

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Troilus Gold Corp. (“Troilus” or the “Company”)
36 Lombard Street, 4th Floor
Toronto, Ontario
M5C 2X3

Item 2 Date of Material Change

August 31, 2020

Item 3 News Release

A news release was issued by Troilus via Globe Newswire on August 31, 2020 and was subsequently filed on SEDAR.

Item 4 Summary of Material Change

Troilus announced the positive results of a Preliminary Economic Assessment (“PEA”) completed on its 100%-owned Troilus Gold Project (the “Project”) located in Quebec, Canada. The PEA supports a combined open pit/underground mining scenario with low initial capital costs and high rate of return for a 35,000 tonne per day (“tpd”) operation over a 22-year mine life.

Item 5.1 Full Description of Material Change

Troilus announced the positive results of a PEA completed on its 100%-owned Troilus Gold located in Quebec, Canada. The PEA supports a combined open pit/underground mining scenario with low initial capital costs and high rate of return for a 35,000 tpd operation over a 22-year mine life.

Highlights include (all results are reported in U.S. Dollars*):

- **After-tax IRR of 22.9% and NPV_{5%} of \$576 million based on \$1,475/oz gold increasing to 32.2% and \$915 million at \$1,750/oz gold and 38.3% and \$1,156 million at \$1,950/oz spot gold prices (see Table 1)**
- **Projected gold production of 220,000 oz average per year for the first 5 years and 246,000 oz average per year for the first 14 years**
- **Open pit mine life of 14 years and total mine life of 22 years with future underground development**
- **Initial capital of (“CAPEX”) of \$333 million, including all mine pre-production costs, net of existing infrastructure (access road, power line, tailings facility, substation, camp, water treatment plant)**
- **After-tax payback of 4.0 years at base case \$1,475/oz gold**
- **Average cash operating costs of \$919/oz gold and all-in sustaining costs of \$1,051/oz gold**

- **Cumulative cashflow of \$1.27 billion after tax and \$2.04 billion pre-tax over 22 years on base case assumptions**
- **Payable Gold of 3.8 million ounces, payable Copper of 265 million lbs and payable Silver of 1.5 million ounces**
- **Average strip ratio for the open pit life of the mine estimated at 3.9:1**

*Assuming a US\$:C\$ exchange of \$0.74. All figures reported in US\$ unless stated otherwise

Financial Analysis

At a Base Case US\$1,475 per ounce gold price and a US\$:C\$ exchange of \$0.74, the Project generates an after-tax Net Present Value (NPV) of US\$576M, at a 5% discount rate and an Internal Rate of Return (“IRR”) of 22.9%. Payback on initial capital is 4 years. Before taxes, NPV at a 5% discount rate is US\$971M, IRR is 29.6% and payback is 3.7 years.

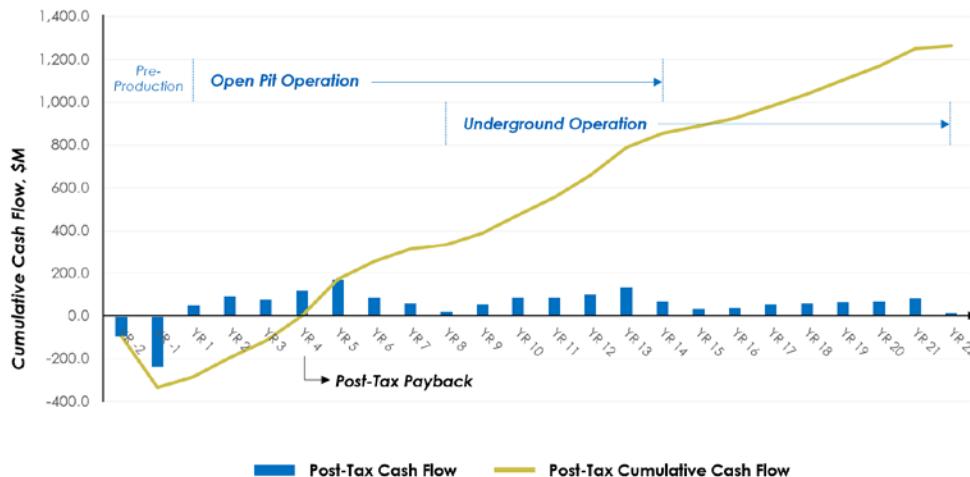
Table 1: Summary of Troilus Gold Economic Results by Gold Price (US\$)

