



TRU PRECIOUS METALS CORP.

FILING STATEMENT

CHANGE OF BUSINESS INVOLVING THE ACQUISITION OF THE GOLDEN ROSE PROJECT

BY

TRU PRECIOUS METALS CORP.

Dated as of April 29, 2021

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Change of Business as described in this filing statement.

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SCHEDULE "B" - Management Discussion and Analysis of TRU

SCHEDULE "C" – *Pro-Forma* Consolidated Statement of Financial Position of the Resulting Issuer as at December 31, 2020

GLOSSARY OF TERMS

The following is a glossary of certain terms used and not otherwise defined in this Filing Statement. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9 as now in effect and as it may be amended from time to time;

“**Affiliate**” a company is an “Affiliate” of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person;

“**Altius**” means Altius Resources Inc., a corporation existing under the *Business Corporations Act* (Newfoundland and Labrador), and a wholly-owned subsidiary of Altius Minerals;

“**Altius Minerals**” means Altius Minerals Corporation, a corporation existing under the ABCA;

“**Arm’s Length Transaction**” means a transaction which is not a Related Party Transaction;

“**Author**” means David T.W. Evans, M.Sc., P.Geo.;

“**Board**” means the board of directors of TRU or the Resulting Issuer as applicable;

“**Change of Business**” means a transaction or series of transactions which will redirect an issuer’s resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the issuer’s market value, assets or operations, or which becomes the principal enterprise of the issuer;

“**Closing**” means the closing of the Transaction by TRU and Altius pursuant to the Option Agreement;

“**Closing Date**” means the date on which the Closing occurs, which is anticipated to be on the tenth day following the date on which the TSXV approves the Company’s Change of Business, or such earlier or later date as the parties may agree;

“**Common Shares**” means the common shares in the capital of TRU;

“**Concurrent Financing**” means the non-brokered private placement offering of 15,910,053 subscription receipts, which closed on March 4, 2021;

“**Effective Date**” means the date the Transaction becomes effective as set forth in the Option Agreement;

“**Filing Statement**” means this filing statement dated as of April 29, 2021, together with all Schedules hereto;

“**Golden Rose Project**” means Altius’ Golden Rose project located in the southwestern portion of the Central Newfoundland Gold Belt, which for greater certainty includes the Rose Claims;

“**IFRS**” means International Financial Reporting Standards;

“Initial Shares” means the issuance of 7,140,000 Common Shares to Altius on approval of the Option Agreement by the TSXV;

“Insider” if used in relation to an issuer, means: (a) a director or senior officer of the issuer; (b) a director or senior officer of the company that is an insider or subsidiary of the issuer; (c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of an issuer; or (d) an issuer itself if it holds any of its own securities;

“MD&A” means management’s discussion and analysis;

“NEX” means the NEX Board of the TSXV;

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“Option Agreement” means the agreement between TRU and Altius dated February 23, 2021, pursuant to which, Altius granted TRU an option to acquire a 100% interest in and to the Golden Rose Project;

“Person” means a company or individual;

“Property Acquisitions” means, collectively, the acquisitions of the Golden Rose Project, Stony Lake Property, Rolling Pond Property, Twilite Gold Property and Gander West Property, as such terms are defined in *“Part 1: Information Concerning TRU – History”*;

“Related Party Transaction” has the meaning ascribed to that term in TSXV Policy 5.9, and includes a related party transaction that is determined by the TSXV, to be a Related Party Transaction;

“Resulting Issuer” means TRU, after completion of its Change of Business as described herein;

“Resurgent” means Resurgent Capital Corp.;

“Rose Royalty” means the 2% net smelter return royalty to be paid to Shawn Rose with respect to the Rose Claims.

“TRU” or the **“Company”** means TRU Precious Metals Corp., a corporation incorporated and continuing to exist under the ABCA following the amalgamation of TRU and TRU Subco;

“TRU Shareholders” means the holders of Common Shares;

“TRU Subco” means 11436465 Canada Inc., a former wholly-owned subsidiary of TRU which was amalgamated with TRU;

“SEDAR” means the System for Electronic Document Analysis and Retrieval;

“Stock Option Plan” means the incentive stock option plan of TRU, as approved by the TRU Shareholders at its most recent annual general meeting, which will continue to be used as the stock option plan for the Resulting Issuer;

“Technical Report” means the independent NI 43-101 technical report entitled “NI 43-101 Technical Report on the Golden Rose Project, Newfoundland, Canada” prepared by David T.W. Evans, M.Sc., P.Geo. and dated March 31, 2021;

“**Transaction**” means, collectively, (i) the completion of the Change of Business; (ii) the execution of the Option Agreement; (iii) the completion of the Concurrent Financing and the satisfaction of the Escrow Release Condition (as hereinafter defined); and (iv) the issuance of the Initial Shares; and

“**TSXV**” or the “**Exchange**” means the TSX Venture Exchange.

FORWARD-LOOKING INFORMATION

This Filing Statement contains forward-looking information within the meaning of applicable Canadian securities laws. This forward-looking information includes, but is not limited to, statements with respect to management’s expectations regarding the future growth, results of operations and exploration, mineral properties, performance and business prospects of TRU or the Resulting Issuer. This forward-looking information relates to, among other things, our objectives and the strategies to achieve these objectives, as well as to our beliefs, plans, expectations, anticipations, estimations and intentions, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Statements with the words “could”, “expect”, “may”, “will”, “anticipate”, “assume”, “intend”, “plan”, “believes”, “estimates”, “guidance”, “foresee”, “continue” and similar expressions are intended to identify statements containing forward looking information, although not all forward-looking statements included such words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to the following risk factors described in greater detail under the heading “*Risk Factors*”: failure to satisfy all regulatory requirements for completion of the Transaction; lack of ownership over the Golden Rose Project; insufficient capital; lack of profit and financing uncertainties; limited operating history and negative operating cash flows; price volatility of publicly traded securities; exploration and development risks; no known mineral reserves or resources on TRU’s mining properties; uninsurable risks; environmental and regulatory requirement effects on TRU’s operations; uncertainty in obtaining governmental permits and regulations; mining industry competition; fluctuating mineral prices; conflicts of interest; risks associated with the loss of key personnel; risks related to reliability and reliance on historical exploration information; uncertainty of use of available funds; the ongoing global pandemic involving the novel coronavirus; risks associated with acquiring mineral claims; and risks associated with inadequate infrastructure.

All of the forward-looking information in this Filing Statement is qualified by these cautionary statements. Statements containing forward-looking information contained herein are made only as of the date of this Filing Statement. TRU expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

CURRENCY AND EXCHANGE RATES

Unless otherwise indicated, all references to “\$” or “dollars” refer to Canadian dollars, and all references to “US\$” refer to United States dollars. On April 28, 2021, the indicative rate of exchange as reported by the Bank of Canada was \$1.00 = US\$0.8093 and US\$1.00 = \$1.2357.

IFRS AND NON-IFRS FINANCIAL MEASURES

The annual consolidated financial statements of TRU have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and are stated in Canadian dollars.

SUMMARY OF FILING STATEMENT

Cautionary Language

The following is a summary of information relating to TRU, the Golden Rose Project and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Summary of the Option Agreement

On January 6, 2021, TRU entered into a binding term sheet with Altius, pursuant to which Altius granted TRU the option to acquire the Golden Rose Project (the “**Option**”). On February 23, 2021, TRU and Altius entered into a definitive option agreement (“**Option Agreement**”) to supersede such term sheet. In order to exercise this Option and acquire the Golden Rose Project, TRU is required to make a series of Common Share issuances to Altius, at a deemed price of \$0.25 per Common Share, and incur exploration expenditures on the Golden Rose Project, as follows:

- (i) TRU shall issue 7,140,000 Common Shares on the Closing Date of the Option Agreement (the “**Initial Shares**”);
- (ii) TRU shall issue 800,000 Common Shares on or before the date that is one (1) month from the Closing Date;
- (iii) TRU shall issue 800,000 Common Shares on or before the date that is twelve (12) months from the date of the Option Agreement (the “**Option Agreement Date**”);
- (iv) TRU shall issue 1,400,000 Common Shares on or before the date that is twenty-four (24) months from the Option Agreement Date (together with the Common Shares issued in (ii) through (iv), collectively, the “**Additional Shares**”);
- (v) incurring exploration expenditures of \$500,000 within twelve (12) months of the Option Agreement Date;
- (vi) incurring additional exploration expenditures of \$1,000,000 within twenty-four (24) months of the Option Agreement Date; and
- (vii) incurring additional exploration expenditures of \$1,500,000 within thirty-six (36) months of the Option Agreement Date (together with the exploration expenditures incurred in (v) through (vii), collectively, the “**Exploration Expenditures**”).

In order for TRU to exercise the Option, TRU shall issue an aggregate of 10,140,000 Common Shares to Altius for an aggregate deemed value of \$2,535,000. Notwithstanding the foregoing, in each case only that number of Common Shares will be issued which will result in the total shareholdings of Altius not exceeding 19.99% of TRU’s issued and outstanding Common Shares as of the date of issuance.

In addition, Altius shall retain a 2.0% net smelter returns royalty (the “**Altius NSR**”) on any future minerals production from the Golden Rose Project. Notwithstanding the foregoing, in respect of any claims on the Golden Rose Project that carry pre-existing royalty obligations to third parties, including the Rose Royalty, Altius shall retain a net smelter returns royalty equal to (a) 2.0%, minus (b) the pre-existing royalty. Altius shall also retain the benefit of any buyback provisions of any such pre-existing royalties.

In addition, Altius shall also assign the amended and restated option and royalty agreement between Altius and Shawn Rose dated November 24, 2020, as amended on February 22, 2021 (the “**Underlying Agreement**”) to TRU. Pursuant to the Underlying Agreement, Altius was granted the option to acquire certain mineral claims known as Rose Gold in the Province of Newfoundland and Labrador (the “**Rose Claims**”). The Rose Claims are comprised of six (6) map-staked licenses containing 71 claims and covering 1,775 hectares (17.75 km²), as follows:

Issued To	License Number	Number of Claims	Number of Hectares	Issuance Date
Shawn Rose	027483M	9	225	2019/11/22
Shawn Rose	027485M	7	175	2019/11/25
Shawn Rose	023351M	10	250	2015/10/05
Shawn Rose	024897M	12	300	2017/03/29
Shawn Rose	031266M	16	400	2020/10/02
Shawn Rose	031346M	17	425	2020/11/09
	TOTALS	71	1775	

In order to exercise the option to acquire the Rose Claims, TRU (and subsequently the Resulting Issuer) must: (i) make a payment of \$22,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2021; (ii) make a payment of \$37,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2022; and (iii) grant the Rose Royalty. The deemed value of such Common Shares pursuant to the Option Agreement, if issued in lieu of cash, shall be the greater of (a) \$0.25 per Common Share and (b) the closing price of such Common Shares on the TSXV on the day prior to such payment date. If any or all of the Rose Claims achieves a National Instrument 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), TRU must make an additional cash payment of \$250,000 (which amount shall only be payable in cash) within five business days of the date of the filing on SEDAR of a related technical report. For greater certainty, this payment is not a precondition to the exercise of the option to acquire the Rose Claims. Shawn Rose is at arm’s length to TRU and Altius and will be at arm’s length to the Resulting Issuer.

The Option Agreement provides that Altius has complied with all obligations of the Underlying Agreement required to be complied with by it as of the date of the Option Agreement, including but not limited to: (i) the cash payment by Altius to Shawn Rose of \$17,500 pursuant to Section 4.2(a) of the Underlying Agreement; and (ii) the incurrence of Exploration Expenditures in the amount of not less than \$50,000 pursuant to Section 5.1 of the Underlying Agreement. On or prior to the closing date of the Option Agreement, Altius shall comply with the cash payment requirement, or provision therefor, by Altius to Shawn Rose of \$30,000 in connection with Altius’ assignment of the Underlying Agreement to the Company pursuant to Section 6.1 of the Underlying Agreement. Therefore, none of these obligations are being assumed by the Resulting Issuer.

Please note all figures given in this Filing Statement with respect to the Transaction include only the issuance of the Initial Shares.

Change of Business

The Transaction constitutes a Change of Business for TRU under the policies of the TSXV. Upon completion of the Transaction, the Resulting Issuer will be engaged in the business of mineral exploration and development and will become a Tier 2 mining issuer under the policies of the TSXV under the same name and trading symbol, “TRU”. The Change of Business is subject to approval by a majority of TRU Shareholders. TRU expects to obtain such approval by way of written consent.

Interests of Insiders

Insiders of TRU and their respective affiliates will be treated in the same manner as all other TRU Shareholders in connection with the Transaction. The following table summarizes the interests of insiders in TRU before and after giving effect to the Transaction:

Pre-Transaction

Name	Relationship to TRU	Common Shares Owned or Controlled (#)	Options ⁽¹⁾ (#)	Percentage Ownership, Control or Direction	
				Undiluted ⁽²⁾ (%)	Fully-Diluted ⁽³⁾ (%)
Joel Freudman	President, Chief Executive Officer, Director	2,347,500 ⁽⁴⁾	100,000	8.2	7.9
Robert Harrison	Chief Financial Officer, Corporate Secretary	198,550	125,000	0.7	1.0
Barry Greene	Director, VP of Property Development	750,000	Nil	2.6	2.4
Damian Lopez	Director (Lead Director)	233,823	750,000	0.8	3.2
David Hladky	Director	Nil	150,000	Nil	0.5

Notes:

- (1) Each stock option is exercisable to purchase one Common Share. See “Part I: Information Concerning TRU – Stock Option Plan” and “Part III: Information Concerning the Resulting Issuer – Options to Purchase Securities”.
- (2) Based on 28,730,841 Common Shares issued and outstanding as at the date hereof.
- (3) Based on 31,040,841 Common Shares issued and outstanding on a fully-diluted basis, including 28,730,841 Common Shares issued and outstanding as at the date hereof, plus 2,310,000 Common Shares issuable upon exercise of outstanding securities convertible into Common Shares.
- (4) Joel Freudman, the President, Chief Executive Officer, and a director of TRU, is the sole director and officer of Resurgent, and thereby exercises direction and control over 2,347,500 Common Shares that are beneficially owned by Resurgent. See “Part III: Information Concerning the Resulting Issuer – Principal Securityholders”.

Post-Transaction

Name	Relationship to TRU	Common Shares Owned or Controlled (#)	Convertible Securities ⁽¹⁾ (#)	Percentage Ownership, Control or Direction	
				Undiluted ⁽³⁾ (%)	Fully-Diluted ⁽⁴⁾⁽⁵⁾ (%)
Joel Freudman	President, Chief Executive Officer, Director	2,574,773 ⁽⁶⁾	327,273 ⁽²⁾	5.0	4.1
Robert Harrison	Chief Financial Officer, Corporate Secretary	248,550	175,000 ⁽²⁾	0.5	0.6
Barry Greene	Director, VP of Property Development	863,636	113,636 ⁽²⁾	1.7	1.4
Damian Lopez	Director (Lead Director)	233,823	750,000	0.5	1.4
David Hladky	Director	85,000	235,000 ⁽²⁾	0.2	0.3
Altius Resources Inc. ⁽⁷⁾	Significant Securityholder	7,140,000	Nil	13.8	10.1

Name	Relationship to TRU	Common Shares Owned or Controlled (#)	Convertible Securities ⁽¹⁾ (#)	Percentage Ownership, Control or Direction	
				Undiluted ⁽³⁾ (%)	Fully- Diluted ⁽⁴⁾⁽⁵⁾ (%)

Notes:

- (1) Convertible securities of TRU include Stock Options and common share purchase warrants (“**Warrants**”). Each Stock Option is exercisable to purchase one Common Share. See “*Part I: Information Concerning TRU – Stock Option Plan*” and “*Part III: Information Concerning the Resulting Issuer – Options to Purchase Securities*”. Each warrant is exercisable to purchase one Common Share. See “*Part I: Information Concerning TRU – Financing*”.
- (2) The number of convertible securities held by each of Joel Freudman (through Resurgent), Robert Harrison, Barry Greene and David Hladky all increased due to the Warrants forming part of the Subscription Receipts purchased by each of them as part of the Concurrent Financing.
- (3) Based on 51,780,894 Common Shares issued and outstanding as of the Closing Date.
- (4) Based on 70,527,204 Common Shares issued and outstanding on a fully-diluted basis, including 51,780,894 Common Shares issued and outstanding as of the Closing Date, plus 18,746,310 Common Shares issuable upon exercise of outstanding securities convertible into Common Shares.
- (5) This figure does not include Common Shares that the Company may issue in the future pursuant to its already-completed Property Acquisitions, because all such issuances are contingent on future milestones which the Company may determine not to proceed with. The maximum number of potential future Common Shares that may be issued in connection with such acquisitions is 6,340,000, as follows: (i) Golden Rose Project – 3,000,000 to Altius and 240,000 to Shawn Rose; (ii) Rolling Pond Property – 2,100,000; and (iii) Twilite Gold Property – 1,000,000.
- (6) Joel Freudman, the President, Chief Executive Officer, and a director of TRU, is the sole director and officer of Resurgent, and thereby exercises direction and control over 2,574,773 Common Shares that are beneficially owned by Resurgent. See “*Part III: Information Concerning the Resulting Issuer – Principal Securityholders*”.
- (7) Altius will become an Insider of TRU on closing of the Transaction. Altius will hold 10.1% of the issued and outstanding Common Shares on a fully-diluted basis, based on 70,527,204 Common Shares outstanding fully-diluted. Altius will hold 10,140,000 Common Shares assuming issuance by TRU of the Additional Shares, which will result in Altius holding 13.8% of the issued and outstanding Common Shares on a fully-diluted basis, based on 73,527,204 Common Shares outstanding fully-diluted.

