



**TRILLIUM GOLD™**

**Trillium Gold Mines Inc.**

**Interim condensed consolidated financial statements**

**Six Months Ended December 31, 2020 and 2019**

(Expressed in Canadian Dollars)

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim condensed financial statements of Trillium Gold Mines Inc. for the six months ended December 31, 2020, have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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

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

**TRILLIUM GOLD MINES INC.**Interim Condensed Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)

	Notes	December 31, 2020	June 30, 2020
		\$	\$
<b>ASSETS</b>			
Current assets			
Cash		8,566,619	1,831,921
Receivables	5	337,309	21,827
Prepaid expenses		581,605	5,133
<b>Total current assets</b>		<b>9,485,533</b>	<b>1,858,881</b>
Non-current assets			
Equipment	6	4,317	-
Right-of-use assets	13	64,004	-
Exploration and evaluation assets	7 & 8	6,816,662	4,408,002
<b>Total assets</b>		<b>16,370,516</b>	<b>6,266,883</b>
<b>LIABILITIES</b>			
Current liabilities			
Payables and accruals	9 & 12	507,932	746,461
Due to shareholders	12	-	28,500
Loans payable	10	-	84,675
Lease liabilities - current portion	13	33,483	-
<b>Total current liabilities</b>		<b>541,415</b>	<b>859,636</b>
Non-current liabilities			
Lease liabilities - non-current portion	13	30,521	-
Flow through premium liability	11	1,822,875	-
<b>Total liabilities</b>		<b>2,394,811</b>	<b>859,636</b>
<b>SHAREHOLDERS' EQUITY</b>			
Equity attributable to shareholders			
Share capital	11	41,135,012	27,695,650
Shares to be issued	7	1,608,750	1,608,750
Reserves	11	5,084,020	3,923,704
Accumulated deficit		(33,852,077)	(27,820,857)
<b>Total shareholders' equity</b>		<b>13,975,705</b>	<b>5,407,247</b>
<b>Total liabilities and shareholders' equity</b>		<b>16,370,516</b>	<b>6,266,883</b>

Nature and Continuation of Operations (note 1)  
Subsequent Events (note 19)

These interim condensed consolidated financial statements are authorized for issue by the Board of Directors on February 28, 2021. They are signed on the Company's behalf by:

**On behalf of the Board:**

\_\_\_\_\_  
"Robert Kang" Director  
Robert Kang

\_\_\_\_\_  
"David Velisek" Director  
David Velisek

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

**TRILLIUM GOLD MINES INC.**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)

	Notes	Three months ended December 31,		Six months ended December 31,	
		2020	2019	2020	2019
		\$	\$	\$	\$
<b>Expenses</b>					
Bank charges and interest		2,439	119	4,425	179
Consulting fees	12	257,975	78,000	321,975	169,000
Depreciation	6	350	-	350	-
Directors' fees		25,000	-	25,000	-
Exploration and evaluation expenditures	8	1,291,211	50,922	2,050,063	53,690
Filing fees		48,856	5,229	144,676	5,429
Insurance		7,535	1,510	13,653	3,248
Meals and entertainment		12,623	1,296	19,261	1,576
Management fees	12	67,500	-	132,500	-
Marketing and investor relations		1,271,654	-	1,588,948	-
Office expenses		16,730	6,576	37,114	14,457
Professional fees		502,836	15,876	662,452	27,480
Project investigation		-	358	-	908
Share-based payments	11	787,492	-	787,492	-
Shareholder information		2,648	2,182	3,031	2,182
Transfer agent fees		6,689	2,803	16,241	4,677
Travel and accommodation		15,181	3,875	24,674	7,101
Wages		68,595	-	98,497	-
		(4,385,314)	(168,746)	(5,930,352)	(289,927)
Interest and miscellaneous income		9,470	1,542	13,845	1,619
Recognition of flow-through premium liability	11	288,613	-	288,613	-
Gain (loss) on debt settlement	11	(403,326)	61,275	(403,326)	61,275
<b>Loss for the period</b>		<b>(4,490,557)</b>	<b>(105,929)</b>	<b>(6,031,220)</b>	<b>(227,033)</b>
<b>Total loss and comprehensive loss for the period</b>		<b>(4,490,557)</b>	<b>(105,929)</b>	<b>(6,031,220)</b>	<b>(227,033)</b>

Loss per share (note 14)

