

TRIO GOLD CORP.

Audited Financial Statements
(Expressed in Canadian dollars)

For the years ended March 31, 2015 and 2014

Management's Report

The accompanying audited financial statements of Trio Gold Corp. (the "Company" or "Trio") are the responsibility of management. The audited financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the audited financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the audited financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the audited financial statements and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited financial statements.

The Board of Directors is responsible for reviewing and approving the audited financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Signed: "Harry Ruskowsky"

President and Chief Executive Officer

Signed: "Torrie Chartier"

Acting Chief Financial Officer



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Independent Auditors' Report

To the Shareholders of Trio Gold Corp

We have audited the accompanying financial statements of Trio Gold Corp, which comprise the statements of financial position as at March 31, 2015 and March 31, 2014, and the statements of operations and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Trio Gold Corp as at March 31, 2015 and March 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt about the ability of Trio Gold Corp to continue as a going concern.

**Calgary, Alberta
July 29, 2015**

A handwritten signature in black ink that reads "Crowe MacKay LLP".

Chartered Accountants

TRIO GOLD CORP.
 Statements of Financial Position
 (Expressed in Canadian dollars)

	Note	March 31, 2015	March 31, 2014
Assets			
Current assets:			
Cash		\$ 5,313	\$ 18,912
Marketable securities	6	182	440
Accounts receivable		1,880	10,130
Prepaid expenses and deposits		8,125	6,648
Total current assets:		15,500	36,130
Non-current assets:			
Exploration and evaluation	9	956,899	959,602
Equipment	7	1,587	2,084
Reclamation and rent deposits	10	55,236	70,385
Total assets		\$ 1,029,222	\$ 1,068,201
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	11	\$ 1,427,927	\$ 1,224,567
Advances from related parties	8	60,460	60,460
		1,488,387	1,285,027
Shareholders' equity (deficit):			
Share capital	13	6,148,489	6,148,489
Contributed surplus	14	1,151,446	1,151,446
Warrants	13	47,553	47,553
Accumulated other comprehensive (loss)		(324,993)	(324,735)
Deficit		(7,481,660)	(7,239,579)
Total shareholders' equity		(459,165)	(216,826)
Total liabilities and shareholders' equity		\$ 1,029,222	\$ 1,068,201

Going concern (note 1)
 Commitments (note 18)

See accompanying notes to financial statements.

Approved and authorized for issue by the Board of Directors on July 29, 2015 by:

Signed: "Harry Ruskowsky"

Signed: "Torrie Chartier"

TRIO GOLD CORP.

Statements of Operations and Comprehensive Loss

For the year ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

	Note	March 31,	
		2015	2014
Expenses			
Amortization		\$ 497	\$ 663
General and administrative		8,241	15,609
Interest		10,802	5,241
Management fees	12	96,000	96,000
Occupancy costs	18	55,855	56,939
Professional fees		23,856	35,532
Salaries and benefits		6,370	22,787
Shareholder communications		2,296	17,657
Transfer agent and listing fees		15,505	33,523
Write-down of exploration and evaluation assets		22,659	-
Total Expenses		242,081	283,951
Net loss		(242,081)	(283,951)
Other comprehensive (loss)			
Unrealized loss on marketable securities	6	(258)	(7,912)
Comprehensive loss for the period		\$ (242,339)	\$ (291,863)
Loss per share – basic and diluted		\$ (0.003)	\$ (0.004)
Weighted average number of common shares		91,677,928	82,932,723

See accompanying notes to financial statements.

TRIO GOLD CORP.

Statements of Changes in Equity (Deficit)

(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Warrants	Deficit	Accumulated Other Comprehensive (loss)	Total Shareholders' Equity
Balance, March 31, 2013	70,677,928	\$ 5,998,746	\$ 1,151,446	\$ -	\$ (6,955,628)	\$ (316,823)	\$ (122,259)
Common stock issued for cash	21,000,000	162,447		47,553			210,000
Share issued costs		(12,704)					(12,704)
Net loss for the period	-	-	-	-	(283,951)	-	(283,951)
Unrealized loss on marketable securities	-	-	-	-	-	(7,912)	(7,912)
Balance, March 31, 2014	91,677,928	\$ 6,148,489	\$ 1,151,446	\$ 47,553	\$ (7,239,579)	\$ (324,735)	\$ (216,826)
Net loss for the period	-	-	-	-	(242,081)		(242,081)
Unrealized loss on marketable securities	-	-	-	-		(258)	(258)
Balance, March 31, 2015	91,677,928	\$ 6,148,489	\$ 1,151,446	\$ 47,553	\$ (7,481,660)	\$ (324,993)	\$ (459,165)

See accompanying notes to financial statements.

TRIO GOLD CORP.