Arm’s Length Transaction

The Transaction is an Arm’s Length Transaction under the policies of the TSXV.

Available Funds and Principal Purposes

The Resulting Issuer is expected to have approximately \$4,493,359 in working capital available on Closing. In the twelve (12) months following completion of the Transaction, the Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives which are summarized in the table appearing below:

	Estimated Amount
Sources of Funds:	
Estimated working capital as at March 31, 2021	\$1,108,924
Net proceeds of Concurrent Financing	\$3,384,435
Total Sources	\$4,493,359
Uses of Funds:	
Costs related to the Transaction, including the Concurrent Financing	\$250,000
General and administrative expenses and public company initiatives ⁽¹⁾	\$1,210,000
Investor Relations Activities agreement costs ⁽²⁾	\$153,000
Exploration expenditures ⁽³⁾	\$2,070,000
Unallocated Working Capital:	\$810,359
Total Uses	\$4,493,359

Notes:

- (1) TRU will not be making any payments to Non-Arm's Length Parties in connection with the Transaction, other than established ordinary course salary and fee payments.
- (2) Investor relations agreements as disclosed at "*Part III: Information Concerning the Resulting Issuer - Investor Relations Arrangements.*"
- (3) Excludes the following potential property acquisition payments to be made in cash within the next 12 months, which are contingent and are at the sole discretion of the Company: \$50,000 under the Rolling Pond Agreement; and \$22,500 under the Underlying Agreement.

Available Funds

After giving effect to the Transaction, the estimated total funds available to the Resulting Issuer will be \$4,493,359, of which \$1,108,924 represents the estimated consolidated working capital as at March 31, 2021.

For additional information, see "*Part III – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected Pro-Forma Financial Information

The following table contains certain pro-forma financial information regarding the Resulting Issuer. The following information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement, being the audited financial statements of TRU for the years ended December 31, 2020, 2019 and 2018, which are attached as Schedule "A" hereto.

	Balance Sheet as at December 31, 2020
Total Assets	\$4,520,208
Total long and short term liabilities	\$205,093

TSXV Listing

The Common Shares are listed for trading on the TSXV under the trading symbol "TRU" and on the OTCQB Venture Market under the symbol "TRUIF". The Common Shares were last halted by IIROC on January 6, 2021 (the "**Halt**") in advance of the announcement of the binding term sheet in respect of the Option. The closing trading price of the Common Shares on the TSXV on January 5, 2021, the date immediately preceding the Halt, was \$0.27. The closing trading price of the Common Shares on the TSXV at the time of the Halt was \$0.29.

Sponsorship

TRU has applied for and received a waiver from the Sponsorship requirements of TSXV Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Conflicts of Interest

Certain directors and officers of TRU are also personally involved as directors, officers and/or investors in companies with which TRU may compete for mineral exploration properties, service providers, or other commercial opportunities. Such engagements may give rise to conflicts of interest from time to time. The directors and officers of TRU are required by law to act honestly and in good faith with a view to the best

interests of TRU, and to disclose any interests they have in any contract or transaction being considered by TRU. In addition, all of TRU's personnel are required to comply with TRU's Code of Business Conduct.

Interests of Experts

As of the date of this Filing Statement, no professional person whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or who has provided an opinion or report referenced in this Filing Statement, including but not limited to, McGovern Hurley LLP, Daye Kelly & Associates, the Author and TRU's legal counsel, Wildeboer Dellelce LLP, currently holds more than 1% of the issued and outstanding Common Shares and upon completion of the Transaction, will not hold more than 1% of the issued and outstanding Common Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of its associates or affiliates.

Summary of Risk Factors

There are certain risk factors associated with the Change of Business, all of which should be carefully considered. In addition, there are specific risk factors associated with the Transaction and an investment in the Common Shares should be considered highly speculative due to the nature of the TRU's business. For a comprehensive discussion of the risk factors relating to TRU or the Resulting Issuer, see "*Risk Factors*".

Conditional Approval of the TSXV

The TSXV has conditionally accepted the Transaction subject to TRU fulfilling all of the requirements of the TSXV. There is no assurance that TRU will be able to meet all of such requirements and if TRU is unable to meet all of such requirements, the Transaction will not be completed.

RISK FACTORS

There are a number of risk factors associated with TRU and the Transaction. An investment in the Resulting Issuer involves risk. Prospective investors should consider carefully the risks and uncertainties set forth below and the other information contained in this Filing Statement. These are not the only risks and uncertainties that the Resulting Issuer face. Additional risks and uncertainties not presently known or that TRU currently considers immaterial, may also materially and adversely affect the business of the Resulting Issuer and cause the trading price of the Common Shares to decline. If any of the events identified in these risks and uncertainties were to actually occur, the Resulting Issuer's business, financial condition and results of operations could be materially harmed. In that event, the trading price of the Common Shares could decline and investors could lose all or part of their investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Risks Related to the Transaction

Failure to Satisfy all Regulatory Requirements for Completion of the Transaction

Completion of the Transaction is subject to, among other things, the acceptance of the TSXV and the receipt of all necessary regulatory and shareholder approvals. There can be no certainty, nor can either party provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. The requirement to take certain actions or to agree to certain conditions to satisfy such requirements or obtain any such approvals may have a material adverse effect on the business and affairs of TRU or the trading price of the Common Shares after completion of the Transaction. Pursuant to the Option Agreement,

obtaining all regulatory or third-party approvals, orders or consents is required as a condition to closing the Transaction. The proceeds of the Concurrent Financing will not be released from escrow to the Company until the Transaction has been approved by the TSXV.

Option Over the Property and Property Interests

TRU does not own the mineral rights pertaining to the Golden Rose Project. Rather, it holds an option to acquire a 100% interest. There is no guarantee that TRU will be able to raise sufficient funding in order to exercise the Option. If TRU loses or abandons its interest in the Option, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by TRU, whether by way of option or otherwise, should TRU wish to acquire any additional properties.

TRU's right to exercise the Option will be dependent upon its compliance with the Option Agreement. Exploration Expenditures must be incurred and share payments must be made in order to exercise the Option. There can be no assurance that TRU will be able to comply with the provisions of the Option Agreement. If TRU is unable to fulfil the requirements of the Option Agreement, it is likely that it would be considered in default of such agreement and the agreement could be terminated resulting in the loss of all rights to the Option, and the loss of all expenditures incurred pursuant to the Option to the date of termination of the Option Agreement. Additional funding will be required to fund the work expenditure commitments on the Golden Rose Project. There is no assurance that such funds will be available. Failure to obtain adequate financing on a timely basis could result in the loss of TRU's right to exercise the Option.

In the event TRU acquires a 100% interest in the Golden Rose Project, there is no guarantee that title to the Golden Rose Project will not be challenged or impugned. TRU's mineral property interests may be subject to prior unregistered agreements or transfers or title may be affected by undetected defects. TRU can give no assurance as to the validity of title of TRU to those lands or the size of such mineral lands.

Risks Related to the Business of TRU

Insufficient Capital

TRU currently only generates non-material interest revenue and may, from time to time, report a working capital deficit. To maintain its activities, TRU will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. Although TRU successfully completed the Concurrent Financing, there is no assurance that TRU will be successful in continuing to obtain additional financing; failure to do so could result in the loss of TRU's interest in the Option.

Financing Risks

Due to the nature of its business, there can be no assurance that TRU will ever be profitable. The only present source of funds available to TRU is through the sale of its Common Shares. Even if the results of exploration are encouraging, TRU may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on TRU's mineral properties, or any additional properties in which TRU may acquire an interest. While TRU may generate additional working capital through further equity offerings or, if applicable, through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on terms acceptable to TRU, or at all. If available, future equity financing may result in substantial dilution to the TRU Shareholders. At present it is impossible to determine what amounts of additional funds may be required before TRU can internally fund its operations.

Limited Operating History and Negative Operating Cash Flow

Due to the nature of its business, there can be no assurance that TRU will ever be profitable. TRU has paid no dividends on its Common Shares, other than a one-time special dividend in November 2016, and does not anticipate doing so in the future. There are no known commercial quantities of mineral reserves on TRU's properties.

The purpose of this Change of Business is to carry out exploration and development on the Golden Rose Project and TRU's other mining properties with the objective of establishing economic quantities of mineral reserves. To the extent that TRU has a negative operating cash flow in future periods, TRU may need to allocate a portion of its cash reserves to fund such negative operating cash flow. TRU may also be required to raise additional funds through the issuance of equity or debt securities.

If TRU is unable to generate revenues or obtain such additional financing, any investment in TRU may be lost. In such event, the probability of resale of Common Shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and other developed countries have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of TRU in creating revenues, cash flows or earnings.

Exploration and Development Risks; No Mineral Reserves or Resources

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. TRU's mining properties are considered to be in the early exploration stage. As of the date of this Filing Statement, no mineral resources have been identified at TRU's mining properties. There is no certainty that further exploration and development will result in the identification of indicated, or measured resources, or probable or proven reserves, at TRU's mining properties, or that if any mineral resources or reserves are defined at TRU's mining properties that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The marketability of minerals acquired or discovered by TRU may be affected by numerous factors which are beyond the control of TRU and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the TRU not receiving an adequate return of investment capital.

The mining properties on which a portion of TRU's working capital is to be expended do not contain any known amounts of commercial ore.

There is no assurance that TRU's mineral exploration and development activities will result in any discoveries of commercial bodies of ore on TRU's mining properties or elsewhere. The long-term profitability of TRU's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish

reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, including in particular unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and TRU may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Environmental and other Regulatory Requirements

Environmental laws and regulations may affect the operations of TRU. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on TRU for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. In all major developments, TRU generally relies on recognized engineers from which TRU will, in the first instance, seek indemnities. TRU intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making TRU's operations more expensive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on TRU and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Permits and Government Regulations

The planned and future operations of TRU may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, drilling, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that TRU will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on TRU's mining properties.

Competition

The mining industry is intensely competitive in all its phases and TRU competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect TRU's ability to acquire suitable properties or prospects in the future and to engage qualified personnel to explore and develop TRU's mining properties.

Fluctuating Mineral Prices

TRU's revenues, if any, are expected to be in large part derived from the extraction and sale of precious metals. Factors beyond the control of TRU may affect the marketability of metals discovered, if any. Gold prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of TRU's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which TRU may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

Conflicts of Interest

Some of the directors and officers of TRU are engaged and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of TRU will be in direct competition with TRU. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the ABCA, as well as TRU's Code of Business Conduct. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting transaction. Some of the directors and officers of TRU are or may become directors or officers of other companies engaged in other business ventures.

Personnel

TRU has a small management team and board of directors and the loss of any key individual could affect TRU's business. Additionally, TRU will be required to secure other personnel to facilitate its exploration program on TRU's mining properties. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of TRU.

Reliability of Historical Exploration Information

TRU has relied on, and the disclosure in the Technical Report is based, in part, upon, historical data compiled by previous parties involved with the Golden Rose Project. To the extent that any of such historical data is inaccurate or incomplete, TRU's exploration plans may be adversely affected.

Uncertainty of Use of Available Funds

Although TRU has set out its intended use of available funds in this Filing Statement, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such funds. The failure by TRU to apply these funds effectively could have a material adverse effect on TRU's business, including TRU's ability to achieve its stated business objectives.

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to TRU. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of TRU's mining properties. To date, a number of governments, including that of Newfoundland and Labrador where the Company's mineral properties are located, have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of TRU's mining properties is

disrupted or suspended as a result of these or other measures, it may have a material adverse impact on TRU's financial position and trading price of the Common Shares.

COVID-19 and efforts to contain it may have broad impacts on the global economy, which could have a material adverse effect on TRU's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

Risks Associated with Acquisitions

If appropriate opportunities present themselves, TRU may acquire mineral claims, material interests in other mineral claims, and companies that TRU believes are strategic. TRU currently has no understandings, commitments or agreements with respect to any material acquisition, other than as described in this Filing Statement, and no other material acquisition is currently being pursued other than the Golden Rose Project. There can be no assurance that TRU will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired corporation or mineral claims into TRU may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of TRU's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect TRU's business, results of operations and financial condition.

Infrastructure

Exploration, development and processing activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of TRU's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of TRU's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect TRU's operations.

Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect TRU's ability to carry out exploration and future development operations and could have a material adverse effect on TRU's business, financial condition, results of operations, cash flows or prospects.

PART I - INFORMATION CONCERNING TRU

Corporate Structure

The full name of the Company is "TRU Precious Metals Corp."

The head office of TRU is located at 70 Trius Drive, Fredericton, New Brunswick E3B 5E3, and the registered office is located at Suite 1620, 444 – 5th Avenue SW, Calgary, Alberta, T2P 2T8.

TRU was incorporated under the ABCA on December 3, 1996, under the name "Cando Capital Inc." On September 3, 1998, TRU amended the articles of incorporation to remove restrictions on transfer of

securities and the number of shareholders applicable to a private company. On October 19, 1999, the Company changed its name to “Trius Investments Inc.”, and on October 19, 2020 changed its name to “TRU Precious Metals Corp.”

Intercorporate Relationships

TRU and its wholly-owned subsidiary, 11436465 Canada Inc., amalgamated on April 1, 2021 under the *ABCA*. Following this amalgamation, TRU has no subsidiaries. The following assets previously held by TRU Subco are now held by TRU: (i) the Gander West Property; (ii) the Twilite Gold Property; (iii) the option to purchase the Rolling Pond Property; and (iv) the Stony Lake Property, as such terms are defined below.

General Development of the Business

History

TRU was originally incorporated on December 3, 1996, under the name “Cando Capital Inc.”, as a junior capital pool company. It completed an initial public offering on the TSXV (then the Alberta Stock Exchange) in 1999. From 1999 to 2016, TRU operated a residential waste management business, and eventually acquired various interests in real estate and other businesses.

In 2017, following the disposal of certain industrial businesses and healthcare investments, TRU determined to reclassify its primary business from “industrial” to “investment” for stock exchange listing purposes.

On March 27, 2018, TRU announced the completion of its change of business from an industrial issuer to an investment issuer. Over the course of 2018, TRU divested of its remaining legacy real estate investments, with the final sale being completed on August 15, 2018. As a result of completing such sale, TRU no longer had active business operations or material assets other than cash, and no longer met the Tier 2 Continued Listing Requirements as prescribed by TSXV Policy 2.5 – *Continued Listing Requirements and Inter-Tier Movement*. Accordingly, effective August 17, 2018, TRU’s listing was transferred to the NEX under the trading symbol “TRU.H”.

Between August 2018 and March 2020, TRU pursued various corporate transactions with private cannabis companies. In March 2020, in response to opportunities arising from volatile financial market and economic conditions, TRU determined to broaden its focus on new investments and business opportunities.

On March 20, 2020, TRU entered into a non-convertible secured loan agreement (the “**Loan Agreement**”) with Revive Organics Inc. (“**Revive**”) to lend a principal amount of \$1,250,000 (the “**Loan**”), which at the date hereof has a remaining principal balance of \$200,000. The Loan had a maturity date of March 20, 2021 and bears interest at a rate of 10% per annum, payable monthly. The Loan is secured by a general security agreement in favour of TRU over all of the assets of Revive. On October 19, 2020, the Loan Agreement was amended to provide that Revive would repay at least \$500,000 of the outstanding principal amount in five equal monthly installments commencing in November 2020. The parties have since negotiated and entered into a second Loan amendment on February 26, 2021 (the “**Second Amendment**”), under which the payment schedule for the Loan has been updated as follows, inclusive of interest: \$336,250 due on March 31, 2021 (paid); \$223,500 due on April 30, 2021 (paid); and \$201,667 due on May 31, 2021. As consideration for entering into the Second Amendment, Revive will also pay TRU a one-time fee of \$21,000 on May 31, 2021.

On August 4, 2020, TRU obtained final acceptance of the TSXV in respect of its application for reactivation and graduation to the TSXV from the NEX as a Tier 2 investment issuer. Effective August 6, 2020, trading in the Common Shares commenced on the TSXV under the trading symbol “TRU”.