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

**TRILLIUM GOLD MINES INC.**Interim Condensed Consolidated Statements of Cash Flows  
(Expressed in Canadian Dollars)

<b>For the Six Months Ended December 31,</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Cash provided by (used in):		
<b>Operating activities:</b>		
Loss for the period	(6,031,220)	(227,033)
Items not involving cash:		
(Gain) loss on debt settlement	403,326	(61,275)
Interest income	(13,845)	(1,619)
Depreciation	350	-
Share-based payments	787,492	-
Recognition of flow-through premium liability	(288,613)	-
Changes in non-cash working capital:		
Receivables	(315,482)	5,117
Prepaid expenses	(576,472)	(1,925)
Payables and accruals	219,571	(9,046)
Due to shareholders	(28,500)	-
	(5,843,393)	(295,781)
<b>Investing activities:</b>		
Exploration and evaluation assets	(980,000)	(12,000)
Purchase of equipment	(4,667)	-
Interest received	13,845	1,619
	(970,822)	(10,381)
<b>Financing activities:</b>		
Proceeds from shares issued	14,127,158	-
Proceeds from exercise of warrants	184,580	-
Proceeds from exercise of options	210,000	-
Share issuance costs	(888,150)	-
Repayment of loan	(84,675)	-
	13,548,913	-
Net change in cash	6,734,698	(306,162)
Cash, beginning of period	1,831,921	435,294
Cash, end of period	8,566,619	129,132

Supplemental disclosure with respect to cash flows (note 16)

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

**TRILLIUM GOLD MINES INC.**

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity  
(Expressed in Canadian Dollars)

	Share Capital					Total Shareholders' Equity
	Number of	Amount	Shares to be issued	Reserves	Deficit	
	Shares					
		\$	\$	\$	\$	\$
<b>Balance - June 30, 2019</b>	9,063,489	24,144,725	-	2,955,549	(26,213,763)	886,511
Loss for the period	-	-	-	-	(227,033)	(227,033)
<b>Balance - December 31, 2019</b>	<b>9,063,489</b>	<b>24,144,725</b>	<b>-</b>	<b>2,955,549</b>	<b>(26,440,796)</b>	<b>659,478</b>
<b>Balance - June 30, 2020</b>	20,922,447	27,695,650	1,608,750	3,923,704	(27,820,857)	5,407,247
Issued for:						
Private placement	4,451,900	5,026,970	-	-	-	5,026,970
Flow-through private placement	4,111,000	9,100,188	-	-	-	9,100,188
Warrants exercised	511,867	187,470	-	(2,890)	-	184,580
Options exercised	275,000	407,437	-	(197,437)	-	210,000
Share issuance costs	-	(1,311,641)	-	423,491	-	(888,150)
Shares issued for debt settlement	497,934	861,426	-	-	-	861,426
Shares issued for property acquisition	850,000	1,279,000	-	149,660	-	1,428,660
Share-based payments	-	-	-	787,492	-	787,492
Flow-through premium liability	-	(2,111,488)	-	-	-	(2,111,488)
Loss for the period	-	-	-	-	(6,031,220)	(6,031,220)
<b>Balance - December 31, 2020</b>	<b>31,620,148</b>	<b>41,135,012</b>	<b>1,608,750</b>	<b>5,084,020</b>	<b>(33,852,077)</b>	<b>13,975,705</b>

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

## **TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
For the Period Ended December 30, 2020 and 2019  
(Expressed in Canadian Dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

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

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

The Company has a working capital as at December 31, 2020 of \$8,944,118 and an accumulated deficit of \$33,852,077.

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

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

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

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

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

#### **COVID-19**

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

## **TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
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### **2. BASIS OF PRESENTATION**

#### **Statement of compliance**

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the June 30, 2020 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2020.

The accounting policies applied in these interim condensed consolidated financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended June 30, 2020 except those disclosed in note 3. The Company's interim results are not necessarily indicative of its results for a full year.

#### **Basis of measurement**

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

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

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **a) Equipment**

Equipment is recorded at cost less accumulated depreciation. The cost of an item consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Depreciation is calculated using the declining balance method to write off the cost of asset, less the estimated residual value, at the following rates:

Computer equipment	30%
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The asset's residual values, depreciation method and useful lives are reviewed and adjusted if appropriate at each reporting date.

An item is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain and loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognize in profit or loss.



**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****a) Equipment (continued)**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**b) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right of use asset and lease liability is recognized at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, including periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. If the rate cannot be readily determined, the Company's incremental rate of borrowing is used. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

If a right-of-use asset is re-leased, the corresponding right-of-use asset is derecognized and an investment asset is recorded at the present value of the lease income not paid at the commencement date discounted using the implicit rate in the lease or the Company's incremental rate of borrowing.