Statements of Cash Flows

For the year ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

Twelve months ended March 31,	2015	2014
Cash flows from (used in) operating activities		
Net loss	\$ (242,081)	\$ (283,951)
Items not affecting cash		
Amortization	497	663
Accrued management fees	96,000	96,000
Write-down of exploration and evaluation assets	22,659	-
Net changes in non-cash working capital items related to operations		
Accounts receivable	8,250	(8,232)
Prepaid expense and deposits	(1,477)	428
Rent deposit	-	(528)
Accounts payable and accrued liabilities	107,360	36,344
	<u>(8,792)</u>	<u>(159,276)</u>
Cash flows from investing activities		
Mineral property and deferred expenditures, net	(44,956)	(58,459)
Mineral reclamation deposits, refund	15,149	-
Mineral property NSR sale proceeds	25,000	-
	<u>(4,807)</u>	<u>(58,459)</u>
Cash flows from (used in) financing activities		
Issue of common shares and warrants, net	-	197,296
Advances from related parties	-	35,460
	<u>-</u>	<u>232,756</u>
Increase (Decrease) in cash	(13,599)	15,021
Cash, beginning of year	18,912	3,891
Cash, end of period	\$ 5,313	\$ 18,912

See accompanying notes to financial statements.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

1. Incorporation and nature of operations

(a) Incorporation

Trio Gold Corp. (the "Company") was incorporated under the Business Corporations Act (Alberta) on May 18, 1977. The Company became a public entity and has been listed for trading on the TSX Venture Exchange (the "TSX") or its predecessor since January 15, 1987.

The Company's head office principal address and registered records office is Suite 145, 251 Midpark Blvd SE, Calgary, AB, Canada, T2X 1S3.

(b) Nature of operations

The principal business activities of the Company are the acquisition, maintenance, exploration and development of mineral properties. These activities are conducted in North America. The Company has not yet determined whether these properties contain precious mineral reserves that are economically recoverable. To date, the Company has not earned revenues and is considered to be in the development stage.

(c) Going concern

Certain mineral property costs have been deferred and are awaiting future revenue streams against which these costs will be charged. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the mineral properties, the ability of the Company to obtain necessary financing to complete the development, and ultimately upon future profitable production or proceeds from disposition of the mineral properties and continuing to meet obligations with respect to ongoing administrative expenditures.

The amounts shown in Note 9 represent costs to date for property acquisition (including mineral claims and permits) and exploration expenditures, and do not necessarily reflect present or future values. The Company may not make the required expenditures under certain agreements in order to maintain or earn specific interests in various properties.

The financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has a working capital deficiency of \$1,472,887 (March 31, 2014 - \$1,248,897) and no revenue from operations. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and on achieving profitable commercial operations. Certain mineral property costs have been deferred and are awaiting future revenue streams against which these costs will be charged. The recoverability of these amounts is dependent on achieving profitable commercial operations or the ability of the Company to dispose of properties or its interests therein on an advantageous basis.

These financial statements were approved and authorized for issuance by the Board of Directors on July 29, 2015.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

2. Basis of presentation

(a) These financial Statements have been prepared in accordance with, and using accounting policies in full compliance with, International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) effective for the Company’s Reporting for the year ended March 31, 2015.

(b) Basis of Measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments, if any, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional Currency and Presentation Currency

These financial statements are presented in Canadian dollars, which is the company's functional currency.

(d) Use of Estimates

The preparation of the these financial statements in conformity with IFRS required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. Significant accounting policies

(a) Cash includes cash held with banks and other highly liquid investments with maturities of three months or less at date of acquisition.

(b) Equipment

Equipment is recorded at cost. Amortization of these assets is provided using annual rates designed to apportion the cost over their estimated useful lives as follows:

Computer hardware	30% declining balance
Office furniture and equipment	20% declining balance

(c) Exploration and evaluation assets

(i) Pre-exploration Costs

Pre-exploration costs are expensed in the year in which they are incurred.

(ii) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the acquisition date fair value of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as exploration and evaluation (“E & E”) assets. Costs incurred before the Corporation has obtained the legal rights to explore an area are recognized in profit or loss.

TRIO GOLD CORP.

Notes to Audited Financial Statements
For the years ended March 31, 2015 and 2014
(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(c) Exploration and evaluation assets (continued)

(ii) Exploration and Evaluation Expenditures (continued)

Acquisition cost, including general and administrative costs, are only capitalized to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Where the Corporation's exploration commitments for a mineral property are performed under option agreements with a third party, the proceeds of option payments under such agreements are applied to the mineral property to the extent costs are incurred. The excess, if any, is recorded to the statement of profit or loss. Provincial government mining credits are applied against the related mineral properties.

E & E assets are assessed for impairment only when facts and circumstances suggest that the carrying amount of an E & E asset may exceed its recoverable amount.

Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure on further E & E activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in the taxation and regulatory environment;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, E & E assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. To date, none of the Corporation's mineral properties have demonstrated technical feasibility or commercial viability.

Recoverability of the carrying amount of any E & E assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

(d) Options

Where the Company enters into option agreements for the acquisition of interests in mineral properties that provide for periodic payments, such amounts are not recorded as liabilities since they are payable at the Company's option. Such payments, when made, are recorded as costs of the properties to which they relate.

(e) Impairment

(i) Non-financial assets

The net book value of the Company's non-financial assets, other than exploration and evaluation assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Exploration and evaluation assets are assessed for impairment when they are reclassified to

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(e) Impairment (continued)

(i) Non-financial assets (continued)

property, plant and equipment and also if facts and circumstances suggest that the net book value exceeds the recoverable amount. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In assessing fair value less cost to sell, the fair value reflects the price a market participant would be willing to pay to acquire the asset or CGU less selling costs to complete the transaction.