Following reactivation to the TSXV, TRU began seeking unique value-creation opportunities and began to assemble a portfolio of gold exploration properties in the Central Newfoundland Gold Belt, which ultimately came to include the following mining properties:

(i) Gander West APA

On September 18, 2020, TRU Subco completed an asset purchase agreement (the “**Gander West APA**”) with three individuals (the “**Gander West Vendors**”), pursuant to which TRU indirectly agreed to purchase a mineral license for the Gander West exploration property in Newfoundland (the “**Gander West Property**”) along with all related permits and technical data. Pursuant to the Gander West APA, the Gander West Vendors received the following consideration: (i) the issuance of an aggregate of 2,000,000 Common Shares at a deemed price of \$0.19 per Common Share and a fair value of \$0.22 per Common Share based on the quoted market price of the shares at the closing date; (ii) the payment to certain of the Gander West Vendors of an aggregate of \$25,000 in cash; and (iii) the granting to certain of the Gander West Vendors of a 3.0% net smelter returns royalty from any future mineral production at the Gander West Property.

(ii) Twilite APA

On November 9, 2020, TRU Subco completed an asset purchase agreement (the “**Twilite APA**”) with GBC Grand Exploration Inc. (“**GBC**”), pursuant to which TRU indirectly agreed to purchase 65 mineral claims located in Central Newfoundland known as the Twilite Gold Project (the “**Twilite Gold Property**”), along with all related permits and technical data. GBC received the following consideration: (i) 1,435,000 Common Shares at a deemed price of \$0.25 per Common Share and a fair value of \$0.29 per Common Share based on the quoted market price of the shares at the closing date; (ii) \$100,000 cash; and (iii) a 1.0% net smelter returns royalty from any future mineral production at the Twilite Gold Property, of which 0.5% can be repurchased by TRU for \$1,000,000. The Twilite Gold Property is currently subject to a 2.0% net smelter returns royalty owing to prior owners, of which 1.0% can be repurchased for \$1,000,000.

Pursuant to the Twilite APA, GBC is entitled to receive up to an additional 1,000,000 Common Shares in the event certain mineral deposit discovery milestones are achieved at the Twilite Gold Property.

(iii) Rolling Pond Option

On November 18, 2020, TRU Subco entered into an option agreement (the “**Rolling Pond Agreement**”) with an arm’s length individual (the “**Optionor**”), whereby TRU Subco shall have the option (the “**Rolling Pond Option**”) to acquire 100% interest in 11 mineral licenses covering 224 contiguous claims located in central Newfoundland (the “**Rolling Pond Property**”). In order to exercise the Rolling Pond Option to acquire the Rolling Pong Property, TRU Subco would be required to:

- (i) issue Common Shares and make cash payments as follows:
 - a. 400,000 Common Shares and \$25,000 upon signing the Rolling Pond Agreement (completed). The Common Shares were valued at a fair value of \$0.27 each based on the quoted market price of the Common Shares at the issue date;
 - b. 500,000 Common Shares and \$50,000 on or before November 18, 2021;
 - c. 600,000 Common Shares and \$50,000 on or before November 18, 2022;

- d. 1,000,000 Common Shares and \$100,000 on or before November 18, 2023; and
- (ii) incur exploration expenditures in the aggregate amount of \$500,000 on or before November 18, 2024, with a minimum of \$100,000 on or before November 18, 2021. TRU Subco has granted a right of first refusal in favour of the Optionor and associated companies to be provided in connection with these exploration work commitments, subject to certain conditions as set out in the Rolling Pond Agreement.

Upon exercise of the Rolling Pond Option, TRU Subco shall grant the Optionor a 2.0% net smelter returns royalty from any future mineral production at the Rolling Pond Property, of which 1.0% can be repurchased by TRU Subco for \$1,000,000 at any time.

(iv) Stony Lake APA

On December 15, 2020, TRU Subco completed an asset purchase agreement (the “**Stony Lake APA**”) with four arm’s length vendors (the “**Stony Lake Vendors**”), pursuant to which TRU indirectly agreed to purchase a mineral license for the Stony Lake exploration property in Central Newfoundland (the “**Stony Lake Property**”), along with all related permits and technical data. As consideration, the Stony Lake Vendors received an aggregate of 3,350,000 Common Shares at a deemed price of \$0.30 per Common Share and a fair value of \$0.23 per Common Share based on the quoted market price of the shares at the closing date.

Option Agreement

On January 6, 2021, TRU entered into a binding term sheet with Altius, pursuant to which Altius granted TRU the Option to acquire the Golden Rose Project. On February 23, 2021, TRU and Altius entered into the Option Agreement to supersede such term sheet. In order to exercise the Option and acquire the Golden Rose Project, TRU would be required to, amongst other things:

- (i) issue Common Shares to Altius, at a deemed price per Common Share of \$0.25, as follows:
 - a. 7,140,000 Common Shares upon the Closing Date;
 - b. 800,000 Common Shares on or before the date that is one (1) month from the Closing Date;
 - c. 800,000 Common Shares on or before the date that is twelve (12) months from the Option Agreement Date;
 - d. 1,400,000 Common Shares on or before the date that is twenty-four (24) months from the Option Agreement Date; and
- (ii) incur exploration expenditures, as follows:
 - a. \$500,000, within twelve (12) months of the Option Agreement Date;
 - b. an additional \$1,000,000, within twenty-four (24) months of the Option Agreement Date; and
 - c. an additional \$1,500,000, within thirty-six (36) months of the Option Agreement Date.

In order for TRU to exercise the Option, TRU would have to issue an aggregate of 10,140,000 Common Shares to Altius for an aggregate deemed value of \$2,535,000. Notwithstanding the foregoing, in each case

only that number of Common Shares will be issued which will result in the total shareholdings of Altius not exceeding 19.99% of TRU's issued and outstanding Common Shares as of the date of issuance.

If TRU exercises the Option, Altius shall retain the Altius NSR on any future minerals production from the Golden Rose Project. Notwithstanding the foregoing, in respect of any claims on the Golden Rose Project that carry pre-existing royalty obligations to third parties, including the Rose Royalty, Altius shall retain a net smelter returns royalty equal to (a) 2.0%, minus (b) the pre-existing royalty. Altius shall also retain the benefit of any buyback provisions of any such pre-existing royalties.

TRU also grants to Altius a right of participation (the "**ROP**") with respect to any future equity financing during the Option Agreement term and prior to TRU exercising the Option. For each such financing, the ROP provides Altius the right, in its sole discretion, to invest up to the maximum amount of in such financing (at the same price and on the same terms and conditions as the other investors in such financing) that would result in Altius maintaining its post-financing equity ownership interest in TRU at 19.9%.

In addition, Altius shall also assign the Underlying Agreement to TRU. Pursuant to the Underlying Agreement Altius was granted the option to acquire the Rose Claims. In order to exercise the option to acquire the Rose Claims, TRU (and subsequently the Resulting Issuer) must: (i) make a payment of \$22,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2021; (ii) make a payment of \$37,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2022; and (iii) granting of the Rose Royalty. Any Common Shares issued to Mr. Rose shall be the greater of: (a) \$0.25 per Common Share; and (b) the closing price of such Common Shares on the TSXV, on the day prior to such payment date. If any or all of the Rose Claims achieves a National Instrument 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), TRU must make an additional cash payment of \$250,000 within five business days of the date of the filing on SEDAR a technical report, and such amount shall not be payable in Common Shares. For greater certainty, this payment is not a precondition to the exercise of the option to acquire the Rose Claims.

Financing

In connection with the Option Agreement, on March 4, 2021 (the "**Offering Closing Date**") TRU completed a concurrent financing by way of a non-brokered private placement offering of 15,910,053 subscription receipts (the "**Subscription Receipts**") at the price of \$0.22 per Subscription Receipt for gross proceeds of approximately \$3,500,212 (the "**Concurrent Financing**"). Each Subscription Receipt entitles the holder thereof to receive, without payment of any additional consideration and without further action on the part of the holder thereof, one unit of TRU (a "**Unit**") upon satisfaction of the Escrow Release Condition. Each Unit will be comprised of one Common Share and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant shall be exercisable to acquire one Common Share at an exercise price of \$0.35 per Common Share (the "**Exercise Price**") for a period of 36 months following the Offering Closing Date.

On the Offering Closing Date, the gross proceeds from the Concurrent Financing (the "**Escrowed Funds**") were deposited with and held in escrow by an escrow agent (the "**Escrow Agent**"), pursuant to the terms and conditions of an escrow agreement entered into on the Offering Closing Date between TRU and the Escrow Agent. The Escrowed Funds will be released from escrow by the Escrow Agent to TRU upon TRU providing the Escrow Agent with a direction confirming the final TSXV acceptance of the Transaction (the "**Escrow Release Condition**"). If the Escrow Release Condition is not satisfied on or before the date that is 90 days from the Offering Closing Date (the "**Escrow Deadline**"), then TRU shall direct the Escrow Agent to return the Escrowed Funds to the subscribers on behalf of TRU within ten (10) business days from the Escrow Deadline.

Upon satisfaction of the Escrow Release Condition, eligible finders (the “**Finders**”) will be paid an aggregate cash fee of approximately \$115,777 from the gross proceeds raised from Offering subscribers introduced by them, and will receive an aggregate 526,257 finder warrants (“**Finder Warrants**”) in respect of subscriptions by such subscribers. Each Finder Warrant shall entitle the holder thereof to purchase one Common Share at a price of \$0.22 for a period of 36 months following the Offering Closing Date. The Finders are at arm’s length to TRU and will be at arm’s length to the Resulting Issuer.

Selected Consolidated Financial Information and Management Discussion and Analysis

Financial Statements and MD&A of TRU

The audited consolidated financial statements of TRU for the financial years ended December 31, 2020, and 2019, are attached to this Filing Statement as Schedule “A”. The MD&A in respect of the audited consolidated financial statements of TRU for the financial year ended December 31, 2020 is attached to this Filing Statement as Schedule “B”. For more information, see “*Schedule “B” - Management Discussion and Analysis of TRU*”.

Selected Annual Financial Information

The following table sets forth selected consolidated financial information for TRU for the financial years ended December 31, 2020 and 2019.

	<u>For the year ended December 31,</u>	
	2020	2019
	<u>(\$)</u>	<u>(\$)</u>
Total expenses	\$2,973,953	339,429
Amounts deferred in connection with the Transaction	nil	nil

Description of Securities

TRU’s authorized share capital consists of an unlimited number of Common Shares, of which there are 28,730,841 Common Shares issued and outstanding as of the date hereof, and an unlimited number of Preferred Shares, of which none are currently issued and outstanding.

Common Shares

All Common Shares rank equally as to dividends, voting powers and participation in the distribution of assets. All holders of Common Shares are entitled to receive notice of any meetings of shareholders of TRU, and to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of TRU, holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor, and upon the liquidation, dissolution or winding up of TRU are entitled to receive on a pro rata basis the net assets of TRU after payment of debts and other liabilities. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preferred Shares

Preferred Shares may from time to time be issued in one or more series. The Board may fix the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares.

The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital upon the liquidation, dissolution or winding up of TRU, rank equally with the Preferred Shares of every other series, and be entitled to preference over the Common Shares and over any other shares of TRU ranking junior to the Preferred Shares. The Preferred Shares of any series may also be given such other preferences, not inconsistent with the articles, over the Common Shares and any other shares of TRU ranking junior to such Preferred Shares as may be fixed by the Board.

Unless the Board otherwise determines in the articles of amendment designating a series of Preferred Shares, the holder of each share of a series of Preferred Shares shall not, except as otherwise specifically provided in the ABCA, be entitled to receive notice of or vote at any meeting of the shareholders of TRU.

Stock Option Plan

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of TRU, or any subsidiary of TRU, the option to purchase Common Shares (“**Stock Options**”). The Stock Option Plan provides for a floating maximum limit of ten percent (10%) of the outstanding Common Shares (the “**Limit**”), as permitted by the policies of the TSXV. As at the date hereof, this represents 2,873,084 Common Shares available under the Stock Option Plan. Also as at the date hereof: (i) there are 2,310,000 outstanding Stock Options issued to directors, officers, employees and consultants of TRU, and all such Stock Options are exercisable immediately; and (ii) the number of Common Shares remaining available for issuance under the Stock Option Plan is 563,084.

The number of Common Shares reserved under option for any one person may not exceed five percent (5%) of the outstanding Common Shares. The Board determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant, and all other terms and conditions of the Stock Options, subject to the rules of the TSXV. The exercise price per Common Share set by the Board is subject to minimum pricing restrictions set by the TSXV.

Stock Options may be exercisable for up to ten (10) years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Stock Options granted under the Stock Option Plan do not require vesting provisions, although the Board may attach a vesting schedule to individual grants as it deems appropriate. Stock Options under the Stock Option Plan are non-assignable. If prior to the exercise of a Stock Option, the holder ceases to be a director, officer, employee or consultant of TRU, the Stock Option shall be limited to the number of Common Shares purchasable by him immediately prior to the time of his cessation of office or employment, and he shall have no right to purchase any other Common Shares under such Stock Option. Stock Options may be exercised within ninety (90) days of termination of employment or cessation of position with TRU, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one (1) year of termination or cessation, subject to earlier expiry pursuant to the specified expiry date. If any Stock Option expires or otherwise terminates after having been granted without having been exercised in full, the number of Common Shares in respect of such expired or terminated Stock Option, as the case may be, shall not be deducted from the Limit, and will again be available for grant for the purposes of the Stock Option Plan.

Upon completion of the Transaction, the Stock Option Plan of TRU will remain the Stock Option Plan of the Resulting Issuer. See “*Information Concerning the Resulting Issuer – Options to Purchase Securities*”.

Prior Sales

In the prior twelve (12) months before the date of this Filing Statement, TRU has issued securities as follows:

Date	Number and Type	Amount	Price/Exercise Price
March 4, 2021	Subscription Receipts	15,910,053	\$0.22
January 12, 2021	Common Shares	100,000	\$0.105 ⁽⁴⁾
December 15, 2020	Common Shares	3,350,000	\$0.30 ⁽⁵⁾
November 23, 2020	Stock Options	500,000	\$0.295
November 18, 2020	Common Shares	400,000	\$0.30 ⁽⁶⁾
November 9, 2020	Common Shares	1,435,000	\$0.25 ⁽⁷⁾
October 22, 2020	Stock Options	150,000 ⁽¹⁾	\$0.26
October 7, 2020	Common Shares	175,000	\$0.16 ⁽⁴⁾
September 18, 2020	Common Shares	2,000,000	\$0.19 ⁽⁸⁾
September 11, 2020	Stock Options	550,000 ⁽²⁾	\$0.18
June 1, 2020	Stock Options	210,000	\$0.12
May 26, 2020	Stock Options	950,000 ⁽³⁾	\$0.105
May 25, 2020	Common Shares	10,000,000	\$0.05

Notes:

- (1) David Hladky, director of TRU, was granted 150,000 Stock Options on October 22, 2020.
- (2) The following non-arm's length parties were granted Stock Options on September 11, 2020: (i) 50,000 to Robert Harrison; and (ii) 100,000 to Resurgent.
- (3) The following non-arm's length parties were granted Stock Options on May 26, 2020: (i) 100,000 to Peter Van Dijken; (ii) 100,000 to Marisa Muchnik; and (iii) 750,000 to Damian Lopez. Mr. Van Dijken and Ms. Muchnik are no longer directors of TRU as of October 22, 2020 and December 17, 2020, respectively.
- (4) Pursuant to exercises of Stock Options by current and/or former directors of TRU.
- (5) Deemed price. Issued at a fair value of \$0.23 per Common Share based on the quoted market price of the shares at the issue date.
- (6) The Common Shares were valued at a fair value of \$0.27 each based on the quoted market price of the Common Shares at the issue date.
- (7) Deemed price. Issued at a fair value of \$0.29 per Common Share based on the quoted market price of the shares at the issue date.
- (8) Deemed price. Issued at a fair value of \$0.22 per Common Share based on the quoted market price of the shares at the issue date.

Stock Exchange Price

The Common Shares are listed and posted for trading on the TSXV under the symbol "TRU". The following table sets forth information relating to the trading of the Common Shares on the TSXV since January 1, 2019.

Period	Volume	Price Range
Apr. 1 to Apr. 28, 2021 ⁽¹⁾	Nil	\$0.29
Mar. 1 to Mar. 31, 2021 ⁽¹⁾	Nil	\$0.29
Feb. 1 to Feb. 28, 2021 ⁽¹⁾	Nil	\$0.29
Jan. 1 to Jan. 31, 2021 ⁽¹⁾	129,500	\$0.26 - \$0.29
Dec. 1 to Dec. 31, 2020	309,545	\$0.215 - \$0.29
Nov. 1 to Nov. 30, 2020	1,632,500	\$0.245 - \$0.35
Oct. 1 to Oct. 31, 2020	2,041,239	\$0.24 - \$0.38

Period	Volume	Price Range
Jul. 1 to Sep. 30, 2020 ⁽²⁾⁽³⁾	3,079,363	\$0.12 - \$0.26
Apr. 1 to Jun. 30, 2020	4,898,029	\$0.065 - \$0.20
Jan. 1 to Mar. 31, 2020 ⁽³⁾	6,806	\$0.04 - \$0.145
Oct. 1 to Dec. 31, 2019 ⁽³⁾	Nil	\$0.145
Jul. 1 to Sep. 30, 2019 ⁽³⁾	Nil	\$0.145
Apr. 1 to Jun. 30, 2019 ⁽³⁾	Nil	\$0.145
Jan. 1 to Mar. 31, 2019 ⁽⁴⁾	299,500	\$0.125 - \$0.20

Notes:

⁽¹⁾ Trading Halt in effect from January 6, 2021 to present, due to the Transaction.