	Spot Price	Consensus	Base Case	Low Case
Gold Price (per oz)	\$1,950	\$1,750	\$1,475	\$1,350
Pre-Tax NPV (5%)	\$1,951 million	\$1,538 million	\$971 million	\$713 million
Pre-Tax IRR	50.1%	41.8%	29.6%	23.7%
Post-Tax NPV (5%)	\$1,156 million	\$915 million	\$576 million	\$419 million
Post-Tax IRR (%)	38.3%	32.2%	22.9%	18.2%

The Project generates cumulative cash flow of US\$1.27 billion on a post-tax basis and US\$2.04 billion pre-tax, at a Base Case of US\$1,475 per ounce gold price based on a throughput of 35,000 tpd over 22 years. The PEA assumes an open pit operation for the first fourteen years with the underground operation coming online starting in year 8.

The PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Figure 1: Post-Tax Cash Flow and Cumulative Cash Flow (US\$)



Capital and Operating Costs

The PEA capital and operating cost estimates for the Troilus Gold Project are summarized below. The Initial CAPEX (net of existing infrastructure) is US\$333 million and Sustaining CAPEX over the life of the mine is an additional US\$506 million. The underground mine will require US\$240 million of underground development CAPEX in years 6 to 8 and US\$175 million in sustaining capital to maintain the underground operation. The underground will start development with first mill feed projected to come online in Year 8. All in Sustaining Cost (“AISC”) is US\$1,051 per ounce Au.

Table 2: Troilus Project Capital Expenditure Estimates Breakdown (US\$)

Initial Capital	
Open Pit Mining	\$78 Million
Process	\$172 Million
Infrastructure	\$36 Million
Owners Cost	\$11 Million
Contingency	\$36 Million
Total – Initial Capital	\$333 Million*
Sustaining Capital	
Open Pit Mining	\$5 Million
Underground Development CAPEX	\$240 Million
Underground Sustaining CAPEX (Life of underground)	\$175 Million
Process	\$22 Million
Infrastructure	\$19 Million
Environmental	\$19 Million
Contingency	\$26 Million
Total – Sustaining Capital	\$506 Million

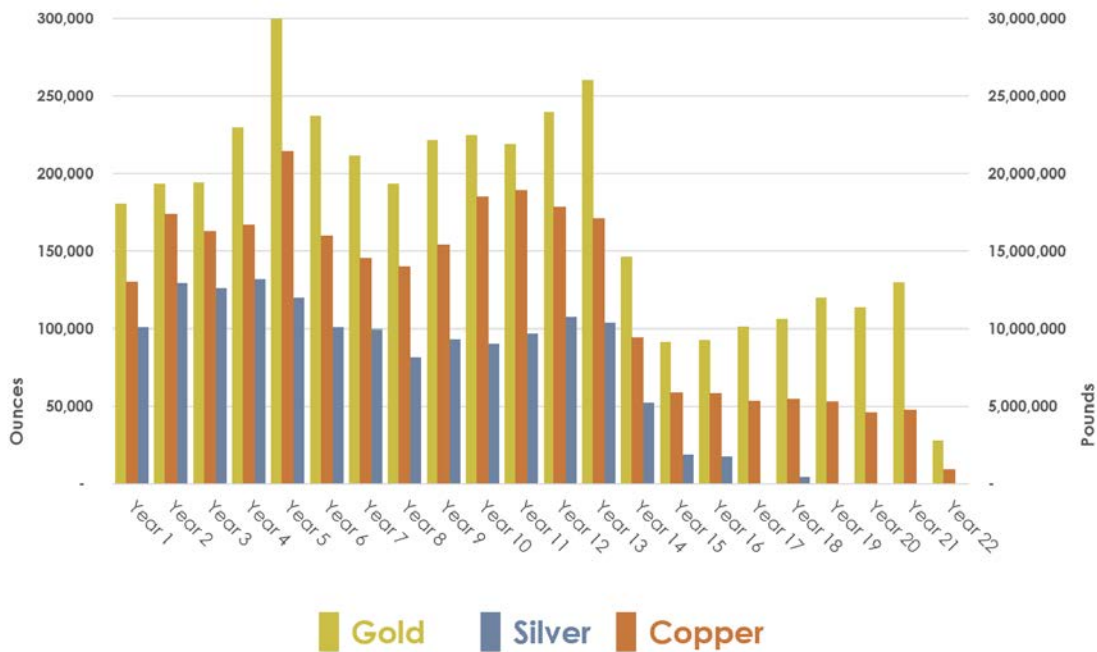
*net of existing infrastructure (access road, power line, substation, tailings facility, water treatment plant, site roads)