Exploration and evaluation assets are allocated to the CGUs on a geographical basis when they are assessed for impairment, both at the time of any triggering facts and circumstances as well as upon their eventual reclassification to mining property and development assets within property, plant and equipment.

An impairment loss is recognized if the net book value of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net income or loss. Impairment losses recognized in respect of CGUs reduce the net book value of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognized in prior years is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' net book value does not exceed the net book value that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(ii) Financial assets

A financial asset, other than a financial asset designated as fair value through profit and loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its net book value, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in net income or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized and is recognized in net income or loss.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(f) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the liability. Provisions are not recognized for future operating losses.

The Company recognizes the estimated liability associated with decommissioning at the time the asset is acquired and the liability is incurred. The estimated present value of the future payments of the decommissioning liability is recorded as a long term liability, with a corresponding increase in the net book value of property, plant and equipment. Amounts are discounted using the risk-free rate. The capitalized amount of accretion is charged to net income or loss in the period. The liability can also increase or decrease due to changes in the estimates of timing of cash flows, changes to the risk-free rate or changes in the original estimated undiscounted cost. The change in the provision as a result of these changes is capitalized in the net book value of the related asset. Actual costs incurred upon settlement of decommissioning liabilities are charged against the decommissioning liability to the extent of the liability recorded.

(g) Foreign currency transaction

Monetary assets and liabilities are translated at the rates of exchange at the balance sheet dates; non-monetary assets and liabilities, and any amortization thereon, are translated at the rates in effect at the dates the assets or liabilities were acquired. Revenues and expenses are translated at the average rates of exchange during the month in which they are recognized. Exchange gains or losses are reflected in net earnings for the period.

(h) Administrative expenses

Administrative expenses not relating to exploration activities are charged to operations. Certain administrative expenses incurred by the Company which are directly related to exploration activities are allocated to the mineral properties and are included in deferred exploration expenditures.

(i) Share-based compensation

The Company accounts for all share-based compensation arrangements using the fair value method, under which compensation expense is recorded based on the estimated fair value of the options as determined at the date of grant, and expensed over the vesting period with a corresponding increase to contributed surplus. Upon the exercise of the stock options, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase in share capital. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

(j) Per share amounts

Basic per share information is calculated on the basis of the weighted average number of common shares outstanding during the year. Diluted per share amounts are calculated using the treasury stock method. Diluted calculations reflect the weighted average incremental common shares that would be issued upon exercise of dilutive options assuming proceeds would be used to repurchase shares at average market prices for the year. Anti-dilutive options are not included in the calculation.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(k) Reclamation deposits

Cash which is subject to contractual restrictions on use is classified separately as reclamation deposits. Reclamation deposits are classified as held to maturity financial assets.

(l) Marketable securities

Investments are comprised of common shares of publicly traded companies. Investments in which the Company does not exercise significant influence are classified as financial assets available for sale. Financial assets available for sale are initially recorded at their fair value with changes in their fair value recognized in other comprehensive income (loss).

(m) Comprehensive income (loss)

This section establishes standards for reporting and presentation of certain gains and losses recognized in comprehensive income, but excluded from net income.

The classification of the Company's financial instruments on the marketable securities results in the reporting of accumulated other comprehensive income (loss). The required separate presentation is included in the statement of changes in shareholders' equity.

(n) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(o) Valuation of equity units issued in private placement

The Company uses the fair value method to value any warrants and agent options issued in private placements. The fair value assigned to warrants is recorded as a reduction to share capital and an increase to warrants. The fair value assigned to agent options is recorded as share issue costs and an increase to contributed surplus. When warrants expire unexercised, the fair value of the expired warrants is transferred to contributed surplus.

(p) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(q) Joint interest operations

The Company conducts some of its mineral property exploration and production activities jointly with other non-affiliated companies and accordingly, the accounts reflect only the Company's proportionate interest in such activities using the proportionate consolidation method.

(r) Financial instruments

All financial instruments are initially recognized at fair value on the statement of financial position, net of any transaction costs (except for financial instruments classified as fair value through profit and loss, where transaction costs are expensed as incurred). Subsequent measurement of financial instruments is based on their classification:

Fair Value through Profit and Loss

Financial assets and liabilities that are held for trading or that are designated as fair value through profit and loss upon initial recognition. Changes in their fair value are recognized in earnings.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date, and are carried at amortized cost, using the effective interest method, less any impairment. Loans and receivables are comprised of accounts receivable.

Held-to-Maturity

Financial assets classified as held to maturity are measured at amortized cost.

Other Financial Liabilities

Financial liabilities not classified as fair value through profit and loss are measured at amortized cost using the effective interest method.

Available for Sale

All other non-derivative financial assets are classified as available for sale, with changes in fair value recognized in other comprehensive income.

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

3. Significant accounting policies (continued)

(r) Financial instruments (continued)

The Company classifies its cash as fair value through profit and loss, accounts receivable as loans and receivables, marketable securities as available for sale, reclamation deposits as held-to-maturity, and its accounts payable and accrued liabilities and advances from related parties as other financial liabilities.