⁽²⁾ The Common Shares traded on the NEX until reactivation on the TSXV on August 6, 2020.

⁽³⁾ Trading Halt in effect from April 11, 2019 to March 15, 2020, for a proposed corporate transaction that was not completed.

⁽⁴⁾ Trading Halt in effect from January 1, 2019 to January 21, 2019, for a proposed corporate transaction that was not completed.

Executive Compensation

TRU's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) under National Instrument 51-102 – *Continuous Disclosure Obligations*, is set forth below, which contains information about the compensation paid to, or earned by, TRU's Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) and each of the other three most highly compensated executive officers of TRU earning more than CDN\$150,000 in total compensation (the “**Named Executive Officers**” or “**NEOs**”), along with the members of the Board, during TRU's two most recently completed financial years. Based on the foregoing, Joel Freudman, President and CEO, and Robert Harrison, CFO and Corporate Secretary, were TRU's only Named Executive Officers as at December 31, 2020, the last completed financial year for which TRU has financial statements currently available.

Compensation Policy

TRU does not use any formal benchmarking in determining compensation, although Board members do take into account executive compensation levels at comparable publicly-traded junior mineral exploration companies. TRU seeks to reward a NEO's current and future performance and the achievement of corporate and financial milestones, and to align the interests of NEOs with the interests of the shareholders.

Each NEO receives a base salary, paid on an hourly basis in the case of the CFO, in recognition of the position's day-to-day duties and responsibilities. The Board reviews and discusses each NEO's base salary from time to time, and may also consider a NEO's qualifications, experience, length of service and past contributions in determining the base salary.

The Board may award, throughout the year, discretionary bonuses for NEOs to serve as incentive mechanisms for meeting specific corporate and individual goals and objectives. Any such bonuses are determined with reference to the relative importance of the goals or objectives to TRU's success.

The Board reviews the granting of stock options to NEOs and directors and others. Individual grants are determined by an assessment of the individual's performance, current and expected level of responsibilities, the importance of his or her position and contribution to TRU, and previous stock option grants.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by TRU and none are proposed at this time.

Financial Instruments

Although TRU does not have formal policies in this regard, TRU expects NEOs and directors of TRU to obtain Board approval prior to personally purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities of TRU granted as compensation or held, directly or indirectly, by a NEO or director. As at the date hereof, to the knowledge of management of TRU, there are no such financial instruments requested or outstanding.

Compensation Risk

TRU has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. TRU recognizes that there may be risks in its current processes but, given the size of TRU and number of NEOs dedicated on a full-time basis, TRU does not believe the risks to be significant.

NEO Summary Compensation Table

The following table sets forth the total compensation paid to or earned by the NEOs during the financial years ended December 31, 2020 and 2019:

Name and Principal Position	Year	Salary (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
Joel Freudman President and CEO ⁽¹⁾	2020	91,167 ⁽¹⁾	15,650 ⁽¹⁾	48,000 ⁽¹⁾	Nil	N/A	Nil	154,817
	2019	38,474	Nil	Nil	Nil	N/A	Nil	38,474
Robert Harrison CFO and Corporate Secretary	2020	17,836	7,825	20,000	Nil	N/A	Nil	45,661
	2019	10,762	Nil	Nil	Nil	N/A	Nil	10,762

Note:

- (1) Mr. Freudman does not receive additional compensation for serving as a director of TRU. Commencing in March 2020, Mr. Freudman ceased being paid salary personally, and instead compensation for his services was paid to Resurgent under the MSA – see “*Management Contracts*” below.

Outstanding Option-Based Awards

The following table sets forth the options granted to the NEOs to purchase or acquire securities of TRU that remained outstanding at the end of the financial year ended December 31, 2020:

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money Options ⁽²⁾ (\$)
Robert Harrison	25,000	0.16	May 2, 2021	3,250
Robert Harrison	50,000	0.20	July 9, 2022	4,500
Robert Harrison	50,000	0.18	September 11, 2023	5,500
Joel Freudman ⁽¹⁾	100,000	0.18	September 11, 2023	11,000

Notes:

⁽¹⁾ These Stock Options were granted to Resurgent, over which Mr. Freudman exercises direction and control.

⁽²⁾ The closing price of the Common Shares on the Exchange on December 31, 2020 was \$0.29.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets forth the value vested or earned during the year of option-based awards and non-equity incentive plan compensation paid to the NEOs during the financial year ended December 31, 2020:

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Robert Harrison	Nil	20,000
Joel Freudman	Nil	48,000 ⁽²⁾

Notes:

⁽¹⁾ All Stock Options vest immediately on the date of grant.

⁽²⁾ Paid to Resurgent.

Termination and Change of Control Benefits

Except as disclosed below under “*Management Contracts*”, there is no plan or arrangement in respect of compensation received or that may be received by the NEOs with a view to compensating such individuals in the event of termination of their employment or a change of responsibilities following a change of control.

Director Compensation Table

The following table sets forth the value of all compensation provided to directors, not including those directors who are also NEOs, during the financial year ended December 31, 2020:

Name	Fees Earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other Compensation (\$)	Total (\$)
Damian Lopez ⁽¹⁾	25,035	Nil	86,870	Nil	Nil	Nil	111,905
Yousuf Soliman ⁽²⁾	2,360	Nil	Nil	Nil	Nil	Nil	2,360
Peter Van Dijken ⁽³⁾	7,442	Nil	11,583	Nil	Nil	Nil	19,025
Marisa Muchnik ⁽⁴⁾	7,892	Nil	11,583	Nil	Nil	Nil	19,475
Barry Greene ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	18,000 ⁽⁶⁾	18,000
David Hladky ⁽³⁾	1,000 ⁽⁵⁾	Nil	46,517	Nil	Nil	Nil	47,517

Notes:

- (1) Mr. Lopez is the Lead Director.
- (2) Mr. Soliman resigned as a director of TRU on March 9, 2020.
- (3) Mr. Van Dijken resigned as a director of TRU on October 22, 2020, and on the same day Mr. Hladky was appointed as a director of TRU.
- (4) Ms. Muchnik resigned as a director of TRU on December 17, 2020, and on the same day Mr. Greene was appointed as a director of TRU.
- (5) For conducting in-depth geological evaluations.
- (6) Mr. Greene received geological consulting fees of \$13,000 prior to his appointment as a director and officer of TRU on December 17, 2020, and salary of \$5,000 thereafter.

Outstanding Option-Based Awards

The following table sets forth the Stock Options granted to the directors of TRU, not including those directors who are also NEOs, to purchase or acquire securities of TRU and which remained outstanding at the end of the financial year ended December 31, 2020:

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option Exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money options⁽⁴⁾ (\$)
Damian Lopez ⁽¹⁾	750,000	0.105	May 26, 2025	138,750
Peter Van Dijken ⁽²⁾	100,000	0.105	May 26, 2025	18,500
Marisa Muchnik ⁽³⁾	100,000	0.105	May 26, 2025	18,500
David Hladky	150,000	0.26	October 22, 2025	4,500

Notes:

- (1) Mr. Lopez is the Lead Director.
- (2) Mr. Van Dijken resigned as a director of TRU on October 22, 2020. These Stock Options were subsequently exercised after year-end and prior to their expiry.
- (3) Ms. Muchnik resigned as a director of TRU on December 17, 2020. These Stock Options subsequently expired unexercised.
- (4) The closing price of the Common Shares on the Exchange on December 31, 2020 was \$0.29.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets forth the value vested or earned during the year of option-based awards and non-equity incentive plan compensation paid to directors of TRU, not including those directors who are also NEOs, during the financial year ended December 31, 2020:

Name	Option-based awards - Value vested during the year (\$) ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Damian Lopez	22,500	Nil
Yousuf Soliman	Nil	Nil
Peter Van Dijken	3,000	Nil
Marisa Muchnik	3,000	Nil
David Hladky	12,000	Nil

Note:

(1) All Stock Options vest immediately on the date of grant.

Management Contracts

On March 9, 2020, TRU entered into a management services agreement (the “MSA”) with Resurgent for executive management and venture capital markets advisory services. TRU paid Resurgent \$7,500 monthly to provide the services of TRU’s President and CEO and support TRU’s day-to-day operations. In addition, if TRU successfully completed a corporate M&A transaction with an arm’s length counterparty, Resurgent would, subject to any required approvals, have earned a one-time performance bonus payable entirely in Common Shares, having an aggregate value of 5% of TRU’s deemed valuation for purposes of such transactions. For greater certainty, no performance bonus or additional fees will be payable to Resurgent upon in connection with the Transaction. Resurgent is a shareholder of TRU and its investment decisions are controlled by its President, Joel Freudman, who also serves as President and CEO and a director of TRU.

On April 19, 2021, the MSA was amended as follows: (i) to increase the monthly fee payable under the MSA to \$12,500; (ii) to replace the share-based M&A performance bonus with a more conventional provision providing that Resurgent would be entitled to a lump-sum cash payment equivalent to one year of monthly fees upon the completion of a change of control; and (iii) to add a provision providing that, at the sole discretion of the board of directors, Resurgent will be eligible for cash bonuses upon the achievement by the Company of corporate milestones. These amendments to the MSA were made to align it with industry standards for executives of junior mining issuers and not in connection with the Transaction.

Non-Arm’s Length Transactions/Arm’s Length Transactions

Non-Arm’s Length Transactions

Other than as described under “Executive Compensation” and “Management Contracts”, TRU has not acquired any assets or received any services from any Non-Arm’s Length Parties in the last 24 months.

Arm’s Length Transaction

The proposed Transaction is an Arm’s Length Transaction.

Legal Proceedings

There are no legal proceedings material to TRU to which TRU is a party or of which any of its property is the subject matter, and there are no such proceedings known to TRU to be contemplated.

Auditor, Transfer Agent and Registrar

The auditor of TRU is McGovern Hurley LLP located at 251 Consumers Rd., Suite 800, North York, Ontario M2J 4R3.

TSX Trust Company, through its principal office at 301-100 Adelaide Street West, Toronto, Ontario M5H 4H1, is the transfer agent and registrar for the Common Shares.

Material Contracts

Other than contracts entered into in the ordinary course of business, TRU has entered into the following material contracts:

Material Contract	Details	Date of Material Contract
Option Agreement	For a description of the Option Agreement, see <i>Part I: Information Concerning TRU – Option Agreement</i>	February 23, 2021

Copies of this agreement will be available for inspection at the head office of TRU at 70 Trius Drive, Fredericton, New Brunswick E3B 5E3, at any time during ordinary business hours from the date hereof until Closing of the Transaction and for a period of 30 days thereafter.

PART II - INFORMATION CONCERNING THE GOLDEN ROSE PROJECT

Source of Information and Data

The following is a summary of the Technical Report for the Golden Rose Project, located in Newfoundland, Canada. The Technical Report is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Golden Rose Project.

Definitions contained in this Part and not otherwise defined in this Filing Statement, shall have the meanings ascribed to such definitions in the Technical Report.

Golden Rose Project Description and Location

Golden Rose Project Location

The Golden Rose Project is in southwestern-central Newfoundland, approximately 70 km southeast of the community of Stephenville. The project area encompasses portions of National Topographic System (“NTS”) map areas: 12A/03 (Burnt Pond), 12A/04 (King George IV Lake), 12A/05 (Puddle Pond) and 12A/6 (Victoria Lake). The Golden Rose Project is centered UTM NAD27 coordinates 444710E, 5335764N (57°0.74’, 48°0.18’).

Golden Rose Project Description

The Golden Rose Project encompasses 10,500 hectares in 18 mineral exploration licences (the “**Mineral Exploration Licences**”) (Figure 1, Table 1). On August 28, 2020, Altius and Shawn Rose entered into the Underlying Agreement regarding certain licenses comprising the Golden Rose Property. Licenses 027483M, 027485M, 023351M and 024897M were optioned to Altius whereby Altius can earn a 100% interest by making cash payments totaling \$50,000 over a three-year period as well as incurring \$50,000 in exploration expenditures in Year 1. The deal also included Altius own map-staked license (031231M). If Altius attracted a partner to the project (“**NewCo**”), Shawn Rose would also receive \$25,000 in cash or equivalent in common shares of the NewCo as a bonus.

On November 24, 2020, Altius amended and restated the Underlying Agreement to include Rose’s licenses 031266M and 031346M. For Altius to earn 100% interest, it paid \$17,500 cash to Rose on closing and will pay a total \$65,000 in cash or equivalent in common shares of NewCo by the second anniversary of the closing date. Altius would also have to incur cumulative exploration expenditures of at least \$50,000. Should Altius attract a partner to the project, Rose would also receive \$30,000 in cash or equivalent in common shares of the NewCo as a bonus. Rose retained 2% NSR with Altius/NewCo having the right to buy back 1% NSR for \$1M. Should the NewCo achieve a NI 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), NewCo shall make an additional cash payment of \$250,000 to Rose.

On February 22, 2021, the Underlying Agreement was amended to remove the Silver Pond claims from the Underlying Agreement. Altius subsequently acquired several more licenses through map-staking including 031328M, 031332M, 031342M, 031353M, 031356M, 031358M, 031359M, 031465M, 031476M, 031479M, and 031719M.

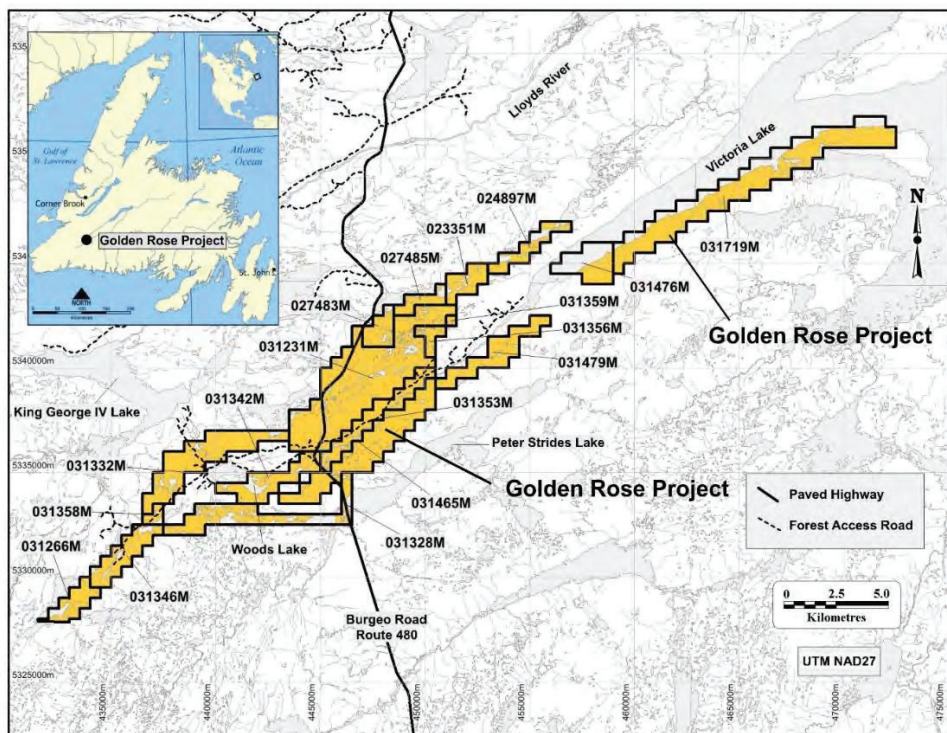


Figure 1. Golden Rose Project location map with Mineral Exploration Licences.

Table 1. Mineral Exploration Licence data.