Table 3: Summary of Troilus Gold Project Operating Cost Estimates (US\$)

Average Life-of-Mine Operating Cost	
Mining - Open Pit	\$9.35/tonne milled
Mining - Underground	\$14.36/tonne milled
Processing	\$4.99/tonne milled
G&A	\$1.42/tonne milled
Concentrate Transport	\$0.23/tonne milled
Total Operating Cost	\$17.10/tonne milled
Cash Operating Cost	\$919/oz Au
All in Sustaining Cost	\$1,051/oz Au

Projected gold production averages 220,000 oz per year over the first 5 years, 246,000 oz per year for the first 14 years and 98,000 from year 15 onwards. Projected payable Gold is 3.8 million ounces, payable Copper 265 million lbs and payable Silver 1.5 million ounces over the 22-year mine life.

Figure 2: Production Profile – Gold, Silver and Copper*



*Gold and Silver in Ounces (left axis), Copper in Pounds (right axis)

Mining

The PEA considers an initial open pit mining using a 100% owner operated equipment fleet including 28-181 tonne trucks, electric hydraulic shovels, wheel loaders and drills. The open pit will overlap mill feed production with the underground mine starting in year 8. The open pit will be complete in Year 14 and the underground mine will continue production until Year 22. The mine has been designed to deliver an initial 12.6 million tonnes per year (35,000 tonnes per day) of mill feed. The PEA contemplates a mine that will extract mill feed over a 22-year period not including 12 months of pre-production stripping. The PEA delivers 192.5 million tonnes with average head grades of 0.71 gpt gold, 0.08% copper and 0.97 gpt silver. The process plant is expected to have three months of commissioning in the first year of production.

The project will mine three areas: 87 Zone, J Zone and the new Southwest (SW) Zone. The 87 Zone will have a single-phase open pit followed by underground mining. The J Zone has been designed with 3 phases of open pit only for this study. The SW Zone design is comprised of 2 open pit phases. Mining commences in the 87 Zone pit and SW Zone pit areas in the pre-production period. The J Zone pit area starts production in Year 2. The 87 Zone pit will be complete in Year 6 and the underground mine will continue beneath the open pit from that point onwards. The SW Zone pit will be finished in Year 12. The J Zone pit will finish in Year 14. Underground mining finishes in Year 22. Waste from the open pits will be backfilled in the 87 Zone pit once open pit mining is complete. This provides fill for the underground and short waste haulage for the J Zone pit phases, reducing the overall size of the waste storage facilities.

The average strip ratio for the open pit life of the mine is estimated at 3.9:1. Material movement averages 71 million tonnes (feed and waste) in the first 5 years with the peak at 74 million tonnes in Year 1. The open pit will provide 150.1 million tonnes of feed to the process plant for the first 14 years of the project. Open pit bench heights of 10 metres will be mined and ore hauled with 181-tonne haul trucks and matching loading equipment including electric hydraulic shovels. The open pit mining fleet will be leased. Best practice grade control drilling will be done with reverse circulation drilling and rock sampling on mine

benches prior to blasting. This provides the greatest flexibility for grade control during operations while maintaining reasonable mine operating costs and production capability.