The Company does not use derivative instruments for trading or speculative purposes. Derivative contracts, if entered into, will be classified as fair value through profit and loss and recorded on the statement of financial position at fair value, with changes in the fair value recognized in net income, unless specific hedge criteria are met. The fair values of these derivative instruments will be based on an estimate of the amounts that would have been received or paid to settle these instruments prior to maturity given future market prices and other relevant factors. Proceeds and costs realized from holding the derivative contracts will be recognized in net income at the time each transaction under a contract is settled.

The Company measures and recognizes embedded derivatives separately from the host contracts when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract, when it meets the definition of a derivative and when the entire contract is not measured at fair value. Embedded derivatives are recorded at fair value.

The Company immediately expenses all transaction costs incurred in relation to the acquisition of a financial asset or liability.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair value of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

4. Significant accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities as at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are as follows:

(a) Exploration and evaluation costs

Certain exploration and evaluation costs are initially capitalized with the intent to establish commercially viable reserves. The Company is required to make estimates and judgments about the future events and circumstances regarding the economic viability of extracting the underlying resources. The costs are subject to technical, commercial and management review to confirm the continued intent to develop and extract the underlying resources. Unsuccessful drilling, or changes to project economics, resource, quantities,

TRIO GOLD CORP.

Notes to Audited Financial Statements

For the years ended March 31, 2015 and 2014

(Expressed in Canadian dollars)

4. Significant accounting estimates and judgments (continued)

(a) Exploration and evaluation costs (continued)

expected production techniques, production costs and required capital expenditures, are important factors when making this determination. If a judgment is made that the extraction of resources is not viable, the associated exploration and evaluation costs are impaired and charged to net income or loss.

(b) Deferred income taxes

Deferred tax assets are recognized when it is considered probable that deductible temporary differences will be recovered in the foreseeable future. To the extent that future taxable income and the application of existing tax laws in each jurisdiction differ significantly from the company's estimate, the ability of the company to realize the deferred tax assets could be impacted.

Deferred tax liabilities are recognized when there are taxable temporary differences that will reverse and result in a future outflow of funds to a taxation authority. The company records a provision for the amount that is expected to be settled, which requires the application of judgment as to the ultimate outcome. Deferred tax liabilities could be impacted by changes in the company's estimate of the likelihood of a future outflow, the expected settlement amount, and the tax laws in the jurisdictions in which the company operates.

To date the company's only deferred tax asset is from net operating losses and a valuation allowance has been taken against it as management has determined that it is not probable the deductible temporary differences will be recovered in the foreseeable future.

(c) Impairment of assets

The allocation of assets into cash generating units ("CGU's") requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, similar exposure to market risks, shared infrastructures, and the way in which management monitors the operations.

The recoverable amounts of CGU's and individual assets have been determined based on the higher of fair value less costs to sell and value-in-use. The key assumptions the Company uses in estimating future cash flows for recoverable amounts are anticipated future commodity prices, expected production volumes and future operating and development costs. Changes to these assumptions will affect the recoverable amounts of CGU's and individual assets and may then require a material adjustment to their related net book value.

(d) Share-based payments

Expenses recorded for share-based payments are based on the historical volatility of the Company's share price which may not be indicative of the future volatility. Accordingly, those amounts are subject to measurement uncertainty.

5. New Standards, Amendments and Interpretations

New standards adopted during the year

Effective April 1, 2014, the following standards were adopted but have had no material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities, effective for annual periods beginning on or after January 1, 2014.

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5. New Standards, Amendments and Interpretations (continued)

New standards adopted during the year (cont'd)

- IAS 36 (Amendment): Impairment of Assets which provides for additional disclosures that may be required in the event the Company recognizes an impairment loss or the reversal of an impairment loss.
- Amendments to IFRS 10, IFRS12, and IAS 27: The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deals with the disclosures required and preparation of separate financial statements of an investment entity
- IFRIC 21 Levies: provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and those where the timing and amount of the levy is certain.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after April 1, 2014. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.
- IFRS 9: New standard that replaced IAS 39 for classification and measurement.
- IFRS 15: “Revenue from Contracts with Customers”, to specify how and when to recognize revenue as wells as requiring the provision of more informative and relevant disclosures. IFRS 15 supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts”, and other revenue-related interpretation, effective for annual reporting periods beginning on or after January 1, 2017.

