2021 (or December 31, 2022 if the July 10 and November 6 Proposals become law) as CEE resulting in the deductions described under "*Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CEE*" and "*Certain Canadian Federal and Provincial Income Tax Considerations*". If the Corporation does not renounce to the subscriber, effective on or before December 31, 2020, CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Flow-Through Shares, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act or the Québec Tax Act, the Corporation shall indemnify the subscriber for an amount equal to the amount of any tax payable or that may become payable under the Tax Act and the Québec Tax Act (and under any other corresponding provincial legislation) by the subscriber (or if the subscriber is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Corporation will have the financial resources required to satisfy such indemnity.

## **Risks Related to the Corporation**

### *COVID-19 Outbreak*

The current and ongoing global uncertainty with respect to the spread of COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Corporation and the advancement of the Troilus Project. While the precise impact of the COVID-19 outbreak on the Corporation remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on development of the Troilus Project and the Corporation generally. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could negatively affect the business, financial condition, results of operations, prospects and other factors relevant to the Corporation. There can be no assurance that COVID-19 or any other public health crises will not have a material adverse effect on the Corporation and its business and operations.

## **AUDITOR, TRANSFER AGENT AND REGISTRAR**

McGovern Hurley LLP is the independent auditor of the Corporation and is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario. McGovern Hurley LLP's office is located at 251 Consumers Road, Suite 800, Toronto, Ontario, M2J 4R3.

The transfer agent and registrar for the Common Shares is TSX Trust Company, with its principal office in Toronto, Ontario.

## INTEREST OF EXPERTS

The following are the names of each person or company who is named as having prepared or certified a report, valuation, statement or opinion described or included herein or in a document incorporated by reference, and whose profession or business gives authority to such report, valuation, statement or opinion:

1. McGovern Hurley LLP provided an auditor's report in respect of the Annual Financial Statements. McGovern Hurley LLP has advised that it is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario;
2. Mr. Gordon Zurowski, P.Eng., Principal Mine Engineer with AGP Mining Consultants Inc. is the qualified person who authored certain sections of the Technical Report and who reviewed and approved the scientific and technical information related to the PEA disclosed in the Annual MD&A and in the September 2020 MCR. To the knowledge of the Corporation, neither the author nor the firm he works with had an interest in any securities or other properties of the Corporation, its associates or affiliates as at the date of the Technical Report, as at the date of the Annual MD&A, as at the date of the September 2020 MCR or as at the date hereof;
3. Mr. Andrew Holloway, P.Eng., Principal Process Engineer with AGP Mining Consultants Inc. is the qualified person who authored certain sections of the Technical Report. To the knowledge of the Corporation, neither the author nor the firm he works with had an interest in any securities or other properties of the Corporation, its associates or affiliates as at the date of the Technical Report or as at the date hereof;
4. Mr. Paul Daigle, géo, P.Geo., Associate Senior Geologist with AGP Mining Consultants Inc. is the qualified person who authored certain sections of the Technical Report and who reviewed and approved the mineral resource estimate disclosed in the September 2020 MCR. To the knowledge of the Corporation, neither the author nor the firm he works with had an interest in any securities or other properties of the Corporation, its associates or affiliates as at the date of the Technical Report, as at the date of the September 2020 MCR or as at the date hereof;
5. Mr. Blake Hylands, P.Geo., Senior Vice-President of Exploration of the Corporation is the qualified person who reviewed and approved the scientific and technical information disclosed in this short form prospectus, the AIF and the Annual MD&A. Mr. Hylands' holding of securities of the Corporation as of the date hereof do not exceed 1% of the issued and outstanding securities of the Corporation; and
6. Mr. Bertrand Brassard, M.Sc., P.Geo., Chief Geologist of the Corporation is the qualified person who reviewed and approved certain of the scientific and technical information disclosed in the September 2020 MCR. Mr. Brassard's holding of securities of the Corporation as of the date hereof do not exceed 1% of the issued and outstanding securities of the Corporation.

Certain legal matters in connection with this Offering will be passed upon on behalf of the Corporation by Cassels Brock & Blackwell LLP and BCF LLP, and on behalf of the Underwriters by Dentons Canada LLP. As at the date hereof, the "designated professionals" (as such term is defined in Form 51-102F2 – *Annual Information Form*) of Cassels Brock & Blackwell LLP, of BCF LLP and of Dentons Canada LLP, each as a group, beneficially own, directly and indirectly, in the aggregate, less than 1% of the outstanding Common Shares.

## OTHER INFORMATION

In addition to and concurrent with the Offering, the Corporation intends to complete the Concurrent Private Placement of 9,100,000 Placement Shares at a price of \$1.10 per Placement Share for gross proceeds of \$10,010,000. The Concurrent Private Placement will be completed on a bought deal private placement basis through a syndicate of underwriters led by the Lead Underwriter. In consideration for the services rendered in connection with the Concurrent Private Placement, the Corporation has agreed to pay the underwriters of the Concurrent Private Placement the Private Placement Underwriters' Fee of 6.0% of the gross proceeds of the Concurrent Private

Placement. The Placement Shares are not being offered in Canada and this short form prospectus does not qualify the Placement Shares to be issued under the Concurrent Private Placement. The Placement Shares will be subject to a statutory hold period. The Concurrent Private Placement is anticipated to close concurrently with the Offering, but the Offering and the Concurrent Private Placement are not conditional upon each other.

#### **EXEMPTION FROM NI 44-101**

Pursuant to a decision of the Autorité des marchés financiers dated June 5, 2020, the Corporation was granted a permanent exemption from the requirement to translate into French, Schedules “A” and “B” of the Management Information Circular.

#### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

## CERTIFICATE OF THE CORPORATION

Dated: November 23, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) "*Justin Reid*"

Justin Reid  
Chief Executive Officer

(Signed) "*Denis Arsenault*"

Denis Arsenault  
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) "*Diane Lai*"

Diane Lai  
Director

(Signed) "*Tom Olesinski*"

Tom Olesinski  
Director

## CERTIFICATE OF THE UNDERWRITERS

Dated: November 23, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

### CORMARK SECURITIES INC.

(Signed) *“Darren Wallace”*

By: Darren Wallace  
Managing Director, Investment Banking

### STIFEL NICOLAUS CANADA INC.

(Signed) *“Michael Barman”*

By: Michael Barman  
Managing Director, Investment Banking

### HAYWOOD SECURITIES INC.

(Signed) *“Kevin Campbell”*

By: Kevin Campbell  
Managing Director, Investment Banking

### CANACCORD GENUITY CORP.

(Signed) *“David Sadowski”*

By: David Sadowski  
Managing Director, Investment Banking

### SCOTIA CAPITAL INC.

(Signed) *“Elian Turner”*

By: Elian Turner  
Managing Director

### BMO NESBITT BURNS INC.

(Signed) *“Joshua Goldfarb”*

By: Joshua Goldfarb  
Managing Director

### LAURENTIAN BANK SECURITIES INC.

(Signed) *“Joseph Gallucci”*

By: Joseph Gallucci  
Managing Director, Head of Mining,  
Investment Banking

### RED CLOUD SECURITIES INC.

(Signed) *“Bruce Tatters”*

By: Bruce Tatters  
Chief Executive Officer