Underground mine development will commence in Year 6 and first mill feed to the plant from underground occurs in Year 8. The underground mine will be located beneath the 87 Zone pit and utilize sub-level caving along the edges of the open pit and slot and mass blast in the lower levels. The portal is located adjacent to the primary crusher. Mill feed material and waste will be brought to the surface initially with trucks but will transition to the RailVeyor system for the life of the mine. The underground mine will ramp up production from its initial levels to 9,000 tpd by Year 9 and maintain that rate until the end of the mine life.

During the mining operation a stockpile will be maintained adjacent to the primary crushing plant to be used as supplemental feed as required to meet production targets, weather events and as mill feed in the later years of the operation. Waste rock will be hauled to dedicated waste management facilities near the open pits, backfilled into the 87 Zone pit and also used for lifts of the tailings management facility. Concurrent reclamation of the waste management facilities is planned.

Metallurgy

Initial test work was completed by COREM and Kappes Cassidy as well the historical operating data, to develop the flow sheet. The process plant consists of primary crushing, SAG and ball milling with gravity gold concentration, copper flotation, concentrate filtration and tailings thickening and disposal. Copper concentrate, enriched with gold, will then be sent to a smelter for refining. Gold recovery is estimated to be 90%, with 30% produced onsite as gravity concentrate and the balance contained in the final copper concentrate. Copper recovery is expected to be 90%.

Infrastructure

The Troilus Gold Project is located in Quebec, approximately 120 kilometres north of Chibougamau, where Inmet Mining Corporation operated a large mine/concentrator complex from 1996 – 2010. Access to the mine site from Chibougamau is by the Route du Nord.

The Troilus project benefits greatly from the upgraded, and substantial infrastructure on site including:

- Power line and 50MW substation sufficient for project power requirements,
- All weather access road,
- Tailings facility and water treatment plant,
- Camp facilities,
- Site roads,
- Water supply,
- Septic system.

The existing tailings management facility has the capacity to accommodate the life of mine production as described in this PEA. As part of the design it is proposed to develop the tailings dam into a centreline constructed containment from the existing upstream designed containment. The building of this containment wall will utilise waste rock from the mine operations.

A NI 43-101 technical report supporting the PEA to be prepared by AGP will be posted on Troilus Gold's website at www.troilusgold.com and on SEDAR at www.sedar.com, within 45 days following the news release.

Mineral Resources Estimate

The total estimated indicated Mineral Resource Estimate upon which the PEA is based includes 4.96 Moz AuEq (177 Mt with an average grade of 0.87 g/t AuEq) and a total inferred Mineral Resource Estimate of 3.15 Moz AuEq (116.7 Mt with an average grade of 0.84 g/t AuEq).

Table 4 - Mineral Resource Estimate – Effective as of July 20, 2020

Classification	Tonnage (Mt)	AuEq (g/t)	Au (g/t)	Cu (%)	Ag (g/t)	Contained AuEq (Moz)	Contained Gold (Moz)	Contained Copper (Mlb)	Contained Silver (Moz)
Indicated	177.3	0.87	0.75	0.08	1.17	4.96	4.30	322.60	6.66
Inferred	116.7	0.84	0.73	0.07	1.04	3.15	2.76	189.73	3.91

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability; Summation errors may occur due to rounding; Open pit mineral resources are reported within an optimized constraining shells.