6. Marketable securities

	Number of shares	Carrying value	Market value	Unrealized gain (loss)
Available for sale:				
Musgrove Minerals Corp. (formerly Journey Resources Corp.)	1,660	\$ 83,000	\$ 75	\$ (82,925)
Standard Exploration Ltd. (formerly Canadian Energy Exploration)	349	1,000	12	(988)
Secured Digital Applications Inc.	17,500	1,028	-	(1,028)
Tanager Energy Inc. (formerly Mengold Resources Inc.)	1,562	2,000	62	(1,938)
Teras Resources Inc.	328	-	33	33
Case Financial Inc.	500,000	67,500	-	(67,500)
3DX Industries Inc. (formerly Amarok Resources Inc.)	7,115	170,647	-	(170,647)
Balance, as at March 31, 2015		\$ 325,175	\$ 182	\$ (324,993)

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6. Marketable securities (continued)

	Number of shares	Carrying value	Market value	Unrealized gain (loss)
Available for sale:				
Musgrove Minerals Corp. (formerly Journey Resources Corp.)	1,660	\$ 83,000	\$ 216	\$ (82,784)
Standard Exploration Ltd. (formerly Canadian Energy Exploration)	349	1,000	10	(990)
Secured Digital Applications Inc.	17,500	1,028	-	(1,028)
Tanager Energy Inc. (formerly Mengold Resources Inc.)	1,562	2,000	117	(1,883)
Texas Resources Inc.	328	-	97	97
Case Financial Inc.	500,000	67,500	-	(67,500)
3DX Industries Inc. (formerly Amarok Resources Inc.)	7,115	170,647	-	(170,647)
Balance, as at March 31, 2014		\$ 325,175	\$ 440	\$ (324,735)

The valuation of these securities has been determined in whole based on level 1 inputs by reference to the closing price of the securities on the related market where the specific shares are listed for trading at March 31, 2015 and March 31, 2014.

7. Equipment

			March 31, 2015	
	Cost	Accumulated Amortization	Net book value	
Computer hardware and software	\$ 53,984	\$ 53,427	\$ 557	
Office furniture and equipment	12,802	11,772	1,030	
	\$ 66,786	\$ 65,199	\$ 1,587	
			March 31, 2014	
	Cost	Accumulated Amortization	Net book value	
Computer hardware and software	\$ 53,984	\$ 53,187	\$ 797	
Office furniture and equipment	12,802	11,515	1,287	
	\$ 66,786	\$ 64,702	\$ 2,084	

8. Advances from related parties

During the fiscal year ended March 31, 2013, the Company received loans totaling \$25,000 from two Directors to settle a certain payable. The loans bear interest at 15% per annum and became due on November 2, 2013. During the year ended March 31, 2015, the Company did not repay the loans and accrued interest. The loans with unpaid accrued interest bear interest at 2% per month after maturity on November 2, 2013 and are payable on demand.

During the fiscal year ended March 31, 2014, the President of the Company advanced \$15,460 to the company to settle certain accounts payable. The amount is non-interest bearing and is due on demand.

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8. Advances from related parties (continued)

During the fiscal year ended March 31, 2014, the Company received loans totaling \$20,000 from two Directors to settle a certain payable. The loans bear interest at 15% per annum and became due on February 14, 2015 and February 28, 2015. In the event the loans are not repaid on the due date, they will bear interest at 2% per month thereafter until repaid in full. The loans were not repaid on their respective due dates.

9. Exploration and evaluation assets

	Rodeo Creek	McNeil And Night Hawk	Total
Balance, March 31, 2013	901,143	-	901,143
Acquisition costs			
Option payments received:			
Cash	-	-	-
Shares	-	-	-
Subtotal	901,143	-	901,143
Exploration costs:			
Geo-referencing program	-	35,606	35,606
Office, dues and permits	7,510	-	7,510
Royalties	15,343	-	15,343
Total expenditures for the period	22,853	35,606	58,459
Cost recovery	-	-	-
Net expenditures for the period	22,853	35,606	58,459
Balance, March 31, 2014	923,996	35,606	959,602
Acquisition costs			
Option payments received:			
Cash	-	-	-
Shares	-	-	-
Sale of a 1% NSR received	(25,000)	-	(25,000)
Subtotal	898,996	35,606	934,602
Exploration costs:			
Geo-referencing program	18,829	3,600	22,429
Office, dues and permits	4,895	-	4,895
Royalties	17,632	-	17,632
Total expenditures for the period	41,356	3,600	44,956
Write-down of exploration and evaluation assets	-	(22,659)	(22,659)
Balance, March 31, 2015	940,352	16,547	956,899

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9. Exploration and evaluation assets (continued)

(i) Rodeo Creek, Nevada

The Company holds a 100% interest in 29 mining claims, subject to a lessor net smelter royalty of 5%, which may be reduced to 1% by the payment to the lessor of \$US2,000 per acre, claimed, in the Rodeo Creek Carlin Trend area of Nevada, U.S.A. The claims are subject to a 1.5% net smelter revenue payout as a result of prior agreements with another company that had undertaken certain exploratory work to earn this interest. The Company has an option to buy back the royalty for CDN \$1,500,000.

In fiscal 2011, the Company entered into an Exploration Option Agreement with a private United States Corporation which was subsequently assigned to 3DX Industries Inc. ("3DX Industries" Formerly Amarak Resources Inc.), a publicly traded US based company. Under the terms of the agreement, 3DX Industries can earn an undivided 75% interest in the Rodeo Creek property by providing total funding on the property of \$US5.5 million. The agreement calls for 3DX Industries to provide funding of \$US1.5 million in the 2010 calendar year, \$US2 million in the 2011 calendar year and another \$US2 million in the 2012 calendar year.