The Company has elected not to recognize right of use assets and lease liabilities for leases for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
For the Period Ended December 30, 2020 and 2019  
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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

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

**Acquisition of Assets**

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The transactions with Canadian Shield Developments Corp. and 1106877 B.C. Ltd. were determined to constitute acquisitions of assets (note 7).

**Share-based Payment Transactions**

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

**5. RECEIVABLES**

At December 31, 2020 and June 30, 2020, the Company's receivables consist of GST – value added tax.

**6. EQUIPMENT**

	December 31, 2020		June 30, 2020	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$
<b>Computer Equipment</b>	4,667	(350)	4,317	-
	4,667	(350)	4,317	-

**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
For the Period Ended December 30, 2020 and 2019  
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**7. ACQUISITIONS****South-West Red Lake Properties and Shining Tree Property**

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

- (a) On May 5, 2020, the Company issued the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the "First Tranche"); and
- (b) Nine (9) months following closing and upon meeting certain conditions, the Company will issue the aggregate sum of 3,250,000 common shares to the former shareholders of Canadian Shield (the "Second Tranche"). As at December 31, 2020, the Company had an obligation to issue 3,250,000 common shares with a fair value of \$1,608,750. The shares to be issued have been recognized within shareholders' equity on the statement of financial position.

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

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

**Red Lake Gold Mining District, Ontario**

On June 28, 2019, the Company completed the acquisition of 1106877 B.C. Ltd. (the "Privco") which holds certain exploration properties (note 8). The Company acquired 100% of the issued and outstanding common of the Privco by issuing 2,250,000 common shares to the shareholders of the Privco.

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

**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
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**7. ACQUISITIONS (continued)**

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

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

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

On December 29, 2020, the Company exercised its pre-emptive right to acquire from Heliostar Metals Ltd. ("Heliostar") (formerly "Redstar Gold Corp.") ("Heliostar") its 16.5% interest in the Newman Todd properties (the "Project") which resulted in the Company holding a 100% interest in the Project.

The Company paid \$700,000 in cash and issued 650,000 common shares valued at \$975,000 to Heliostar. In addition, if at any point after closing, if there is 1,000,000 or more ounces of gold in measured and indicated reserves and resources on the Project, the Company has agreed to make an additional \$1,000,000 cash payment to Heliostar.

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

The Company also owns an effective 50% interest in certain other claims adjacent to the Newman Todd Project.

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

The schedule below outlines the costs incurred on the Newman Todd Project as at December 31, 2020:

	As at June 30, 2019	Additions/ (Writedowns)	As at June 30, 2020	Additions/ (Writedowns)	As at December 31, 2020
	\$	\$	\$	\$	\$
<b>Acquisition</b>					
Cash payments	1	-	1	700,000	700,001
Share issuance	-	-	-	975,000	975,000
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1,675,000</u>	<u>1,675,001</u>

**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
For the Period Ended December 30, 2020 and 2019  
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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

	Cumulative to June 30, 2019	Expenditures during the period	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
	\$	\$	\$	\$	\$
<b>Exploration and evaluation expenditure:</b>					
Advance payment	-	-	-	-	-
Assays and reports	1,363,866	-	1,363,866	72,201	1,436,067
Camp construction	115,276	9,080	124,356	301,289	425,645
Drilling	4,860,038	-	4,860,038	1,090,328	5,950,366
Environmental	291,336	-	291,336	-	291,336
Equipment installation	101,950	-	101,950	80,256	182,206
Equipment and supplies	-	-	-	59,529	59,529
Field expenses	1,206,969	-	1,206,969	20,568	1,227,537
General administration	92,895	39,706	132,601	66,956	199,557
Metallurgy studies	133,482	-	133,482	-	133,482
Geological consulting	3,008,085	19,989	3,028,074	87,157	3,115,231
Permitting	4,340	-	4,340	750	5,090
Reclamation	10,000	-	10,000	-	10,000
Resource estimation	33,100	-	33,100	-	33,100
Surveys and geophysics	15,068	-	15,068	-	15,068
Travel and accommodation	480,250	-	480,250	-	480,250
<b>Total exploration and evaluation expenditures:</b>	<b>11,716,655</b>	<b>68,775</b>	<b>11,785,430</b>	<b>1,779,034</b>	<b>13,564,464</b>

**Red Lake Gold Mining District, Ontario**

On June 28, 2019, the Company acquired certain exploration properties in the Red Lake Gold Mining District, Ontario (note 7). The Company controls two contiguous properties located in the Red Mining Lake District of Ontario.