Open pit cut-off grade is 0.3 gpt AuEQ where the metal equivalents were calculated as follows:

- Z87 Zone: AuEq = Au grade + 1.2566 * Cu grade + 0.0103 * Ag grade
- J4/J5 Zone: AuEq = Au grade + 1.2979 * Cu grade + 0.0108 * Ag grade
- SW Zone: AuEq = Au grade + 1.2768 * Cu grade + 0.0106 * Ag grade

Metal prices for the AuEQ formulas are: \$US 1,600/ oz Au; \$3.25/lb Cu, and \$20.00/ oz Ag; with an exchange rate of US\$1.00:CAD\$1.30;

Metal recoveries for the AuEQ formulas are:

- Z87 Zone: 83% for Au recovery, 92% for Cu recovery and 76% for Ag recovery
- J4/J5 Zone: 82% for Au recovery, 88% for Cu recovery and 76% for Ag recovery
- SW Zone: 82.5% for Au recovery, 90% for Cu recovery and 76% for Ag recovery

The resource constraining shells were generated with:

- Metal Prices: Gold \$US 1600/oz, Copper \$US 3.25/lb, Silver \$US 20/oz
- Mining Costs:
 - J Zone and 87 Zone base cost \$Cdn 1.71/t moved,
 - SW Zone base cost \$Cdn 1.66/t moved
 - Incremental cost \$Cdn 0.03/t waste moved, \$Cdn 0.02/t feed moved
- Process and G&A Costs: \$Cdn 8.44/t processed
- Wall slopes: varied between 49.5 to 60 degrees depending on pit area and slope sector
- Metal Recoveries:
 - Gold: 90% all zones except in lower grade (Au<1/2 g/t) portions of SW zone = 88%
 - Copper: 90% all zones except in higher grade (Cu%>0.13%) portions of SW zone = 92%
 - Silver: all zones 40%

Underground cut-off grade is 0.9 AuEQ at Z87 Zone and J4/J5 Zone

The Mineral Resource estimate used for the PEA is effective as of July 20, 2020 and unchanged since the previously reported Mineral Resource estimate in the technical report entitled “Technical Report on the Troilus Gold-Copper Project Mineral Resource Estimate, Quebec, Canada” which was prepared by Mr. Paul Daigle, géo., Senior Associate Resource Geologist with AGP Mining Consultants Inc. (AGP) and filed on SEDAR at www.sedar.com on August 28, 2020 (the “Resources Report”). Mr. Daigle is an independent Qualified Person in accordance with the requirements of National Instrument 43-101 (“NI 43-101”).

Qualified Person

All technical information, not pertaining to the PEA, in this material change report has been reviewed and approved by Bertrand Brassard, M.Sc., P.Geo., Chief Geologist, who is a Qualified Person as defined by NI 43-101. Mr. Brassard has verified the technical data contained in this press release using industry accepted standards. Mr. Brassard is an employee of Troilus and is not independent of the Company under NI 43-101.

The mineral resource estimate disclosed in this material change report was prepared by Mr. Paul Daigle, géo., Senior Associate Resource Geologist with AGP, and the supporting Resources Report was filed on SEDAR (www.sedar.com) under the Company's issuer profile on August 28, 2020. Mr. Paul Daigle, who is an independent Qualified Person as defined under NI 43-101, has reviewed and approved the mineral resource estimate disclosed in this press release.

The PEA was prepared in accordance with National Instrument 43-101 (NI 43-101) of the Canadian Securities Administrators under the direction and supervision of Gord Zurowski, P. Eng Principal Mining Engineer with AGP, and the supporting Technical Report (the "Technical Report") will be available on SEDAR (www.sedar.com) under the Company's issuer profile within 45 calendar days. Mr. Zurowski, who is an independent Qualified Person as defined under NI 43-101, has reviewed and approved the technical information pertaining to the PEA disclosed in this material change report.

Non-IFRS Financial Measures

The Company has included certain non-IFRS financial measures in this news release, such as Initial Capital Cost, Cash Operating Costs, Total Cash Cost, All-In Sustaining Cost, Expansion Capital and Capital Intensity, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other corporations. Each of these measures used are intended to provide additional information to the user and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Non-IFRS financial measures used in this news release and common to the gold mining industry are defined below.