Further under the assignment agreement, Trio is to receive a total of \$325,000 in royalty payments; \$US75,000 upon signing, \$US100,000 on April 1, 2011, and \$US150,000 on April 1, 2013 from 3DX Industries. Trio would also receive 0.20% of the issued and outstanding common shares of 3DX Industries within 3 months of the assignment which resulted in Trio receiving 2,885 3DX Industries' shares in fiscal 2011. The fair value of these shares of \$160,541 has been credited against the acquisition costs of mineral properties in fiscal 2011.

Finally under the terms of the agreement, Trio is to receive an additional 1,442 shares of 3DX Industries upon expenditure of a minimum of \$US2 million, 1,442 shares of 3DX Industries upon expenditure of a minimum of \$US4 million, and a final 1,442 shares of 3DX Industries upon expenditure of a minimum of \$US5.5 million. During fiscal 2012, total expenditures funded by 3DX Industries exceeded \$US2 million resulting in Trio receiving 1,442 3DX Industries shares pursuant the agreement. The fair value of these shares of \$4,112 has been credited against the acquisition costs of mineral properties in fiscal 2012. At March 31, 2012, Trio had also received a total of \$US175,000 in royalty payments pursuant to the terms.

In the fiscal year ended March 31, 2012, the agreement with 3DX Industries was amended. As part of the amendment, Trio has granted 3DX Industries an extension until December 31, 2013 to complete the \$5.5 million funding requirements to earn 75% interest. The agreement was also amended such that the \$US325,000 in royalty payments now formed part of the total funding commitment of \$US5.5 million. The payment due on April 1, 2012 has also been deferred and is now due on April 1, 2013. In consideration for the amendment, 3DX Industries has agreed to issue an additional 2,788 common shares to Trio by June 1, 2012, bringing the total common shares to be received by Trio to 10,000. The 2,788 3DX Industries shares were received on May 31, 2012. The fair value of these shares of \$5,994 has been credited against the acquisition costs of mineral properties in the current fiscal year.

By further agreement dated February 12, 2013, 3DX Industries advanced \$15,000 as an advance payment against the royalty which was due on April 1st 2013 and a further payment of \$5,000 against the April 1st royalty was made on March 15, 2013. The February 12, 2013 agreement also extended the balance of the royalty payable (\$130,000) from April 1st to October 1st, 2013 and extended 3DX Industries' right to earn its 75 % interest by spending the balance of its \$5.5 million expenditure to December 31, 2014.

At March 31, 2013, a total of \$US 2,359,515 in exploration expenditures has been funded by 3DX Industries. By spending the \$US2 million in the exploration expenditures, 3DX Industries has earned a 2% Net Smelter Return.

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9. Exploration and evaluation assets (continued)

(i) Rodeo Creek, Nevada (continued)

As at October 1, 2013, Trio has not received the remaining Advance Royalty payment of \$US130,000 as per an amended agreement between Trio and 3DX Industries, dated February 12, 2013.

On June 30, 2014 the Company received proceeds totaling \$25,000 from a director of the Company in exchange for the purchase of a 1% NSR on the Company's Rodeo Creek, Nevada property.

On December 22, 2014 the Company received notice from 3DX Industries of their termination of the exploration agreement.

(ii) McNeil and Night Hawk Gold, Ontario

On October 23, 2013, the Company announced the acquisition and option to acquire the McNeil and Night Hawk Gold properties totaling approximately 24,200 acres (9,800 hectares) near Timmins Ontario. The properties known as the McNeil and Night Hawk are located in the Larder Lake Mining Division 50 km (30 miles) southeast of Timmins Ontario within the Abitibi Greenstone belt.

Trio acquired an option from 3DX Industries Inc., a Nevada Corporation, to earn a 100% interest in the McNeil Property by expending \$500,000 on or before December 31, 2015, \$2,000,000 before December 31, 2017 and a final \$2,500,000 by December 31, 2019. The property is subject to a 5% net smelter return ("NSR") which may be bought back at any time by paying \$10,000,000. The NSR may also be exercised at any time in part by paying \$2,000,000 for each one percent of the NSR purchased. (all amounts in Canadian dollars).

Trio acquired 100% of the Night Hawk property by conducting a Geo-referencing work program on the property. Geo-Referencing relates to changes made to Ontario's Mining Act to implement map staking. All claims previously staked by traditional methods (physically cutting lines and inserting corner posts) are required to be Geo-Referenced. That is each corner post is to be located in the field, referenced to a GPS coordinate and photographed. Both the McNeil and Night Hawk properties were Geo-Referenced in October 2013. The cost of this program was \$35,606. As a result of completing the aforementioned work program, the Company has received Assessment Work Credits from the Ontario government totaling \$166,000 with respect to Night Hawk and \$113,200 with respect to McNeil.

The Night Hawk property is subject to a 5% NSR which may be bought back at any time by paying \$10,000,000. The NSR may also be exercised at any time in part by paying \$2,000,000 for each one percent of the NSR purchased. (all amounts in Canadian dollars).

On November 3, 2014 the Company's interest in approximately 14,000 acres known as Night Hawk was forfeited as a result of the Company's failure to undertake approximately \$200,000 in exploration expenditures. As a result, the Company has written off a total of \$22,659 during the year ended March 31, 2015, which amount represents the capitalized acquisition costs for the Night Hawk.