Licence	NTS	Claims	Status	Issue Date	Renewal Date	Work Required	Work Due
023351M	12A04,12A05	10	Issued	10/5/2015	10/5/2025	4,719.03	5/10/2023
027483M	12A04	9	Issued	11/22/2019	11/22/2024	2,415.20	11/22/2022
027485M	12A04	7	Issued	11/25/2019	11/25/2024	899.57	11/25/2022
024897M	12A05	12	Issued	3/29/2017	3/29/2022	2,848.23	3/29/2022
031231M	12A04	86	Issued	9/24/2020	9/24/2025	3,521.43	9/24/2021
031266M	12A04	16	Issued	10/2/2020	10/2/2025	160.69	10/2/2021
031328M	12A04	30	Issued	10/28/2020	10/28/2025	1,387.13	10/28/2021
031332M	12A04	35	Issued	10/28/2020	10/28/2025	1,618.32	10/28/2021
031342M	12A04	19	Issued	11/8/2020	11/8/2025	4,553.03	11/8/2022
031346M	12A04	17	Issued	11/8/2020	11/8/2025	3,753.73	11/8/2022
031353M	12A04	20	Issued	11/8/2020	11/8/2025	883.39	11/8/2021
031356M	12A04	5	Issued	11/8/2020	11/8/2025	231.19	11/8/2021
031358M	12A04	3	Issued	11/8/2020	11/8/2025	138.71	11/8/2021
031359M	12A04	1	Issued	11/8/2020	11/8/2025	46.24	11/8/2021
031465M	12A04	40	Recorded		11/10/2025	8,000.00	11/10/2021
031476M	12A04,12A05	17	Recorded		11/10/2025	3,400.00	11/10/2021
031479M	12A04	20	Recorded		11/10/2025	4,000.00	11/10/2021
031719M	12A05,12A06	73	Issued	12/17/2020	12/17/2025	3,375.35	12/17/2021

On February 23, 2021, Altius and TRU entered into the Option Agreement, whereby in order to exercise the Option and acquire the Golden Rose Project, TRU is required to make a series of Common Share issuances to Altius and incur the Exploration Expenditures on the Golden Rose Project. Pursuant to the Underlying Agreement and the Option Agreement, the Golden Rose Project is subject to the Rose Royalty and Altius NSR and no other back in rights or covenants are known to exist with respect to the Golden Rose Project. For more information on the Underlying Agreement, the Rose Royalty, the Option Agreement and the Altius NSR, see “*Part I: Information Concerning TRU – Option Agreement*”.

Three of the Mineral Exploration Licences, which were staked in the fall of 2020 are shown in Table 1 as being recorded but not issued. A backlog in licence processing at the Department of Industry, Energy and Technology due to a high volume of staking is believed to be the cause. The Author of the Technical Report is not aware of any issue preventing these licences from being issued. The remaining Mineral Exploration Licences are all considered to be in good standing as of the date of the Technical Report. The Author is not aware of any factors or risks that may affect access, title or the ability of TRU to perform work on the property.

The land underlying the project area is vested in the Crown (Crown Land) and has no restricted access. Neither Altius nor TRU have any surface rights within or adjacent to the Golden Rose Project. In Newfoundland and Labrador, the right to explore for minerals is obtained through a map staked licence which is issued for renewable terms of five years to a total of 30 years. To maintain the licence in good standing annual assessment work must be completed and filed within 60 days of the anniversary date (issuance date) of the licence. The minimum required assessment expenditure increases each year. In year one \$200 is required per claim and increases by \$50 per year for each year of the five-year term. For years six to ten inclusive the amount is \$600 per claim; years eleven to fifteen inclusive \$900 per claim; years

sixteen to twenty inclusive \$1,200 per claim; years twenty-one to twenty-five inclusive \$2,000 per claim; and years twenty-six to thirty inclusive \$2,500 per claim.

The Golden Rose Project has nine (9) known gold occurrences. These are Rose Gold, Jacob's Pond, Hill Top, GP, Sure Shot, South Woods Lake (Main Zone), Mink Pond, Falls Zone and Glimmer Pond. For more information on the Golden Rose Project's mineralized zones, see "*Part II: Information Concerning the Golden Rose Project – Mineralization*".

To the Author's best knowledge, after enquiry with Altius, there are no known environmental liabilities associated with the Golden Rose Project. Historic trenches at the South Woods Lake Zone were not remediated by the previous owners. The trenches are not deep, and the trench walls are not steep and so do not pose a significant safety concern. A portion of the project area has been commercially logged. Exploration activities must be coordinated, and permits acquired from the Department of Fisheries, Forestry and Agriculture. The property operator will be required to remediate any new ground disturbance. More information can be found in the Technical Report, available in its entirety on SEDAR at www.sedar.com.

Altius has been granted an Exploration Approval (E200386) for prospecting activities on seven of the Mineral Exploration Licences (027346M, 027363M, 027483M, 027485M, 023351M, 024897M and 031231M). The approval is valid until Dec. 11, 2021. Additional permitting including an additional Exploration Approval, a Water Use Permit, a Commercial Cutting Permit and a Forest Operating Permit will be required for an expanded exploration program. The Author is not aware of any issue that would hinder the issuance of the required permit.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Golden Rose Project is accessed via the Burgeo Highway (Route 480) and a network of abandoned gravel resource roads which originate from the highway. The more remote licences to the northeast along Victoria Lake are best accessed by boat or helicopter.

Other than the Burgeo Highway (Route 480) and forest resource roads there is no current infrastructure within the Golden Rose Project. There is abundant fresh water and relatively flat land available for potential mine infrastructure. Electrical power for any future operation may have to initially come from diesel generation. A 500 MW high-voltage direct current and 230 kV high-voltage alternating current transmission line crosses the property. The 300 km long line is part of the EMERA Maritime Link Project which connects the hydroelectric generation facility at Granite Lake with Cape Ray where subsea cables transmit the power to the Province of Nova Scotia. Stephenville, with a population of 7,110 (2016 Census), is the major service center with an airport is located approximately 100 km by road to the northwest.

Newfoundland has a typical northern Atlantic climate with short summers and long, but relatively mild winters. The average seasonal temperatures for central Newfoundland range from 17°C in summer to -60°C in winter. Mean yearly precipitation ranges from 700 to 900 mm per year with the mean annual snowfall between 275 and 325 cm. The mineral exploration season generally runs from May until late November (freeze-up). Diamond drilling, lake sediment sampling and geophysical surveys continue through the winter months.

The area is generally heavily forested (dominated by balsam fir and black spruce) with numerous intervening bogs, ponds and lakes. Logging operations over the past 60 years have resulted in areas of immature growth along Victoria Lake and Woods Brook. Topography is typical of south-central Newfoundland with elevations ranging from about 180 m to 350 m. River valleys are typically steep. Extensive glacial till results in a paucity of bedrock exposure except along the generally linear, northeast-trending ridges.

History

Government Surveys

The Golden Rose Project area was covered by regional 1:250,000 scale geological mapping (NTS 12/A, Red Indian Lake) by the Geological Survey of Canada (Riley, 1957; Williams, 1970). Beginning in 1975 the area was included in regional 1:50,000 scale geological mapping by the Newfoundland Department of Mines and Energy (“DME”) (12A/04, King George IV Lake, Kean, 1983; 12A/06, Victoria Lake, Kean, 1976 and 1987); and by the Geological Survey of Canada (12A/05, Puddle Pond, van Staal et. al., 2005a; 12A/04, King George IV Lake, van Staal et. al., 2005b; and 12A/06, Victoria Lake, van Staal et. al., 2005c).

Surficial geological mapping of the King George IV area was completed by the DME (Sparkes and McQuaig, 2005). The region was also included in a regional lake-sediment geochemical survey conducted by the DME (Davenport et. al., 1990) and regional metallogenic studies of gold mineralization (Evans, 1996; Sandeman et. al., 2014).

Industry Surveys

Much of the area encompassed by the Golden Rose Project was once covered by the Anglo-Newfoundland Development Company (“A.N.D.Co”) charter (“A.N.D.Co. Charter”). The A.N.D.Co. charter had been granted for a period of 99 years to the developers of the Grand Falls papermill and gave the developers the timber, water and mineral rights to a vast swath of central Newfoundland. Surveying the A.N.D.Co. Charter had led to the discovery of the Buchans base metal deposits which were eventually developed by the American Smelting and Refining Company (“ASARCO”). One of the earliest references to mineral exploration in the Golden Rose area was a brief note to the A.N.D.Co. describing a gold occurrence now referred to as the Second Exploits Showing (Harvey, 1930). ASARCO included the area in its base metal exploration programs (1950-1970).

In the 1970’s Price Nfld., owners of the Grand Falls mill, carried out exploration on the A.N.D.Co. Charter. Hudson’s Bay Oil and Gas Co. Ltd. under an option agreement conducted geological mapping, geophysical (AEM, VHEM and magnetic) surveying, and diamond drilling on portions of the charter mainly in southern Victoria Lake region (Lassila, 1981: 1982). No significant discoveries resulted from this work.

Mineral rights to the A.N.D.Co. Charter were acquired in the 1980s by BP-Selco and the company explored the southern Victoria Lake area. These programs included soil and rock sampling near Woods Lake to investigate the areas for gold and base metal potential. Trenching of anomalous gold-in-soil values led to the discovery of the Sure Shot occurrence. Several rock samples taken from these trenches returned anomalous gold values. It is during this same period that BP-Selco discovered the Valentine Lake gold showing (now Marathon Gold’s Valentine Lake deposits).

The mineral rights to the A.N.D.Co. Charter were purchased by Noranda Exploration in the early 1990s. Noranda worked the charter looking for gold and base metal mineralization. Noranda eventually converted the charter to exploration licences.

From 1998 to 2002 local prospectors Gilbert Lushman and Edwin Northcott explored the Woods Brook area. Gold panning in streams near Route 480 eventually led the prospectors to the shoreline of Woods Lake where significant visible gold grains were observed in panned concentrates. In 2002, two trenches excavated at the site with the highest gold grain counts exposed the Main Zone (South Woods Lake Zone). Named the Staghorn property, it was optioned in the fall of 2002 to Candente Resource Corp. (“Candente”).

From December 2002 to December 2005, Candente carried out a vigorous exploration program including: an interpretation of a 1981 airborne magnetic/EM survey; lake-bottom sediment sampling prospecting and heavy mineral concentrate (HMC) sampling; 1:10,000 scale geological mapping; and 31 km of line cutting and Induced Polarization (IP) / Resistivity and Magnetic surveys (van Egmond, 2004; 2005; van Egmond and Cox, 2003; 2004; 2005; van Egmond et. al., 2003). In 2004, the Main Zone was trenched, mapped and channel sampled. In the winter-of-2005 a 12-hole, 1,182 m diamond-drill program targeted the Main Zone.

The Staghorn Property was acquired by Metals Creek Resources Corporation (“**Metals Creek**”) and between May 2008 to November 2014 airborne magnetics, line cutting, ground IP and ground magnetics, soil sampling, mapping, and prospecting, trenching and diamond drilling were completed (Reid, 2009; Reid and Myllyaho, 2010a; 2010b; 2012; Reid and Ralph, 2018). The Falls Zone was found during this program. Metals Creek carried out two phases of drilling totaling 4428.5 meters in 29 holes. The Metals Creek airborne survey covers a significant portion of the Golden Rose Project.

Benton Resources Inc. (“**Benton**”) explored the Staghorn Property from January 2015 to November 2015. Benton completed prospecting, mapping, geochemical rock/soil sampling, line cutting, IP and ground magnetometer surveys, a mechanical trenching program and diamond drilling (House, 2015; 2016). Much of this work including all the 2015 drilling focused on the Ryan’s Hammer Zone which lies outside of the Golden Rose Project area.

Prospecting by Shawn Rose in 2015 led to the discovery of the Rose Gold showing and subsequently the Jacob’s Pond showing.

In 2017, Quadro Resources acquired the Staghorn Project and tested the South Woods Lake area with 1,465.5 m of drilling in 9 holes (Reid and Ralph, 2018). The company is currently focusing on the Ryan’s Hammer Zone.

Quadro’s licences covering the South Woods Lake Zone and the Mink Pond and Glimmer Pond areas reverted to the Crown and were a part of a group of licences staked by Altius and Shawn Rose which were referred to as the Golden Rose Project.

Further information on the history of the Golden Rose Project can be found in the Technical Report, available in its entirety on SEDAR at www.sedar.com.

Geology Setting

Regional Geology

The island of Newfoundland is part of the Paleozoic Appalachian-Caledonian Orogenic Belt that records the formation and destruction of the late Precambrian - early Paleozoic Iapetus Ocean. The orogenic belt is subdivided into Humber, Dunnage, Gander and Avalon tectonostratigraphic zonal subdivisions (Williams, 1979; Williams et al., 1988). The Golden Rose Project is located near the boundary of the Dunnage and Gander tectonostratigraphic zones and their juxtaposition has resulted in a complex geological setting.

The central Newfoundland Dunnage Zone preserves Cambrian to Middle Ordovician rocks of ophiolitic, island-arc and back-arc affinity. It is divided, by an extensive fault system referred to as the Red Indian Line, into Notre Dame and Exploits subzones, which are interpreted to have formed on opposing sides of Iapetus. Closure of Iapetus during the Late Arenig to Llanvirn resulted in the emplacement of the Taconic allochthons over the Laurentia continental margin (the Humber Zone) in the west and the Penobscot allochthons over Gondwana continental margin (Gander Zone) in the east. Gander Zone rocks in the Golden Rose Project area is represented by metasedimentary and intrusive rocks of the Meelpaeg Subzone.

The cessation of arc-related volcanism coincided with final allocation emplacement in the Llanvirn. Final closure of Iapetus during the Late Ordovician and early Silurian resulted in the deposition of flyschoid sequences in fault-bound basins. The Dunnage Zone was affected by Silurian and Devonian orogenesis that produced thrusting, widespread crustal thickening, regional metamorphism and plutonism.

The Cape Ray-Victoria Lake-Rogerson fault system, a major northeast-trending deep-seated structure partially underlies and parallels the trend of the Golden Rose Project. This system of faults extends northeast bisecting central Newfoundland and is associated with a significant number of structurally-controlled orogenic style gold occurrences including: Marathon's Valentine Lake gold deposits; Canterra Resources Inc.'s ("**Canterra**") Wilding Lake gold project; Matador's Cape Ray gold deposits; and Sokoman Minerals Corp.'s Moosehead project. Marathon's Valentine Lake Project is the most significant with four near-surface gold deposits containing gold resources with estimated proven and probable mineral reserves of 1.87 Moz (41.05 Mt at 1.41 g/t Au) and total measured and indicated mineral resources (inclusive of the mineral reserves) of 3.09 Moz (54.9 Mt at 1.75 g/t Au). Additional inferred mineral resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au). (www.marathon-gold.com).

Local Geology

The Golden Rose Project lies at the juncture of the Meelapaeg, Exploits and Notre Dame subzones. From south to north the project area is underlain by amphibolite-facies grade and lower, metasedimentary and granitic intrusive rocks of the Meelapaeg Subzone to the south; and a central attenuated belt, up to 3 km wide, of volcanic and volcanoclastic rocks of the Exploits Subzone; and to the north, marine volcanic and ophiolitic sequences of the Notre Dame Subzone (van Staal et. al., 2005b).

The Meelapaeg Subzone sequences include: Cambro-Ordovician Bay du Nord Group metasedimentary rocks and migmatite; and Ordovician granitic rocks of the Peter Strides Granitoid Suite (van Staal, 2007). Silurian-Devonian deformation thrust the Meelapaeg Subzone north-westward over the Exploits Subzone. This boundary is defined by the mylonitized southeast-dipping Victoria Lake shear zone. The Peter Strides Granitoid Suite intrudes both the Bay du Nord Group and the Exploits Subzone and as such stitches the boundary between the two subzones (Valverde-Vaquero et. al., 2006).

The Exploits Subzone sits structurally beneath the Meelapaeg Subzone and comprises Cambro-Ordovician mafic and felsic volcanic rocks, chloritic schist, siltstone, and conglomerate of the Red Cross Lake Group (van Staal et. al., 2005b; Valverde-Vaquero et. al., 2006). These rocks have a strong foliation and a well-developed chlorite lineation and are folded by sparse, mesoscopic folds that plunge to the south and east. The Exploits Subzone has been thrust northwest over the Notre Dame Subzone.

The Exploits Subzone rocks are in fault contact with the Rogerson Lake Conglomerate. The Rogerson Lake Conglomerate (Kean and Jayasinghe, 1980) is part of the Middle Paleozoic Botwood Belt. The Botwood Belt is a northeast-trending sequence of fluvial dominantly red micaceous sandstones and terrestrial volcanic rocks. The Rogerson Lake Conglomerate can be traced for approximately 100 km northeast-wards from the Burgeo Highway towards Grand Falls-Windsor. The unit was deposited unconformably upon Exploits Subzone and Neoproterozoic basement Gander Zone rocks (the Valentine Lake Intrusive Suite which hosts Marathon's Valentine Lake deposits), however most contacts are fault modified. It is a polymictic conglomerate with minor siltstone and sandstone. The conglomerate is typically reddish to purple with generally pebble-size clasts in a sandy matrix. The clasts are mostly red siltstone, sandstone and shale, but locally, volcanic clasts predominate. The clasts are of local provenance, derived from the underlying volcanic, volcanoclastic and plutonic rocks. At Valentine Lake, where the conglomerate sits non-conformably on the Neoproterozoic Valentine Lake Intrusive Suite, the conglomerate contains a high proportion of trondhjemite clasts.

Gold mineralization on the Golden Rose Project occurs within rocks of both the Meelpaeg and Exploits subzones. The South Woods Lake, Gunshot and Hilltop zones are all hosted by mylonitic monzogranitic rocks of the Peter Strides Granitoid Suite (Sandeman et. al., 2014). The Rose Gold, GP, Mink Pond, Falls Zone and Glimmer Pond zones all occur within volcanic rocks of the Exploits or Notre Dame subzones.