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

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

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

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

The schedule below outlines the costs incurred on the Leo Property as at December 31, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30 2020	Additions/ (Writedowns)	As at December 31, 2020
	\$	\$	\$	\$	\$
<b>Acquisition</b>					
Acquisition costs	1,115,698	12,000	1,127,698	15,000	1,142,698
	1,115,698	12,000	1,127,698	15,000	1,142,698

**TRILLIUM GOLD MINES INC.**

Notes to the Interim Condensed Consolidated Financial Statements  
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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

	Cumulative to June 30, 2019	Expenditures during the period	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
<b>Exploration and evaluation expenditure:</b>	\$	\$	\$	\$	\$
General administration	-	14,148	14,148	7,220	21,368
Geological consulting	-	19,631	19,631	12,730	32,361
Surveys and geophysics	-	-	-	138,329	138,329
Total exploration and evaluation expenditures:	-	33,779	33,779	158,279	192,058

**South-West Red Lake Properties and Shining Tree Property**

On May 5, 2020, the Company acquired the South-West Red Lake Properties and the Shining Tree Property (note 7).

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

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

The schedule below outlines the costs incurred on the South-West Red Lake Properties and Shining Tree Property as at December 31, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30 2020	Additions/ (Writedowns)	As at December 31 2020
	\$	\$	\$	\$	\$
<b>Acquisition</b>					
Acquisition costs	-	3,280,303	3,280,303	-	3,280,303
	-	3,280,303	3,280,303	-	3,280,303

	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
<b>Exploration and evaluation expenditure:</b>	\$	\$	\$	\$	\$
Geological consulting	-	-	-	3,560	3,560
Surveys and geophysics	-	-	-	27,664	27,664
Total exploration and evaluation expenditures:	-	-	-	31,224	31,224

**Caribou Creek, Moose Creek and Copperlode Properties**

On October 20, 2020, the Company entered into an asset purchase agreement (the "CMC Purchase Agreement") to acquire certain claims (the "CMC Purchased Assets"). On December 4, 2020, the Company completed the acquisition.

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

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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

The schedule below outlines the costs incurred on the Caribou Creek, Moose Creek and Copperlode Properties as at December 31, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30 2020	Additions/ (Writedowns)	As at December 31 2020
	\$	\$	\$	\$	\$
<b>Acquisition</b>					
Cash payments	-	-	-	180,000	180,000
Share issuance	-	-	-	304,000	304,000
Warrant issuance	-	-	-	149,660	149,660
	-	-	-	633,660	633,660
	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
	\$	\$	\$	\$	\$
<b>Exploration and evaluation expenditure:</b>					
General administration	-	-	-	1,013	1,013
Geological consulting	-	-	-	1,350	1,350
Total exploration and evaluation expenditure:	-	-	-	2,363	2,363

**Confederation Lake and Birch-Uchi Greenstone Belts**

On December 22, 2020, the Company signed an amended and restated purchased option agreement (the "Option Agreement") with Perry English, 1554230 Ontario Inc., Pamela Misener, Michael Frymire, and Gravel Ridge Resources Ltd. (the "Optionors") to acquire an undivided 100% interest in highly prospective property in the Confederation Lake and Birch-Uchi greenstone belts in the Red Lake District as well as properties in Larder Lake, Ontario and in the Matagami and Chibougamou areas of Quebec, subject to a 1.5% net smelter return ("NSR") royalty over each property. Each such royalty will be subject to a buy-back option, at the election of the Company, for 50% of such royalty (being 0.75%) for cash consideration of \$500,000.

As at December 31, 2020, the Company has the following future requirements to fulfill its obligation under the Option Agreement.

Asset	Cash	Shares
Larder Lake (Ontario)	\$12,000 – Paid on December 23, 2020 \$15,000 – First Anniversary \$20,000 – Second Anniversary \$40,000 – Third Anniversary	35,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
Karas Lake (Ontario)	\$8,000 – Paid on December 23, 2020 \$10,000 – First Anniversary \$15,000 – Second Anniversary \$25,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
Birch/Uchi – Swain Lake (Ontario)	\$9,000 – Paid on December 23, 2020 \$2,200 – Paid on January 14, 2021 \$15,000 – First Anniversary \$20,000 – Second Anniversary \$30,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
Birch/Uchi – Satterly (Ontario)	\$15,000 – Paid on December 23, 2020 \$20,000 – First Anniversary \$25,000 – Second Anniversary \$40,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
Gerry Lake (Ontario)	\$5,000 – Paid on December 23, 2020 \$10,000 – First Anniversary \$14,000 – Second Anniversary \$24,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary

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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

Asset	Cash	Shares
Jamesie (Quebec)	\$12,000 – Paid on December 23, 2020 \$16,000 – First Anniversary \$24,000 – Second Anniversary \$35,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
SW Fenlon (Quebec)	\$11,000 – Paid on December 23, 2020 \$15,000 – First Anniversary \$22,000 – Second Anniversary \$30,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary
Opawica River (Quebec)	\$13,000 – Paid on December 23, 2020 \$16,000 – First Anniversary \$20,000 – Second Anniversary \$30,000 – Third Anniversary	25,000 Common Shares – Issued on February 9, 2021 25,000 Common Shares – First Anniversary

The schedule below outlines the costs incurred on the Confederation Lake and Birch-Uchi Greenstone Belts Properties as at December 31, 2020:

	As at June 30 2019	Additions/ (Writedowns)	As at June 30 2020	Additions/ (Writedowns)	As at December 31 2020
	\$	\$	\$	\$	\$
<b>Acquisition</b>					
Cash payments	-	-	-	85,000	85,000
	-	-	-	85,000	85,000

**Pistol Bay (Confederation Belt)**

On November 22, 2020, the Company signed an asset purchase agreement to acquire a 100% interest in the Confederation Lake Properties (“Confederation Belt” or “Purchased Assets”) from Pistol Bay Mining Inc. (“Pistol Bay”).

The purchase price of the Purchased Assets, other than the certain properties which are excluded (the “Exclusion Order Properties”), as defined below, shall be a cash amount of \$500,000. A working deposit of \$100,000 in cash was paid on November 23, 2020. Subsequent to December 31, 2020, the remaining balance of \$400,000 was paid.

The Exclusion Order Properties include those Purchased Assets for which Pistol Bay has applied for an extension order or an exclusion order (“Exclusion Order”) from the Ministry of Energy, Northern Development and Mines, extending the expiry date to complete and file assessment work, and/or to extend the expiry date of an unpatented claim, for a 12 month period beyond the current expiry date for such unpatented claim.

Prior to March 31, 2022, if an exclusionary asset ceases to be exclusionary Pistol Bay will notify the Company and if the Company wishes to purchase the asset it will become a closing asset (“Closing Asset”). The closing date will be ten business days after the later of the date of receipt of Exchange approval and the date of receipt of the Exclusion Order in respect of the applicable Closing Asset (the “Closing Date”).

The maximum purchase price of all Exclusion Order Properties is up to \$1,250,000 of the Company’s common shares, based on the five day volume weighted average price, at the date that is two business days prior to the Closing Date. The applicable share consideration for each Closing Asset will be calculated using an agreed upon formula based on the hectares of the Closing Asset and will be



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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

payable over time with 1/3 payable four months following Closing Date of the applicable Closing Asset, 1/3 payable seven months following the Closing Date, and 1/3 payable ten months following the Closing Date.

If 90% of the Exclusion Order Properties become Closing Assets prior to March 31, 2022, the Company shall, within five business days (the "Satisfaction Date"), issue to Pistol Bay common shares, of which, the total number of shares is calculated using an agreed upon formula based on the hectares of the property (the "Completion Shares"). The applicable Completion Shares will be payable over time with 1/3 payable four months following Satisfaction Date of the applicable Closing Asset, 1/3 payable seven months following the Satisfaction Date, and 1/3 payable ten months following the Satisfaction Date.

**Gold Centre Property**

On August 31, 2020, Trillium Gold Ontario Inc. ("Trillium Ontario"), a wholly-owned subsidiary of the Company, signed a carried interest joint venture agreement ("Joint Venture Agreement") with Rupert Resources Ltd. ("Rupert"). Pursuant to the Joint Venture Agreement, Trillium Ontario will obtain an 80% participating interest in the Gold Centre property and Rupert will have a 20% carried participating interest. The Gold Centre property consists of one lease containing seventeen mineral claims in the Red Lake Mining District, Ontario and Rupert has granted a 1.5% NSR on the property to a third party. In order to maintain its 80% participating interest in the property, the Company is required to:

- spend \$2,000,000 each year for five years on the property and spend \$500,000 per year thereafter; and
- issue four tranches of 500,000 common shares of the Company to Rupert, for a total of 2,000,000 common shares over the course of three years.

Subsequent to the period ended December 31, 2020, the Company issued 500,000 shares to Rupert on February 23, 2021.