(ii) Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

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9. Exploration and evaluation assets (continued)

(iii) Impairment

Company's management have reviewed the carrying value of its exploration and evaluation assets for impairment in accordance with IFRS 6 "Exploration for and evaluation of mineral resources" and IAS 36 "Impairment of assets" and have determined impairment indicators exist.

Accordingly, an impairment of \$22,659 has been charged to operations during the year ended March 31, 2015. Management is continuing to evaluate its options with respect to the property.

10. Reclamation and rent deposits

	March 31, 2015	March 31, 2014
Rent deposits	\$ 8,067	\$ 8,067
Reclamation bond deposits	47,169	62,318
	<u>\$ 55,236</u>	<u>\$ 70,385</u>

During the fiscal year ended March 31, 2015 the Bureau of Land Management (BLM) reduced the bond deposit required for certain of the Company's leases, providing for a refund to the Company of a total of \$17,954 (US\$14,129).

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities for the Company are as follows:

	March 31, 2015	March 31, 2014
Accounts payable - trade	307,223	\$ 209,915
Accrued interest – related party	17,297	6,495
Accrued expenses	18,983	22,983
Accounts payable – related parties	1,084,424	985,174
	<u>1,427,927</u>	<u>\$ 1,224,567</u>

12. Related party transactions

During the year ended March 31, 2015 and 2014, the Company entered into the following transactions with related parties not otherwise disclosed in these financial statements:

(a) The Company incurred the following transactions with its directors and officers, either directly, or indirectly:

	2015	2014
Accrued for management services	\$ 96,000	\$ 96,000

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12. Related party transactions (continued)

- (b) As of March 31, 2015, the amounts due to related parties included in accounts payable and accrued liabilities were as follows:

	March 31, 2015	March 31, 2014
Due to directors	\$ 1,084,424	\$ 985,174

The above transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties. The amounts due to directors or former directors and a company controlled by a director are unsecured and without interest. The amounts will be paid in the normal course of operations. Included in the above amounts is \$1,056,000 (March 31, 2014 - \$960,000) in accrued compensation and \$28,424 (March 31, 2014- \$25,174) in accrued expenses for reimbursement to our President and CEO.

- (c) On June 30, 2014 the Company received proceeds totaling \$25,000 from a director of the Company in exchange for the purchase of a 1% NSR on the Company's Rodeo Creek, Nevada property.

13. Share capital

- (a) Authorized

Unlimited number of common shares without nominal or par value; and unlimited number of preferred shares without nominal or par value, of which none have been issued.

- (b) Issued

	Number of shares	Amount
Balance, March 31, 2015 and 2014	91,677,928	\$6,148,489

- (c) Stock options

The Company has established a stock option plan whereby the Company may grant options to its directors, officers, employees and key consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of grant (less any permitted discount, if any) and an option's maximum term is five years. In addition, the aggregate number of shares so reserved for issuance to any one person shall not exceed 5% of the issued and outstanding shares.

As at May 27, 2013, all outstanding options expired unexercised. During the year ended March 31, 2015 and 2014, the Company did not grant any stock options. At the Company's Annual General Meeting held December 16, 2013 shareholders approved the 2013 rolling stock option plan which reserves a total of 9,167,793 shares, all of which are available for grant.

- (d) Warrants

A summary of the status of the common share purchase warrants as of March 31, 2015 and 2014 and changes during the years then ended is presented below:

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13. Share capital (continued)

(d) Warrants (cont'd)

	March 31, 2015		March 31, 2014	
	Warrants	Weighted average exercise price	Warrants	Weighted average exercise price
Outstanding, beginning of year	10,500,000	\$ 0.05	-	\$ -
Issued			10,500,000	0.05
Expired			-	-
Outstanding, end of year	10,500,000	\$ 0.10	10,500,000	\$ 0.05

Each warrant entitles the holder to purchase one common share for the first 12 months from the date of issuance (August 30, 2013) at a price of \$0.05 and at a price of \$0.10 for the next 12 months.

The Company has assigned the fair value to the warrants based on the fair value of the warrants on the issue date estimated using the Black-Scholes fair value pricing model with the following assumptions:

	March 31, 2014
Risk-free interest rate	1.24%
Expected life	2 years
Expected stock price volatility	149.96%
Expected dividend yield	0.00%
Forfeiture rate	0.00%

14. Contributed surplus

	Amount
Balance, March 31, 2015 and 2014	\$1,151,446

15. Segment information

The Company's activities are all in one industry segment of resource property acquisition and exploration. The resource properties are segmented by geographic location as disclosed in note 9. Substantially all administrative expenses are incurred in Canada.

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16. Income taxes

Subject to confirmation by income tax authorities, the Company has the following undeducted tax pools:

	2015	2014
Cumulative Foreign Exploration and Development Expenses	\$ 4,827,000	\$ 4,811,000
Cumulative Canadian Oil and Gas Property Expenses	34,000	34,000
Cumulative Canadian Exploration Expenses	1,064,000	1,061,000
Cumulative Canadian Development Expenses	386,000	386,000
Capital Cost Allowance	42,000	42,000
Cumulative Eligible Capital	23,000	23,000
Accrued expenses	1,056,000	960,000
Non-capital losses carried forward for tax purposes available from time to time until 2030	2,699,000	2,926,000
Net capital losses	133,000	133,000
Share issue costs	8,000	14,000
	<u>\$ 10,272,000</u>	<u>\$ 10,390,000</u>

These pools are deductible from future income at rates prescribed by the Canadian Income Tax Act.