2020 Maintenance

TRU has not undertaken any exploration work on the Golden Rose Project.

During the 2020 field season Altius completed compilation, prospecting, reconnaissance-style geological investigations, soil and rock geochemistry, and drill core validation on the Golden Rose property. A digital compilation of existing Government and historic exploration company data was completed by Altius employees. Most of the historic exploration data was acquired through the Newfoundland and Labrador Government's on-line Geoscience Atlas (<http://geoatlas.gov.nl.ca/Default.htm>).

Altius' program focused on verifying the previously known gold occurrences and evaluating the potential for additional discoveries. Reconnaissance prospecting and geological investigations commenced in late July and continued intermittently through to November. Prospecting and reconnaissance geological investigations, in conjunction with a reconnaissance soil survey focused mainly on the area surrounding the Jacob's Pond and Rose Gold showings. The access road to the Woods Lake prospect along with historic drill pads and trenches were also examined and prospected. Road exposures and abandoned quarries along the Burgeo Highway were also examined and sampled. Newly staked licences (September-October) were prospected and the historic Mink Pond, Falls and Glimmer Pond gold showings were located and sampled. A total of 77 rock samples were collected and submitted to the Eastern Analytical Ltd. ("**Eastern Analytical**") laboratory in Springdale, NL.

In early September Altius completed a soil survey, centered on the Rose Gold showing to determine the effectiveness of traditional soil geochemistry methods in detecting gold mineralization. Forty-three B-horizon soils were collected at 25 metre intervals along 50 meter-spaced, north-south orientated, lines. The soil samples were analyzed for Au and an 'ICP34' suite of elements at Eastern Analytical. Gold values for the soil samples ranged from below detection limit to up to a maximum 64 ppb. The highest gold values did not overlap the Rose Gold showing but occur downslope to the south and southeast of the elliptical-shaped ridge where the Rose Gold showing outcrops. Further follow up is required to evaluate the effectiveness of soil sampling.

Due Diligence and Maintenance Expenditures

In 2020, to maintain the Golden Rose licences in good standing and to complete its due diligence of the property Altius carried out geological compilation, examined historic drill core, undertook prospecting and reconnaissance-style geological investigations, and soil and rock geochemistry. This work amounted to \$73,013.67; a breakdown of expenditures per licence is presented in the Technical Report.

No exploration programs were carried out on the Golden Rose Project by Quadro or Shawn Rose in 2019 or 2020.

There are no known mineral resources or mineral reserves on the Golden Rose Project, nor is there currently, nor has there been historically, any mineral production from the Golden Rose Project.

Mineralization

The Golden Rose Project has 9 known gold occurrences. These are Rose Gold, Jacob's Pond, Hill Top, GP, Sure Shot, South Woods Lake (Main Zone), Mink Pond, Falls Zone and Glimmer Pond. The South Woods Lake Zone is the most advanced gold zone and has previously been trenched and drilled. The Falls and Glimmer Pond zones have also been drilled but are still at a more grassroots stage of exploration. Two holes have also been drilled to the northeast of Mink Pond. The other showings are all at the grassroots stage of exploration.

Rose Gold

The Rose Gold showing is located at UTM NAD27 coordinates 452787E, 5344110N and can be accessed by an abandoned woods road and was discovered by prospector Shawn Rose. A hand dug trench exposed a 30-40 cm wide quartz-vein/breccia trending approximately 100o and hosted within sheared metavolcanic rocks. Original samples collected by Shawn Rose assayed 18.8 g/t Au and 7.2 g/t Au. Follow up prospecting in 2019 returned a 20.2 g/t Au sample. Limited exploration work in the area consisted mostly of soil sampling and prospecting. The showing has not been drilled and the dimensions of the mineralization are not known. The Author did not examine this showing.

Jacob's Pond

Prospecting has identified a cluster of gold showings along trend to southwest of the Rose Gold showing. The Jacob's Pond (Main) showing is located at UTM NAD27 coordinates 451558E, 5343873N. The showing consists of a 50 cm wide quartz-sulphide breccia zone exposed on the shore of Jacob's Pond. An Altius grab sample assayed 0.54 g/t Au and a sample collected by Shawn Rose assayed 0.8 g/t Au. The showing has not been trenched or tested by drilling. Dimensions of the mineralization are unknown.

Another mineralized exposure is located at UTM NAD27 coordinates 451851E, 5343851N. The mineralization is described as consisting dominantly of quartz-sulphide +/- calcite veins/breccia developed adjacent to a major fault zone. A sample collected by Altius from a massive sulphide vein in basalt assayed 3.38 g/t Au. A sample collected from the same site by Shawn Rose assayed 3.9 g/t Au and 5.61% Cu. The showing has not been trenched or drilled and its dimensions are unknown.

Sure Shot

The Sure Shot Zone is located at UTM NAD27 coordinates 442550E, 5334200N. It was discovered in the mid to late 1980s by BP Selco. Trenching by various companies including BP Selco exposed sub-crop consisting of altered pink granite with quartz veining cut by later quartz stockwork containing 5-7% disseminated pyrite and arsenopyrite. Historic rock samples were reported to have assayed 16.77 g/t Au and 25.76 g/t Au and visible gold was reportedly observed in one of the trench-muck piles (Froude, 2017). The trench walls have reportedly slumped, and the trenches water filled. The showing has not been drill-tested and no further work has been completed. Dimensions of the mineralization are unknown. The Author did not examine this prospect.

Hill Top

The Hill Top Zone is located on the top of a prominent hill at UTM NAD27 coordinates 443525E and 5334684N, approximately 2 km northeast of the South Woods Lake Zone. The mineralization is described as consisting of two narrow, sulphide (pyrite + arsenopyrite) bearing quartz veins, less than 10 cm wide (van Egmond, 2004; Froude, 2017). The veins occur within a northwest trending mineralized fracture zone cutting pink, medium-grained granite and trend 320-330o and appear to be steeply dipping. The veining

has been exposed over an approximate strike length of 50 m. The granite is strongly foliated (60/70°) and is cut sub-foliation parallel barren, white quartz veins. Samples collected by Metals Creek returned assay values of 1.1 g/t Au and 2.9 g/t Au (Froude, 2017). The showing has not been drill-tested and no further work has been completed. Dimensions of the mineralization are unknown. The Author did not examine this showing.

GP Showing

The GP showing as reported by Froude (2017) is located on a skidder trail on the north side of Woods Lake (UTM NAD27 442387E, 5334896N). A Metals Creek grab sample of sheared and mineralized banded volcanic rock assayed 1.3 g/t Au. (Froude, 2017). No other information is known about the showing. The Author did not examine this showing.

South Woods Lake Zone

The South Woods Lake Zone lies on the southwestern shore of Woods Lake and is centered on UTM NAD27 coordinates 441450E, 334175N. It was discovered in 2002 during follow up trenching of gold in panned concentrate samples. A total of 40 drill holes (6301m) have been completed on the South Woods Lake Zone, by Candente (2005) Metals Creek (2009 & 2010) and Quadro (2017). Drill intercepts at South Wood Lake are highlighted by 2.14 g/t Au over 16.11 meters, including 6.18 g/t over 5.11 meters, 2.15 g/t over 12.6 meters, 1.37 g/t over 26.31m and 1.47 g/t over 22.5 m. The altered monzogranite has been traced for approximately 1500 m along strike. The zone appears to be both open both along strike and to depth.

The following description of the South Woods Lake Zone is based upon the work of Sandeman et. al. (2014). The host rock is monzogranite to granodiorite of the Ordovician (467 ± 6 Ma) Peter Strides granite suite. The granite is variably textured, mylonitized and brecciated and commonly strongly lineated. Trenching has exposed an approximately 3 to 5 m wide zone of altered and deformed monzogranite displaying an intense southeast-trending foliation (130°) that dips approximately 60 to 70° to the southwest. The monzogranite displays an orange-pink-yellow tint caused by the hydration of hematite to limonite.

Sandeman et. al. (2014) reported at least two distinct generations of veining are present: an early deformed, commonly foliation parallel, barren set which trend southeast and dip southwest; and a late post-ductile deformation mineralized vein set that trends dominantly to the northeast. Gold is associated with the latter vein set which occurs as a network of thin (≤ 10 cm), anastomosing, quartz–pyrite–hematite $\pm$ arsenopyrite veins and fractures that are accompanied by wall-rock sericitization and silicification. Elevated Bi, Sb, Cd, Ag and Te, and strongly elevated As accompanies the gold.

The South Woods Lake Zone and nearby Sure Shot and Hill Top zones are all hosted by variably deformed granodiorite to monzogranitic rocks of the Peter Strides granite suite. Studies of the drill core and recent mapping (van Staal et. al., 2005; Sandeman et. al., 2014) reveal that these gold occurrences sit within a structurally imbricated sequence formed during ductile stacking of Meelpaeg Subzone (Bay du Nord Group/Peter Strides granite suite) on to the Exploits Subzone during Salinic orogenesis along the Victoria Lake shear zone.

The South Woods Lake monzogranite forms imbricate slices in the structural hanging wall of the northeast-trending, southeast-dipping Victoria Lake shear zone. The South Wood Lake gold prospect occurs in the antiformal core of a km-scale, post-mylonitization, Z-asymmetric flexure of the shear zone which is delineated by the shape of Woods Lake. The mineralization is post-mylonitization and probably structural imbrication and is confined to the more rheologically brittle Peter Strides granitic rocks.

Mink Pond

The Mink Pond Zone is located on a west-facing slope over-looking Mink Lake. It is centered on UTM NAD27 coordinates 436529E, 5331870N. The alteration and host rocks are similar to the Falls Zone and consists of silicified and sericitized volcanic rocks containing abundant disseminated sulphide mineralization. A Metals Creek outcrop grab sample containing quartz, arsenopyrite and pyrite assayed 1.9 g/t Au (Reid and Myllyaho, 2011). The area was prospected by Rose and briefly examined by Altius in 2020. A grab sample of altered pyritic and quartz veined felsic volcanics collected by the author assayed 0.032 g/t Au. The dimensions of the mineralization are unknown.

Falls Zone

The Falls Zone is located at UTM NAD27 coordinates 436034E, 5331356N. Siliceous and sericitized volcanic rocks are exposed intermittently along a section of a small stream. The altered rocks contain disseminated pyrite and arsenopyrite. Grabs samples collected from the zone when assayed were found to be anomalous in gold (Froude, 2017). Metals Creek drilled a single hole (ST10-016) approximately 250 m to the southwest of the Falls Zone. No further work has been completed and the dimensions of the mineralization are unknown.

Glimmer Pond

The Glimmer Pond Zone (UTM NAD27 coordinates 434581E, 5329927N) was found during follow up prospecting of a quartz boulder containing visible gold discovered on the northwest shore of Glimmer Pond. Two samples collected from the boulder assayed 37.64 g/t Au (sample 5330229) and 213.8 g/t Au (sample 278181) (Reid, 2009). The showing lies to the southwest of Glimmer Pond and consists of strongly altered volcanic and sedimentary rocks. Metals Creek grab samples returned assay values ranging from 0.005 g/t Au to 1.63 g/t Au (Reid and Myllyaho, 2010). In 2010, Metals Creek completed 4 diamond-drill holes (ST10-11, 17, 18, 19) in the vicinity of the showing. The drilling intersected wide intervals of altered rocks but only anomalous gold was encountered. A grab sample of grey siliceous felsic volcanic containing fine disseminated arsenopyrite collected by the author assayed 0.072 g/t Au. The dimensions of the mineralization are unknown.

Deposit Types

Central Newfoundland is host to both volcanogenic massive sulphide and orogenic gold mineralization (Evans, 1996; Evans and Kean, 2002). The massive sulphide mineralization is associated with the Cambro-Ordovician volcanic belts and examples include former producing mines at Buchans and Duck Pond. Central Newfoundland is now emerging as a significant gold exploration jurisdiction with mineralization associated with major regional crustal-scale structures. The Cape Ray-Victoria Lake-Rogerson fault system is a regional structure that bisects Newfoundland in a northeasterly direction. Its trace is marked in the southwest by the Windsor Point Group and in the central and northeastern areas by the Rogerson Lake Conglomerate. These units are examples of syn-orogenic upper crustal clastic sequences that elsewhere are commonly associated with orogenic gold vein systems (Honsberger et. al., 2019a). Exploration at the Golden Rose Project is targeting a fault-controlled gold-bearing system associated with syn-orogenic intrusive rocks and deformed Gander and Dunnage Zone rocks.

Orogenic-type gold mineralization (Groves et al., 1998; Goldfarb et al., 2005; Large et al., 2007) forms during compressional deformation processes at convergent plate margins in accretionary and collisional orogens, or in other words, in the early stages of mountain building tectonic events. Hydrated marine sedimentary and volcanic rocks, accreted to continental margins during tens of millions of years of collision, are subjected to subduction-related thermal events. These thermal events raise geothermal gradients within accreted rock sequences, liberate fluids which leach metals, and initiate and drive crustal scale hydrothermal fluid migration. Gold-bearing quartz veins and related disseminated wall rock mineralization are emplaced

over a broad depth range for hydrothermal ore deposits, with gold deposition from 15–20 km to the near surface environment.

Drilling

TRU has not undertaken diamond drilling on any of the Mineral Exploration Licences.

Three exploration companies have completed 4 phases of diamond-drilling within the area now covered by the Golden Rose Project: Candente 2005, Metals Creek 2009 and 2010, and Quadro 2017. The Golden Rose Project has a total of 7,787 m in 50 historic drill holes. Hole ST-05-02 and the 2009 Metals Creek core (except for ST09-07) are stored at the Government core storage facility in Pasadena. The status of the remaining 2005 core is not known. The core from the 2010 and 2017 drill programs was stored on site and had been vandalized. More detailed information, results, and images regarding historical drilling on the Golden Rose Project can be found in the Technical Report, available in its entirety on SEDAR at www.sedar.com.

Candente

In 2005, Candente completed 1,892 m in 12 holes on the South Woods Lake Zone. The drilling targeted a combination of IP chargeability highs, structures identified from ground magnetics and air photo interpretation, and anomalous gold values from trenches, rock float and lake bottom geochemistry (van Egmond and Cox, E., 2005). Drill holes (ST-05-01 to ST-05-09) tested the trend of the South Woods Lake Zone. Holes ST-05-10 and ST-05-11 tested IP – chargeability anomalies. The last hole ST-05-12 failed to reach bedrock and was abandoned.

The diamond drilling tested the gold potential of a felsic dyke (monzogranitic intrusion) occurring along the southwest shore of Woods Lake. The drilling intersected narrow intervals with higher gold grades within broader, lower grade zones. Hole ST-05-02, the only surviving drill hole, assayed 1.69 g/t over a 1.5 m interval within a wider interval assaying 0.23 g/t over 52.9 m to 60.9 m (van Egmond and Cox, E., 2005). A photographic record of the core is preserved in the assessment report.

Metals Creek

Metals Creek (2009-2010) completed 29 drill holes totaling 4,428.5 m. Thirteen holes totaling 1,788 m were drilled in 2009 and 16 holes totaling 2,640 m were drilled in 2010. Twenty-three of the holes (3,350.5 m) were drilled on the South Woods Lake Zone. Four of the 2010 holes were drilled in the vicinity of the Glimmer Pond Zone, and one hole was drilled on the Falls Zone. The 2009 drill core (except ST09-007) is housed at the Government core storage facility in Pasadena.

The Metals Creek drill program was successful in tracing the gold mineralized granitic rocks exposed at the South Woods Lake Zone during the 2004 trenching program.

Quadro

In 2017, Quadro drilled 9 holes totaling 1,465.5 m in the vicinity of the South Woods Lake Zone (Reid and Ralph, 2018). Hole ST17-01 was abandoned at a depth of 31.5 m but all the other holes reached their targeted depths. The drilling confirmed that the South Woods Lake Zone consisted of a strongly altered granitic intrusive host with variable quartz veining and pyrite/arsenopyrite mineralization. The assays from the core confirmed that the intrusion is highly anomalous in gold with values ranging between 0.325 g/t Au over 32.5 m to 0.942 g/t Au over 4.4 m in areas of more intense alteration and sulphide mineralization. The drilling did not extend the higher-grade sections reported from previous drilling (Reid and Ralph, 2018).

Quadro also drilled two holes (ST17-08 and ST17-09) to the northeast of Mink Pond to test a geophysical target. The two holes did not return any significant assay results. The 2017 core was stored at the same site as the 2009 core and was also vandalized.

Sampling, Analysis and Security

TRU has not completed sampling on any of the Mineral Exploration Licences and did not collect or submit any samples for analysis.

More information on historical sampling, analysis, QA/QC and sample security in respect of historical exploration of the Golden Rose Project can be found in the Technical Report, available in its entirety on SEDAR at www.sedar.com.

Altius field procedures follow standard industry methods. Each grab sample was assigned a unique sample ID number and its UTM location and description were recorded. Each rock sample was placed in a labelled plastic bag along with the sample tag and the bag was then sealed. The rock samples along with standards and blanks were taken by Altius personnel to Eastern Analytical for analysis by Fire Assay.