The schedule below outlines the costs incurred on Gold Centre Property as at December 31, 2020:

	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
<b>Exploration and evaluation expenditure:</b>	\$	\$	\$	\$	\$
General administration	-	-	-	44,529	44,529
<b>Total exploration and evaluation expenditure:</b>	-	-	-	44,529	44,529

**Transaction to be closed****Rivard Property**

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

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**8. EXPLORATION AND EVALUATION ASSETS (continued)**

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

The deal is subject to the confirmation of transfer authorizations from the vendors.

As at December 31, 2020, the Company has the following future requirements to fulfill its obligation under the asset purchase agreement.

Common Shares	Amount (CAD)	Due Date
50,000	\$50,000	On Closing date
50,000	\$50,000	After 6 months of the Closing date
50,000	\$50,000	After 12 months of the Closing date
50,000	\$50,000	After 18 months of the Closing date
50,000	\$50,000	After 24 months of the Closing date
50,000	\$50,000	After 30 months of the Closing date
50,000	\$50,000	After 36 months of the Closing date
50,000	\$50,000	After 42 months of the Closing date

The schedule below outlines the costs incurred on Rivard Property as at December 31, 2020:

	Cumulative to June 30, 2019	Expenditures during the year	Cumulative to June 30, 2020	Expenditures during the period	Cumulative to December 31, 2020
<b>Exploration and evaluation expenditure:</b>	\$	\$	\$	\$	\$
Assays and reports	-	-	-	3,600	3,600
Camp construction	-	-	-	478	478
Drilling	-	-	-	6,500	6,500
Field expenses	-	-	-	113	113
General administration	-	-	-	10,363	10,363
Geological consulting	-	-	-	10,455	10,455
Permitting	-	-	-	3,125	3,125
Total exploration and evaluation expenditure:	-	-	-	34,634	34,634

**9. PAYABLES AND ACCRUALS**

	Note	December 31, 2020	June 30, 2020
		\$	\$
Trade payables and accruals		492,317	679,149
Due to related parties	12	15,615	67,312
		507,932	746,461

**10. LOANS PAYABLE**

As of December 31, 2020, the Company has repaid loans of \$84,675 (June 30, 2020 - \$84,675) which were unsecured, bear no interest, and are payable upon demand.

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**11. SHARE CAPITAL****a) Authorized**

Unlimited common shares with no par value

**b) Issued Share Capital**

At December 31, 2020, there were 31,620,148 common shares issued and outstanding (June 30, 2020 – 20,922,447).

**c) Common Shares****Fiscal 2021**

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

On October 2, 2020, the Company closed a brokered private placement. The financing raised gross proceeds of \$12,947,288 by issuance of: (i) 2,263,000 units of the Company (the "Units") at a price of \$1.70 per Unit; (ii) 1,631,600 flow-through common shares of the Company (the "FT Shares") at a price of \$1.90 per FT Share; and (iii) 2,479,400 flow-through units of the Company (the "FT Units") at a price of \$2.42 per FT Unit.

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

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

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

**Flow-Through Premium Liability**

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	<u>Flow Through Premium Liability</u>
	\$
<b>Balance - June 30, 2020</b>	-
Flow-through share premium liability	2,111,488
Settlement to flow through share premium liability pursuant to qualified expenditures	-
	(288,613)
<b>Balance - December 31, 2020</b>	<b>1,822,875</b>

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### **11. SHARE CAPITAL (continued)**

#### **c) Common Shares (continued)**

On October 16, 2020, the Company closed a non-brokered private placement. The financing raised gross proceeds of \$180,030 by the issuance of 105,900 units at a price of \$1.70 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant, and each warrant entitles the holder thereof to purchase one additional common share of the Company at a price of \$2.60 per share for a period of 24 months from the closing date.

On October 21, 2020, the Company settled an aggregate \$458,100 in debt with arms-length parties. The Company issued an aggregate of 497,934 common shares of the Company at a value of \$1.73 per share in settlement of the debt. The debt has been completely satisfied and extinguished upon the issuance of the shares. The Company recognized a loss of \$403,326 at the time of the settlement.

On December 4, 2020, the Company issued an aggregate of 200,000 common shares at a value of \$304,000 in connection with the acquisition of CMC Purchased Assets (note 8).

On December 29, 2020 the Company issued 650,000 common shares at a value of \$975,000 to acquire of 16.5% interest in the Newman Todd Project from Heliostar Metals Ltd. (note 8).

During the period ended December 31, 2020, the Company issued 511,867 common shares of the Company for the exercise of warrants and 275,000 common shares for the exercise of options.