Total Cash Costs and Total Cash Costs per Ounce

Total Cash Costs are reflective of the cost of production. Total Cash Costs reported in the PEA include mining costs, processing & water treatment costs, general and administrative costs of the mine, off-site costs, refining costs, transportation costs and royalties. Total Cash Costs per Ounce is calculated as Total Cash Costs divided by payable gold ounces.

All-in Sustaining Costs ("AISC") and AISC per Ounce

AISC is reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the PEAS includes total cash costs, sustaining capital, expansion capital and closure costs, but excludes corporate general and administrative costs and salvage. AISC per Ounce is calculated as AISC divided by payable gold ounces.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Justin Reid
CEO +1 (647) 276-0050

Item 9 Date of Report

September 1, 2020

Cautionary Note Regarding Forward-Looking Statements and Information

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that the Indicated Mineral Resources will be converted to the Probable Mineral Reserve category, and there is no certainty that the updated Mineral Resource statement will be realized.

The mineral resource estimates contained herein may be subject to legal, political, environmental or other risks that could materially affect the potential development of such mineral resources. See the Resources Report, once filed, for more information with respect to the key assumptions, parameters, methods and risks of determination associated with the foregoing.

The PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The PEA is subject to a number of risks and uncertainties. See below and the Technical Report, once filed, for more information with respect to the key assumptions, parameters, methods and risks of determination associated with the foregoing.

This material change report contains “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, the results of the PEA, statements regarding the impact and implications of the economic statements related to the PEA, such as future projected production, costs, including without limitation, AISC, total cash costs, cash costs per ounce, capital costs and operating costs, statements with respect to Mineral Resource estimates, recovery rates, IRR, NPV, mine life, CAPEX, payback period, sensitivity analysis to gold prices, timing of future studies including the pre-feasibility study, environmental assessments (including the timing of an environmental impact study) and development plans, the Company’s understanding of the project; the potential to extend mine life beyond the period contemplated in the PEA, opportunity to expand the scale of the project, the project becoming a cornerstone mining project in Quebec and Canada; the development potential and timetable of the project; the estimation of mineral resources; realization of mineral resource estimates;; the timing and amount of estimated future exploration; costs of future activities; capital and operating expenditures; success of exploration activities; the anticipated ability of investors to continue benefiting from the Company’s low discovery costs, technical expertise and support from local communities; and the anticipated timing of filing the Technical Report. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “contemplates”, “goal”, “continue”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “will”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are made based upon certain assumptions and other important facts that, if untrue, could cause the actual results, performances or achievements of Troilus to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which Troilus will operate in the future.

Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward-looking statements include, amongst others, currency fluctuations, the global economic climate, dilution, share price volatility and competition. Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors that may cause the actual results, level of activity, performance or achievements of Troilus to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the impact the COVID 19 pandemic may have on the Company's activities (including without limitation on its employees and suppliers) and the economy in general; the impact of the recovery post COVID 19 pandemic and its impact on gold and other metals; there being no assurance that the exploration program or programs of the Company will result in expanded mineral resources; risks and uncertainties inherent to mineral resource estimates; the high degree of uncertainties inherent to preliminary economic assessments and other mining and economic studies which are based to a significant extent on various assumptions; variations in gold prices and other precious metals, exchange rate fluctuations; variations in cost of supplies and labour; receipt of necessary approvals; general business, economic, competitive, political and social uncertainties; future gold and other metal prices; accidents, labour disputes and shortages; environmental and other risks of the mining industry, including without limitation, risks and uncertainties discussed in the latest annual information form of the Company, in the Resources Report (and the Technical Report to be filed) and in other continuous disclosure documents of the Company available under the Company's profile at www.sedar.com. Although Troilus has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Troilus does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Cautionary Note to U.S. Investors Concerning Estimates of Mineral Resources

Mineral resource estimates have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in NI 43-101 and recognized by Canadian securities laws but are not defined terms or recognized under U.S. securities laws. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be upgraded to mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian securities laws, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies. U.S. investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Accordingly, these mineral resource estimates and related information may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.