Soil samples were obtained using a Dutch soil auger and physical observations of the soil and the surrounding environment were made in the field. Kraft soil bags with the unique sample ID written on the front and back was used for this purpose. The UTM coordinates of each sample were recorded in the field using a hand-held Garmin GPS along with a description of each soil. The soils were taken by Altius personnel to Eastern Analytical.

Altius submitted 77 rock samples to Eastern Analytical for gold and ICP multi-element analysis. Two samples of gold standard CDN-GS-5R along with two blanks (high purity marble) were submitted as part of Altius' QA-QC program. For multi-element trace analysis, the rock powder from the samples was dissolved in four acids and analyzed by ICP-OES. For samples exceeding the limits of the trace analysis, an ore grade analysis was completed. Gold values were determined by 30 g fire assay and AA finish.

Altius submitted 43 soil samples to Eastern Analytical. At Eastern Analytical, the soils were completely dried at 60° Celsius and sieved to -80 mesh. For multi-element trace analysis, the sieved component was dissolved in four acids and analyzed by ICP-OES. Gold values were determined by 30 g fire assay and AA finish. No standards or blanks were submitted by Altius. Eastern Analytical is an independent and well-established laboratory and their sample procedures are described below.

Altius submitted two samples (19213 and 16028) of gold standard CDN-GS-5R and two samples (16001 and 19201) of high purity marble blanks with the 77 rock samples collected from the Golden Rose Project in 2020. Gold standard CDN-GS-5R was obtained from CDN Resource Laboratories ("CDN") located in Langley, British Columbia. Samples 19213 and 16028 assayed 4.907 g/t Au and 4.852 g/t Au respectively. The accepted value for this standard is 5.29 g/t $\pm$ 0.34 g/t Au. The check sample assays were both slightly less than the accepted standard deviation for the gold standards. Both blanks (samples 16001 and 19201) assayed 0.025 g/t Au. Altius did not submit standards with the 43 soil samples.

Conclusions

The Author has reviewed and can verify that Altius' sample preparation, security and analytical procedures meet industry standards and that the data meets sufficient quality standards to be used in reference of this report.

The Author has also reviewed and can verify that the historic sample collection procedures, sample preparation, security, analytical procedures, based upon the available assessment reports, also conform to accepted industry standards. The Author has visited the Eastern Analytical laboratory on several occasions and toured the facility. Eastern Analytical's sample preparation and assaying procedure conform to industry standards. The historic data meets sufficient quality standards to be used in this report.

Data Verification

The Author completed due diligence sampling independent of the work completed by Altius. The author visited the government core storage facility in Pasadena on Nov. 9th and 10th, 2020 and examined historic drill core from the South Woods Lake Zone. The core had been drilled in 2005 by Metals Creek. The core had been sawn, for the aforementioned sampling with half the core remaining. Core intervals that were selected by the author for check assay samples were quarter cut using an electric rock saw. Half of the quarter cut core was placed in a numbered sample bag and sealed. The other quarter-cut section remained in the core box. The author collected 19 samples from five drill holes.

On Nov. 12, 2020, the author accompanied by Altius personnel and prospector Sean Rose visited the Golden Rose Project. Three trenches at the South Woods Lake Zone were examined, and 4 representative samples were collected from channels cut in 2004 by Candente.

The samples were placed in labeled bags, sealed and conveyed by the author to Eastern Analytical where they were processed and analyzed for gold by fire assay. Eastern Analytical's sample procedures were described in Section 11.6.2 above.

Based upon the results obtained from the check assays and the gold standards submitted as part of this review, the Author is satisfied that Altius' exploration data and historic data reflects the true nature of the gold mineralization at the South Woods Lake Zone and the Golden Rose Project in general. More information on the Author's data verification procedures can be found in the Technical Report, available in its entirety on SEDAR at www.sedar.com.

Adjacent Properties

There are no active or former producing mines in the Golden Rose Project area. The region is the focus of active gold exploration with several advanced exploration projects situated along the Cape Ray-Victoria Lake-Rogerson fault system including Matador's Cape Ray project and Marathon's Valentine Lake project. Valentine Lake is the most advanced project and is located approximately 12 km northeast of the Golden Rose Project. The project has estimated Proven and Probable Mineral Reserves of 1.87 Moz (41.05 Mt at 1.41 g/t Au) and Total Measured and Indicated Mineral Resources (inclusive of the Mineral Reserves) of 3.09 Moz (54.9 Mt at 1.75 g/t Au). Additional Inferred Mineral Resources are 0.96 Moz (16.77 Mt at 1.78 g/t Au) (Marathon Gold website, Feb. 2, 2021, <https://marathon-gold.com/valentine-gold-project/>).

Quadro Resources is actively exploring its Ryan's Hammer/Marks Pond gold zones which lie at the southwestern end of Victoria Lake and abut the Golden Rose Project. Prospecting in 2015 located numerous angular diorite float that assayed up to 32.15 g/t Au. Follow-up drilling on the Ryan's Hammer zone in 2015 and 2018 returned drill intercepts of 0.22 g/t Au over 42.6 m and 0.145 g/t Au over 50 m. In 2020, Quadro reported drill results from the Marks Pond Zone of 10.1 g/t Au over 1.0 m within a wider interval of 3.22 g/t Au over 5.0 m. The high-grade float has not been sourced (Quadro Resources website Feb. 2, 2021; <https://quadroresources.com/>).

The Author has been unable to verify the information presented on the adjacent properties and the information presented is not necessarily indicative of the mineralization on the Golden Rose property. Up-

to-date spatial data associated with adjacent properties is available and can be downloaded from the Government of Newfoundland and Labrador Geoscience Atlas (<http://gis.geosurv.gov.nl.ca>).

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical studies have been carried out to date by either Altius or TRU on material from the Golden Rose Project and no historic studies are known to the Author.

Mineral Resources and Mineral Reserves

No mineral resource and mineral reserve estimates have been produced to date by either Altius or TRU on the Golden Rose Project and no historic estimates are known to the Author.

Interpretations and Conclusions

The Cape Ray-Victoria Lake-Rogerson fault system bisects central Newfoundland from southwest to northeast. It is a crustal scale feature the trace of which is marked in the southwest by the Windsor Point Group and in the central and northeastern areas by the Rogerson Lake Conglomerate. These units are syn-orogenic upper crustal clastic sequences that were deposited during the final closure of Iapetus. Elsewhere such syn-orogenic upper crustal clastic sequences are commonly associated with orogenic gold vein systems (e.g., the Abitibi Greenstone Belt). Exploration along this regional structure has revealed the presence of significant gold mineralization including Matador's Cape Ray gold deposits, Marathon's Valentine Lake gold deposits and Canterra's Wilding Lake gold project.

The Golden Rose Project straddles this regional fault system and sits at the boundary of the Dunnage and Gander zones. Silurian northwest-directed thrusting and imbrication of Gander Zone (Meelpaeg Subzone) over Dunnage Zone sequences occurred along the Victoria Lake fault zone. Imbrication and the juxtaposition of rheologically more competent (brittle) intrusive rocks with more readily deformed volcanic and sedimentary sequences produced fluid pathways and ideal traps for gold-bearing fluids.

Gold mineralization on the Golden Rose Project occurs within rocks of both the Meelpaeg and Exploits subzones. The South Woods Lake, Gunshot and Hilltop zones are all hosted by mylonitic monzogranitic rocks of the Peter Strides Granitoid Suite. The Rose Gold, Jacob's Pond GP, Mink Pond, Falls Zone and Glimmer Pond zones all occur within volcanic rocks of the Exploits Subzone.

Exploration in the area has thus far focused mainly on the South Woods Lake Zone. Much of the remainder of the Golden Rose area is considered early stage of exploration. Widely spaced soil geochemical sample data indicate several areas worthy of follow up prospecting and trenching. Large portions of the property have yet to be prospected. An existing high-resolution airborne magnetics survey covers most of the property. Additional detailed soil geochemistry and interpretation of the geophysical data will help to identify additional exploration targets.

The Author is not aware of any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information. The Golden Rose Project, based upon the historic exploration work and the recent work conducted by Altius, warrants additional exploration expenditures.

Recommendations

Previous exploration work has demonstrated the gold mineralization potential within the area encompassed by the Golden Rose Project. An exploration program with a budget of approximately \$1.6 million is

recommended to further delineate the known areas of gold mineralization and to test for new zones. Prior to the start of fieldwork all historic data should be compiled. The airborne magnetic data along with the existing soil geochemistry should be evaluated for potential targets. The diamond-drill data from the South Woods Lake Zone should be modeled to identify targets down-dip, along strike or to identify possible mineralization trends.

It is recommended that exploration work begin in the second quarter of 2021 after spring breakup and extend into the third and fourth quarters. A breakdown of the recommended program is presented in two phases (Tables 3 and 4). The Phase 2 program is not contingent upon Phase 1 results.

Phase 1 Second-Third Quarter 2021

Work would concentrate on ground truthing the historic gold-soil-anomalies by prospecting and resampling to verify the historic results. Prospecting and soil sampling should then be expanded property wide. Soil sampling should be carried out on no greater than 100 m spaced lines with a sample interval no greater than 25 m. Fifty metre spaced lines or less are recommended in areas of mineralized float. Targets confirmed by prospecting and soil sampling should be followed up with trenching. Grids should be cut in areas identified for potential follow up with ground geophysics.

Phase 2 Third-Fourth Quarter 2021

By the third quarter detailed follow-up would begin to evaluate both the historic gold occurrences and target areas identified by the initial field program. A 5000 m diamond-drill program is recommended to test both newly defined targets and the South Woods Lake Zone. Since most of the historic drill core from the South Woods Lake Zone has been lost it would be beneficial to redrill select portions of the zone along strike to the northwest and to the northeast. This drilling, a 1000 m minimum, would provide information on the structure and underlying geology of these areas and confirm the historic drill results. The Rose Gold – Jacobs Pond area and possibly the Mink Pond-Glimmer Pond area should also be followed up with ground geophysics and trenching. Prospecting and soil sampling would continue to infill areas not previously targeted.

Table 3. Proposed Second-Third Quarter exploration budget, Golden Rose Project.

Project Name: Golden Rose Project		
Phase 1 Second-third Quarter Exploration Program		
Item		Cost (\$)
Supervision	Exploration Manager X 80 days	56,000.00
Accommodations & Meals	60 days	15,000.00
Transportation		5,000.00
Field Supplies		3,000.00
Fuel		5,000.00
Truck rentals	3 trucks X 60 days	6,000.00
ATV rentals	2 ATVs X 40 days	6,000.00
Analytical		
Rocks	500 samples	25,000.00
Soils	2500	125,000.00

Trenching		60,000.00
Line Cutting		28,000.00
IP/Res/Magnetics		25,000.00
Wages		
	1 Geologist X 60 days	30,000.00
	1 Geological Assistant X 60 days	21,000.00
	2 Prospectors X 60 days	42,000.00
	2 Bushmen X 60 days	36,000.00
Subtotal		432,000.00
Contingency @ 15%		64,800.00
TOTAL		\$496,800.00

Table 4. Proposed Third-Fourth Quarter exploration budget, Golden Rose Project.

Project Name: Golden Rose Project		
Phase 2 Third-Fourth Quarter Exploration Program		
Item		Cost (\$)
Supervision	Exploration Manager X 100 day	70,000.00
Accommodations & Meals	90 days	22,500.00
Transportation		5,000.00
Field Supplies		5,000.00
Fuel		5,000.00
Truck rentals	3 trucks X 90 days	18,000.00
ATV rentals	1 ATVs X 40 days	6,000.00
Analytical		
Rocks	1000 samples	25,000.00
Soils	500	2,500.00
Ground IP/Res/Magnetics		100,000.00
Diamond Drilling	5000 m	570,000.00
Wages		
	1 Geologist X 90 days	45,000.00
	1 Geological Assistant X 90 days	31,500.00
	2 Prospectors X 90 days	63,000.00
	2 Bushmen X 90 days	54,000.00
Subtotal		952,500.00

Contingency @ 15%		142,875.00
TOTAL		\$1,095,375.00

PART III - INFORMATION CONCERNING THE RESULTING ISSUER

The following information is presented on a post-Transaction basis and is reflective of the projected business, financial and share capital position of the Resulting Issuer. This section only includes information respecting the Resulting Issuer that is materially different from information provided earlier in this Filing Statement. Following the completion of the Transaction, the Resulting Issuer will carry on the business of mineral exploration and development. Refer to various headings under “Part I – Information Concerning TRU” and Part II – “Information Concerning the Golden Rose Project” for additional information regarding TRU and the Golden Rose Project.

Following the completion of the Transaction, it is anticipated that the Resulting Issuer will continue to exist under the ABCA under the same name, “TRU Precious Metals Corp.”

The Resulting Issuer has not made and does not anticipate making any changes to its constating documents in connection with the completion of the Transaction.

The Resulting Issuer’s head office will continue to be located at 70 Trius Drive, Fredericton, New Brunswick E3B 5E3, and the registered office will continue to be located at Suite 1620, 444 – 5th Avenue SW, Calgary, Alberta, T2P 2T8.

Intercorporate Relationships

After giving effect to the Transaction, the Resulting Issuer will continue to have no subsidiaries.

Narrative Description of the Resulting Issuer

The Resulting Issuer will be a “mining issuer” pursuant to TSXV Policy 5.2. The Resulting Issuer initially plans to conduct a comprehensive exploration program on the Golden Rose Project as detailed in the Technical Report (see “*Part II: Information Concerning the Golden Rose Project*”), as well as limited-scope exploration of the Resulting Issuer’s other mineral exploration properties detailed in “*Part I: Information Concerning TRU – History*”. Such work is currently planned to include a limited drilling program at the Twilite Gold Property, and various maintenance and surface-level exploration at each of the Rolling Pond Property, Stony Lake Property, and Gander West Property.

Business Objectives

The Resulting Issuer’s primary business objective is to undertake exploration work at its various mineral exploration properties in the Central Newfoundland Gold Belt, focusing on the Golden Rose Project, with the goal of discovering a commercial gold deposit. Secondary objectives include pursuing corporate and property-level transactions to grow TRU and the Golden Rose Project, and pursuing value-generating transactions involving TRU’s other mineral properties.

Milestones / Exploration and Development

To achieve its primary business objective, TRU intends to carry out a multi-stage exploration program at the Golden Rose Project throughout the remainder of 2021. The approximate total cost is \$1,600,000 and

the anticipated timelines are set out below, although all of which are subject to change depending on exploration results.

- Q2 & Q3 2021 – data compilation, modelling, and permitting – approximately \$100,000.
- Q2 & Q3 2021 – prospecting, sampling, trenching and geophysical surveying at secondary targets – approximately \$500,000.
- Q3 & Q4 2021 – drilling and geophysical surveying at South Woods Lake Zone and other targets - approximately \$1,000,000.

Prior to the start of fieldwork all historic data should be compiled. The airborne magnetic data along with the existing soil geochemistry should be evaluated for potential targets. The diamond-drill data from the South Woods Lake Zone should be modeled to identify targets down-dip or along strike or a possible plunge to the mineralization.

A two-phase exploration program is recommended. Phase 1, which is budgeted at approximately \$497,000, would begin in the spring of 2021. Work during the initial phase would concentrate on ground truthing the historic gold-soil-anomalies by prospecting and resampling to verify the historic results. Prospecting and soil sampling would then be expanded property wide. Soil sampling should be carried out on no greater than 100 m spaced lines with a sample interval no greater than 25 m. 50 m spaced lines or less are recommended in areas of mineralized float. Targets confirmed by prospecting and soil sampling should be followed up with trenching. Grids should be cut in areas identified for potential follow up with ground geophysics.

The Phase 2 program which is budgeted at approximately \$1.1 million would begin in late 2021. A 5000 m diamond-drill program would test both newly defined targets and the South Woods Lake Zone. Since most of the historic drill core from the South Woods Lake Zone is lost it would be beneficial to re-drill select portions of the zone along strike to the northwest and to the northeast. Of this drilling, approximately 1000 m would provide information on the structure and underlying geology of these areas and confirm the historic drill results. The Rose Gold – Jacobs Pond area and possibly the Mink Pond-Glimmer Pond area should also be followed up with ground geophysics. Prospecting and soil sampling would continue during Phase 2 as required.

Golden Rose Project

For a description of the Golden Rose Project, see *Part 2: Information Concerning the Golden Rose Project*.

Description of the Securities

The share structure of the Resulting Issuer will be the same as the share structure of TRU and there will be no change to the rights associated with each Common Share. See “*Part I: Information Concerning TRU – Description of Securities*”.

Common Shares and Preferred Shares

The authorized capital of the Resulting Issuer will consist of an unlimited number of common shares and an unlimited number of preferred shares. On Closing, it is anticipated that 51,780,894 Common Shares will be issued and outstanding, as fully paid and non-assessable shares, and no preferred shares will be issued and outstanding.