#### **Fiscal 2020**

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

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

On May 5, 2020, the Company issued 3,250,000 common shares at a value of \$1,608,750 in connection to the acquisition of Canadian Shield (note 7).

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

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**11. SHARE CAPITAL (continued)****d) Share-based Payments**

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

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

On October 21, 2020, the Company granted 1,250,000 options to the directors, officers and consultants of the Company. The options are exercisable at \$1.75 per share and will expire on October 21, 2025. The options vest one-quarter at the date of grant and one-quarter each six months following the date of the grant. The Company used the Black-Scholes Option Pricing Model to estimate the fair value of the options using the following assumptions: risk free interest rate of 0.39%; dividend yield of 0%; expected volatility of 159.01%; and expected option life of 4.81 years.

The Company recorded a share-based payment amount of \$787,492 for the period ended December 31, 2020.

The continuity of stock options for the period ended December 31, 2020 is as follows:

	Number of Options Outstanding	Weighted Average Exercise Price (\$)
<b>Balance June 30, 2018 and 2019</b>	525,000	0.80
Granted	1,550,000	0.60
<b>Balance June 30, 2020</b>	2,075,000	0.65
Exercised	(275,000)	(0.76)
Granted	1,250,000	1.70
<b>Balance December 31, 2020</b>	3,050,000	1.07

The options outstanding and exercisable at December 31, 2020 are as follows:

Expiry Date	Outstanding Options			Exercisable Options	
	Number	Exercise Price	Remaining Contractual (in years)	Number	Exercise Price
March 29, 2023	300,000	\$ 0.80	2.24	300,000	\$ 0.80
June 15, 2025	1,500,000	\$ 0.60	4.45	1,500,000	\$ 0.60
October 20, 2025	1,250,000	\$ 1.70	4.80	312,500	\$ 1.70

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**11. SHARE CAPITAL (continued)****e) Warrants**

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

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

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

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

On October 2, 2020, as part of the private placement, the Company issued 2,371,200 warrants which were valued at \$nil.

The Company issued 351,766 non-transferrable broker's warrants with an exercise price of \$1.70 and an expected life of 2 years as finder's fees. The broker's warrants were valued at \$423,491 using the Black-Scholes Option Pricing Model with the following assumption at the issue date: risk free interest rate of 0.24%; dividend yield of 0%; expected volatility of 145.86% and expected life of 2 years.

On October 16, 2020, as part of the private placement, the Company issued 52,950 warrants which were valued at \$nil.

On December 4, 2020, as part of the asset acquisition of Caribou Creek, Moose Creek and Copperlode Properties, the Company issued 200,000 warrants which were valued at \$149,660 using the Black-Scholes Option Pricing Model with the following assumption at the issue date: risk free interest rate of 0.28%; dividend yield of 0%; expected volatility of 144.61% and expected life of 2 years.

The continuity of the warrants during the period ended December 31, 2020 is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
<b>Balance June 30, 2019</b>	1,165,811	1.10
Granted	6,618,667	0.37
Exercised	(1,165,811)	(1.10)
<b>Balance June 30, 2020</b>	6,618,667	0.37
Granted	5,058,916	1.81
Exercised	(511,867)	(0.36)
<b>Balance December 31, 2020</b>	11,165,716	1.03

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**11. SHARE CAPITAL (continued)****e) Warrants (continued)**

The outstanding warrants at December 31, 2020 are as follows:

Expiry Date	Price per Share	Warrants Outstanding
February 5, 2025	\$ 0.36	3,662,500
May 20, 2022	\$ 0.40	2,444,300
July 16, 2022	\$ 0.60	2,083,000
October 2, 2022	\$ 1.70	351,766
October 2, 2022	\$ 2.60	2,371,200
October 16, 2022	\$ 2.60	52,950
December 4, 2022	\$ 5.00	200,000

**12. RELATED PARTY TRANSACTIONS**

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

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

Services provided by:	Note	Six Months Ended December 31,	
		2020	2019
		\$	\$
Baron Global Financial Canada Ltd.	(a)	72,000	60,000
David Velisek	(b)	15,000	6,000
James Lenec	(c)	35,000	37,000
Ridgeside Canada Inc.	(d)	132,500	-
William Paterson	(e)	53,333	-
Altair Management Ltd.	(f)	18,000	-
Robert Schafer	(g)	25,000	-

- a) Pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron agreed to act as corporate advisor and Chief Financial Officer of the Company in return for a monthly fee.
- b) David Velisek, Director of the Company who provided business development consulting services.
- c) James Lenec, the former President and Director of the Company who provided consulting services.
- d) Ridgeside Canada Inc. is fully owned by Russell Starr, who is the CEO and Director of the Company providing management services.