The effective tax rate of income tax varies from the statutory rate as follows:

	2015	2014
Combined tax rates	25%	25%
Expected income tax recovery at statutory rate	\$ (61,000)	\$ (71,000)
Effects of tax rate change	-	-
Other	-	(4,000)
Non-capital losses expired	89,000	-
Change in valuation allowance	(28,000)	75,000
Actual income tax provision (recovery)	<u>\$ -</u>	<u>\$ -</u>

The components of the Company's future income tax assets are a result of the origination and reversal of temporary differences and are comprised of the following:

	2015	2014
Nature of temporary differences		
Mineral properties and equipment	\$ 1,349,000	\$ 1,343,000
Share issue costs	2,000	4,000
Accrued expenses	264,000	240,000
Non-capital loss carryforwards	675,000	731,000
Unrealized capital loss	40,000	40,000
Cumulative eligible capital	6,000	6,000
Net capital loss carryforwards	17,000	17,000
	<u>2,353,000</u>	<u>2,381,000</u>
Valuation allowance	<u>(2,353,000)</u>	<u>(2,381,000)</u>
Future income tax asset	<u>\$ -</u>	<u>\$ -</u>

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17. Financial instruments and financial risk management

The Company's financial instruments include cash, accounts receivable, marketable securities, reclamation deposits, accounts payable and accrued liabilities and advances from related parties. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. As at March 31, 2015, Trio's accounts receivable consisted of \$1,857 (March 31, 2014 – \$8,860) from the federal government relating to Goods and Services Tax input tax credits and \$23 (March 31, 2014 – \$1,270) due from third parties in respect of rent payable and reimbursement of operating expense. Accordingly, the Company views credit risk on accounts receivable as minimal.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

Based on current levels of expenditure, the Company anticipates that it will require additional funds to meet ongoing obligations with its exploration properties and resulting activities during fiscal 2015.

As at March 31, 2015, the Company's financial liabilities were comprised of accounts payable and accrued liabilities and advances from related parties, all of which have either contractual or expected maturities of less than one year. See note 1 for discussion of the going concern assumption.

(c) Market risk:

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns:

i) Currency risk:

The Company's largest non-monetary assets are its resources interest in the United States. The Company could accordingly be at risk for foreign currency fluctuations and developing legal and political environments. The Company does not maintain significant cash or monetary assets or liabilities in the United States.

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17. Financial instruments and financial risk management (continued)

(c) Market risk: (continued)

ii) Commodity price risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for resource projects are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. As the Company has not yet developed an economically recoverable commodity, it is not exposed to commodity price risk at this time.

iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. As the Company has no variable rate debt, it is not exposed to interest rate risk or interest expense at this time. The Company had no interest rate swap or financial contracts in place at March 31, 2015.

18. Commitments

The Company is committed to a lease agreement for office premises for a period of three years from May 1, 2015 to April 30, 2018. The estimated obligations for the term of the lease including operating costs and taxes are:

2016	\$	144,230
2017		144,230
2018		144,230
Rest of term		12,000

The Company has entered into various sublease agreements on a year-to-year basis in order to recover some of the costs associated with its lease agreement. The Company received \$84,050 (March 31, 2014 - \$73,810) in recoveries related to the sublease agreements.

19. Capital management

The Company is a junior mining company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended March 31, 2015.

In order to fund future projects and pay for administrative costs, the Company may sell its marketable securities and raise additional funds as needed. As at March 31, 2015, the Company had a working capital deficiency of \$1,472,887 (March 31, 2014 - \$1,248,897) and shareholders' deficit of \$459,165 (March 31, 2014 - Shareholders' deficit of \$216,826). Management has assessed that its working capital position, marketable securities held and shareholders' equity are not sufficient for the Company to continue as a going concern beyond one year. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to develop, sell or option its exploration and evaluation assets and its ability to borrow or raise additional financing from equity markets.

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20. Subsequent Events

On June 9, 2015 the Company announced a non-brokered private placement of up to 50 million units at a price of one cent per unit, which will include one common share and one half of a common share purchase warrant, subject to TSX Venture Exchange approval. Two half warrants will enable the holder to purchase one additional common share for a period of one year from the date of the closing of the private placement at a price of five cents per share and for the following twelve month period at a price of ten cents per share. The Company plans to retain one or more agents in connection with the Private Placement and to pay to such agents a sales commission or finder's fee of up to 10% of the gross proceeds raised under the Private Placement. All the securities issuable will be subject to a four-month hold period from the date of issuance.

This proposed offering replaced a previously announced non-brokered private placement dated May 15, 2015. The private placement is conducted pursuant to the TSX Venture Exchange Discretionary Waivers bulletin dated April 7, 2014.

The proceeds of the financing will be primarily used to maintain the Company's existing operations, activities and assets.