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**12. RELATED PARTY TRANSACTIONS (continued)**

- e) William Paterson, Vice President of Exploration of the Company who managed the mineral exploration programs and technical and exploration team, and assisted the development of the mineral asset portfolio for the Company.
- f) Altair Management Ltd. is fully owned by an affiliate of the CFO and provides advisory services to the Company.
- g) Robert Schafer is Chairman of the Company's Board of Directors.

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

	Note	December 31, 2020	June 30, 2020
		\$	\$
Queenie Kuang	9	322	596
Baron Global Financial Canada Ltd.	9	14,700	21,000
David Velisek	9	593	12,946
Denise Lok	9	-	1,595
James Lenec	10	-	2,675
Luke Norman		-	28,500
Ridgeside Canada Inc.	9	-	-
		15,615	67,312

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

During the year ended June 30, 2020, Luke Norman Consulting Ltd paid \$28,500 on behalf of the Company's subsidiary, Canadian Shield. There was no formal agreement in place and the amount beared no interest, and payable upon demand. Luke Norman Consulting Ltd. is fully owned by Luke Norman who is the former Director of Canadian Shield.

**13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**

As at December 31, 2020, the Company has two lease agreements for its leased vehicles. The two leases have terms expiring December 24, 2022.

Right-of-Use Assets

Leases entered into during the period ended December 31, 2020:

	December 31, 2020		June 30, 2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
<b>Right-of-use assets</b>	64,004	-	64,004	-
	64,004	-	64,004	-



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**13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**Lease Liabilities

The following table presents the continuity schedule for the lease liabilities for the Company for the period ended December 31, 2020:

	Lease Liabilities
	\$
<b>Balance - June 30, 2020</b>	-
Additions	64,004
Lease payments	-
<b>Balance - December 31, 2020</b>	64,004
Less: Current portion	(33,483)
<b>Lease liabilities - non-current portion</b>	<b>30,521</b>

The remaining minimum future lease payments for the term of the lease are as follows:

January 1, 2021 - June 30, 2021	\$ 16,270
July 1, 2021 - June 30, 2022	\$ 32,540
July 1, 2022 - June 30, 2023	\$ 16,270

**14. LOSS PER SHARE**

The calculation of basic and diluted loss per share for the periods ended December 31, 2020 and 2019 was as follows:

<b>For the Six Months Ended December 31,</b>	<b>2020</b>	<b>2019</b>
Loss for the period:	(\$6,031,220)	(\$227,033)
Weighted average number of common shares outstanding	26,693,777	9,063,489
Basic and diluted loss per share	(\$0.23)	(\$0.03)

**15. SEGMENT INFORMATION**

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

**16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Supplementary disclosure of non-cash investing and financing activities during the periods ended December 31, 2020 and 2019 were as follow:

<b>For the Six Months Ended December 31,</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Finders' fee warrants	423,491	-
Warrants issued for exploration and evaluation assets	149,660	-

## **TRILLIUM GOLD MINES INC.**

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### **17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

#### Interest Rate Risk

The Company's interest rate risk mainly arises from changes in the interest rates on cash. Cash generates interest based on market interest rates. At December 31, 2020, the Company was not subject to significant interest rate risk.

#### Foreign Exchange Rate Risk

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

#### Credit Risk

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

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

#### Liquidity Risk

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

#### Fair Value Hierarchy:

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

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

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

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**18. CAPITAL MANAGEMENT**

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

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

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

**19. SUBSEQUENT EVENTS**

- (a) Subsequent to December 31, 2020, the Company issued 295,400 common shares of the Company for the exercise of stock options and warrants.
- (b) On January 1, 2021, the Company amalgamated with its subsidiaries, 1106877 B.C. Ltd. and Canadian Shield and continue as one company. No securities were issued in connection with the amalgamation. The shares of 1106877 B.C. Ltd. and Canadian Shield were cancelled on the amalgamation without any repayment of capital in respect of them.
- (c) On January 19, 2021, the Company appointed Ms. Donna Yoshimatsu as Vice President, Corporate Development and Investor Relations. Concurrent with the appointment, the Company granted 100,000 incentive stock options exercisable at \$1.83 per share. The stock options are exercisable for a period of five years.
- (d) On February 8, 2021, the Company appointed Mr. Rohan Hazelton as Senior Financial Advisor. Concurrent with the appointment, the Company granted 50,000 stock options exercisable at \$1.53 per share. The stock options are exercisable for a period of three years.