Options

Upon Closing, the stock option plan of the Resulting Issuer will be the same as the Stock Option Plan, of which there will be 2,310,000 outstanding options issued to directors, officers, employees and consultants of the Resulting Issuer (the “**Resulting Issuer Options**”), and all such Resulting Issuer Options are exercisable immediately. The number of Common Shares remaining available for issuance under the Stock Option Plan will be 2,868,089.

Pro-Forma Consolidated Capitalization

Pro-Forma Capitalization

The following table sets out the capitalization of the Resulting Issuer as at Closing, assuming completion of the Transaction.

Designation	Amount Authorized or to be Authorized	Amount outstanding after giving effect to the Transaction
Common Shares	Unlimited	51,780,894 ⁽¹⁾⁽²⁾
Resulting Issuer Options	5,178,089	2,310,000
Warrants	Unlimited	16,436,310 ⁽³⁾

Notes:

- (1) Upon completion of the Transaction, TRU will issue 7,140,000 Common Shares to Altius.
- (2) In connection with the Transaction, TRU completed the Concurrent Financing. Each Subscription Receipt will be automatically converted into one Unit upon satisfaction of the Escrow Release Condition. Each Unit consists of one Common Share and one Warrant. For more information, see “*Part I: Information Concerning TRU – Financing*”.
- (3) Upon satisfaction of the Escrow Release Condition, TRU will issue 15,910,053 Warrants plus 526,257 Finders Warrants.
- (4) The pro-forma accumulated deficit as at December 31, 2020 is \$4,190,763.

Fully Diluted Share Capital

The following table states the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction.

Description of Security	Number of Securities	Percentage of Total⁽¹⁾
Common Shares (undiluted) ⁽²⁾	51,780,894	73.4%
Common Shares (undiluted) reserved for issuance pursuant to Warrants ⁽³⁾	16,436,310	23.3%
Common Shares reserved for issuance pursuant to Resulting Issuer Options ⁽⁴⁾⁽⁵⁾	2,310,000	3.3%
Total Number of Securities (fully-diluted)	70,527,204 ⁽⁶⁾	100%

Notes:

- (1) All percentages based on Total Number of Securities (fully-diluted) figure.
- (2) Inclusive of Common Shares issued upon automatic exercise of Subscription Receipts upon satisfaction of the Escrow Release Condition.
- (3) Each Warrant can be exercised into one Common Share. For more information, see “*Part I: Information Concerning TRU – Concurrent Financing*”.
- (4) For full details concerning all Stock Options for the Resulting Issuer upon completion of the Transaction, see *Part III: “Information Concerning the Resulting Issuer – Options to Purchase Securities”*.
- (5) Pursuant to the Stock Option Plan, the Resulting Issuer will have reserved up to 10% of the number of Common Shares issued and outstanding for Stock Options. The terms of any future Stock Option grants are currently unknown. See

“Information Concerning the Resulting Issuer – Executive Compensation - Options to Purchase Securities - Stock Option Plan”.

- (6) This figure does not include Common Shares that the Company may issue in the future pursuant to its already-completed Property Acquisitions, because all such issuances are contingent on future milestones which the Company may determine not to proceed with. The maximum number of potential future Common Shares that may be issued in connection with such acquisitions is 6,340,000, as follows: (i) Golden Rose Project – 3,000,000 to Altius and 240,000 to Shawn Rose; (ii) Rolling Pond Property – 2,100,000; and (iii) Twilite Gold Property – 1,000,000.

Other than as disclosed above, no other securities will be outstanding which are convertible into or exchangeable for Common Shares immediately following the completion of the Transaction.

Available Funds and Principal Purposes

The Resulting Issuer is expected to have approximately \$4,493,359 in working capital available on Closing. In the twelve (12) months following completion of the Transaction, the Resulting Issuer is expected to use the funds available to it in furtherance of its stated business objectives which are summarized in the table appearing below:

	Estimated Amount
Sources of Funds:	
Estimated working capital as at March 31, 2021	\$1,108,924
Net proceeds of Concurrent Financing	\$3,384,435
Total Sources	\$4,493,359
Uses of Funds:	
Costs related to the Transaction and Concurrent Financing	\$250,000
General and administrative expenses and public company initiatives ⁽¹⁾	\$1,210,000
Investor Relations Activities agreement costs ⁽²⁾	\$153,000
Exploration expenditures ⁽³⁾	\$2,070,000
Unallocated Working Capital:	\$810,359
Total Uses	\$4,493,359

Notes:

- (1) TRU will not be making any payments to Non-Arm’s Length Parties in connection with the Transaction, other than established ordinary course salary and fee payments.
- (2) Investor relations agreements as disclosed at *“Part III: Information Concerning the Resulting Issuer - Investor Relations Arrangements.”*
- (3) Excludes the following potential property acquisition payments to be made in cash within the next 12 months, which are contingent and are at the sole discretion of the Company: \$50,000 under the Rolling Pond Agreement; and \$22,500 under the Underlying Agreement.

Available Funds

After giving effect to the Transaction, the estimated total funds available to the Resulting Issuer will be \$4,493,359, of which \$1,108,924 represents the estimated consolidated working capital as at March 31, 2021.

Dividends

The Resulting Issuer does not intend to declare any dividends payable to the holders of the Common Shares. The Resulting Issuer has no restrictions on paying dividends, but if the Resulting Issuer generates earnings in the foreseeable future, it expects that they will be retained to finance growth, if any. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based upon the Resulting Issuer’s financial position at the relevant time. All of the Common Shares will be entitled to an equal share in any dividends declared and paid.

Principal Security Holders

To the knowledge of TRU, no person is anticipated to own or beneficially, directly or indirectly, or exercise control or direction over more than ten percent (10%) of any class of voting securities of the Resulting Issuer, after giving effect to the Transaction, other than as set forth below:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares
Altius Resources Inc. ⁽¹⁾ Newfoundland and Labrador	Record	7,140,000	13.8 ⁽²⁾⁽³⁾

Notes:

- (1) Altius is a wholly-owned subsidiary of Altius Minerals. Altius Minerals is a reporting issuer under the laws of the Provinces of British Columbia, Ontario and Alberta.
- (2) After taking into account Common Shares to be issued to subscribers of Subscription Receipts pursuant to the Concurrent Financing following satisfaction of the Escrow Release Condition.
- (3) Altius will hold 10.1% of the issued and outstanding Common Shares on a fully-diluted basis, based on 70,527,204 Common Shares outstanding fully-diluted. Altius will hold 10,140,000 Common Shares assuming issuance by TRU of the Additional Shares, which will result in Altius holding 13.8% of the issued and outstanding Common Shares on a fully-diluted basis, based on 73,527,204 Common Shares outstanding fully-diluted.

Directors, Officers and Promoters

The following table sets forth the name of all individuals who will be directors, officers and promoters of the Resulting Issuer following the closing of the Transaction, their municipalities of residence, their proposed positions with the Resulting Issuer, their principal occupations during the past five (5) years and the number of Common Shares to be beneficially owned, directly or indirectly, or over which control or direction is exercised, assuming completion of the Transaction.

TRU does not anticipate changing any of its directors or officers in connection with the Transaction and the Resulting Issuer will not have any promoters.

Name and Municipality of Residence ⁽¹⁾	Current Position with the Company	Director of TRU Since ⁽²⁾	Principal Occupation for Previous Five Years	Number and Percentage of Securities Beneficially Owned or Controlled
Joel Freudman ⁽³⁾⁽⁵⁾⁽⁶⁾ <i>Toronto, Ontario, Canada</i>	President, CEO and Director	July 9, 2017	President and CEO of the Company, 2017-present; President of Resurgent (capital markets), 2016-present	• 2,574,773 Common Shares (5.0%) • 100,000 Stock Options • 227,273 Warrants
Robert Harrison <i>New Maryland, New Brunswick, Canada</i>	CFO and Corporate Secretary	N/A	CFO of the Company, 2009 – present; Corporate Secretary of the Company, 2017 – present; CFO the privately held Trius Group of Companies, 1999 – present; CFO of IM Exploration Inc., 2019 - present	• 248,550 Common Shares (0.5%) • 125,000 Stock Options • 50,000 Warrants
Damian Lopez ⁽⁴⁾⁽⁵⁾⁽⁶⁾ <i>Toronto, Ontario, Canada</i>	Lead Director	September 26, 2017	Since August 2015 to present: Legal consultant to various Toronto Stock Exchange and TSX Venture Exchange listed	• 233,823 Common Shares (0.5%) • 750,000 Stock Options

			companies. Since March 2019 to December 2020: Chief Executive Officer and Director of Flora Growth Corp. Since December 2020 to present: VP, Legal & Strategy of Flora Growth Corp. Since May 2016 to present: President, Chief Executive Officer and Director of Valencia Ventures Inc.	
Barry Greene <i>Grand Falls-Windsor, Newfoundland and Labrador, Canada</i>	Director and Vice President of Property Development	December 17, 2020	Vice President of Property Development and Director of the company, 2020 – present; Director of GBC Grand Exploration Inc., 2018-2020; Geological consultant with Wood PLC, 2018; Geological consultant with Amec Foster Wheeler, 2014-2017.	• 863,636 Common Shares (1.7%) • Nil Stock Options • 113,626 Warrants
David Hladky ⁽⁵⁾ <i>Vancouver, British Columbia, Canada</i>	Director	October 22, 2020	Geological Consultant on projects in Mexico (GR Silver Mining, 2020-Present; Silver Bull Resources 2017-2019), Nevada (Newrange Gold Corp. 2019-Present), Ontario (Newrange Gold Corp. 2019-Present) and Quebec (Enforcer Gold Corp., 2016-2017); Former Director of CPC Kismet Resources Corp. (2018-2020)	• 85,000 Common Shares (0.2%) • 150,000 Stock Options • 85,000 Warrants

Notes:

- (1) Information as to municipality of residence, principal occupation, and number of securities of the Resulting Issuer beneficially owned or controlled has been furnished by the respective directors and officers of the Resulting Issuer.
- (2) The term of office of each director of the Resulting Issuer will expire at the next annual general meeting of the shareholders of the Resulting Issuer.
- (3) Mr. Freudman is the sole director and officer of Resurgent and thereby exercises direction and control over the 2,574,773 Common Shares that are beneficially owned by Resurgent.
- (4) Mr. Lopez is the independent Lead Director on the Board, and therefore serves as chair of the audit committee and the disclosure committee.
- (5) Proposed member of the Resulting Issuer's audit committee.
- (6) Proposed member of the Resulting Issuer's disclosure committee.

Management

On closing, the management team of the Resulting Issuer is expected to be comprised of Joel Freudman as President and Chief Executive Officer, Robert Harrison as Chief Financial Officer and Corporate Secretary and Barry Greene as Vice President, Property Development.

In addition to the information set out in the table above, following is some information about the proposed members of the Board and management of the Resulting Issuer:

Joel Freudman – Age: 35 – President, CEO and Director

Joel Freudman is and will remain as the Co-Founder, President, CEO and a Director of TRU. With over 10 years of capital markets and legal experience, Mr. Freudman currently serves as a director and officer of

both public and private mineral exploration companies. As a full-time consultant to TRU (through Resurgent), Mr. Freudman will dedicate approximately 90% of his time to TRU. Mr. Freudman holds a B.Comm. from the University of Toronto and a J.D. from Western University. He is also Founder and President of Resurgent (2016 to present), a merchant bank focused on promising micro-capitalization Canadian companies. Previously, he was Legal Counsel at Industrial Alliance Insurance and Financial Services Inc. (2015 to 2017); Counsel at Royal Bank of Canada (2014 to 2015); and a Securities/M&A Associate at Peterson & Company LLP (now called Peterson McVicar LLP) (2012 to 2014), a law firm focused on publicly-traded junior mining issuers. Mr. Freudman has not entered into a non-competition or non-disclosure agreement with the Company, although under the Resurgent MSA he is subject to standard confidentiality obligations.

Robert Harrison – Age: 62 – CFO and Corporate Secretary

Robert Harrison is and will continue to be employed as the CFO and Corporate Secretary of TRU on a part-time basis, dedicating approximately 40% of his time to TRU. Mr. Harrison has over 40 years of extensive accounting experience across a host of sectors. Mr. Harrison is responsible for, among other things, preparing financial statements and maintaining corporate records. Mr. Harrison received his CGA designation in 1991 and was awarded the FCGA fellowship designation in 2002. Currently, Mr. Harrison is the CFO of Trius Leasing Inc. (1999 to present), a company engaged in the leasing, sale and service of vehicles. He also the CFO of Trius Inc. (1999 to present), a company engaged in the transportation of goods and services, and the provision of administrative services to affiliated companies. Mr. Harrison is also CFO to other public and private mineral exploration companies. Mr. Harrison has not entered into a non-competition or non-disclosure agreement with TRU.

Damian Lopez – Age: 38 –Lead Director

Damian Lopez has been the Lead Director (formerly titled as Chairman) of the Company since September 26, 2017 and will remain as such after the Change of Business in order to continue providing independent leadership of the Company's corporate governance functions. Mr. Lopez is an executive and corporate lawyer with extensive mergers and acquisition and corporate finance experience. Mr. Lopez is currently the VP, Legal & Strategy of Flora Growth Corp., a private vertically integrated cannabis company and legal consultant to various Toronto Stock Exchange and TSXV listed companies in various sectors including mining, cannabis, financial services, agriculture and technology. Mr. Lopez is also currently a director of Holly Street Capital Ltd. (TSXV: HSC.P). Mr. Lopez began his legal career as a corporate law associate at Stikeman Elliott LLP. Mr. Lopez holds a B.Comm from Rotman Commerce, University of Toronto and a J.D. from Osgoode Hall Law School. Mr. Lopez has not entered into a non-competition or non-disclosure agreement with the Company.

David Hladky – Age: 47 – Director

David Hladky is serving as a Director of the Company. Mr. Hladky is a Vancouver-based Geologist, with over 22 years of hands-on international exploration experience including in Mexico, Canada, Argentina and Peru, including Project Manager and Qualified Person on the Morelos Sur and El Barqueno Projects in Mexico, purchased by Agnico Eagle Mines. Recently he has been consulting for GR Silver Mining in Sinaloa, Mexico, and for Newrange Gold Corp. in Nevada and Ontario. He also serves as a Director for Infield Minerals Corp., and is a former Director for Kismet Resources Corp. (now TDG Gold Corp.) Mr. Hladky obtained a Hons. B.Sc. in Geology from the University of Alberta, graduating in 1998, and is a Professional Geologist, registered with APEGA. Mr. Hladky has not entered into a non-competition or non-disclosure agreement with the Company.

Barry Greene – Age: 55 – Director and Vice President, Property Development

Barry Greene was appointed as the Vice President, Property Development and Director on December 17, 2020. In this role Mr. Greene will review mineral projects and recommend acquisitions or divestitures, assist with negotiation of joint venture and option agreements, review merger and acquisition opportunities, review project data and recommend and oversee exploration programs. Mr. Greene is a Newfoundland-based geoscientist with over 30 years of experience including with multiple public companies and as a geological consultant. Mr. Greene is an employee of the Company and works on a full time basis, dedicating approximately 100% of his time to the Company. Mr. Greene has worked across Canada, in the United States and internationally for multi-national geological and engineering consulting companies like Amec Foster Wheeler, Wood Plc., BP Resources Canada, and Rio Algom Exploration Inc. He also previously served for 16 years as Exploration Manager and then Vice-President of Exploration for publicly-traded junior mineral exploration company Celtic Minerals Ltd. Barry worked as a geological consultant with Amec Foster Wheeler (2014-2017); he was a geological consultant and QA inspector with Wood PLC (2018); and a director with GBC Grand Exploration Inc (2018-2020). Mr. Greene has not entered into a non-competition or non-disclosure agreement with TRU, although under his employment contract he is subject to standard confidentiality obligations.

Mr. Greene obtained a 4th class Power Engineering diploma from the College of Trades and Technology and a B.Sc in geology from Memorial University of Newfoundland, graduating in 1989. He is a licenced member of the Professional Engineers and Geoscientists of Newfoundland and Labrador.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within ten (10) years before the date of this Filing Statement, has been a director, officer or promoter of any person or company (including the Resulting Issuer), that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Lopez was a director of Braingrid Limited which was cease traded on July 23, 2020 pursuant to Canadian Securities Exchange (“CSE”) Policy 3 for not meeting its continued listing requirements by failing to file its financial statements. Braingrid Limited was reinstated for trading on the CSE on October 27, 2020. Mr. Lopez resigned from the board of directors of Braingrid Limited on November 26, 2020.

Penalties or Sanctions

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

No proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons, has, within the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Some of the directors and officers of the Resulting Issuer are engaged and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Issuer be in direct competition with the Resulting Issuer. For more information, see “*Risk Factors*”.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five (5) years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Joel Freudman	IM Exploration Inc. (Canada)	CSE	President & CEO	January 2018	February 2021
			Director	January 2018	April 2021
	Holly Street Capital Ltd. (British Columbia)	TSXV	President & CEO & Director	July 2019	Present
	Pacific Iron Ore Corporation (Alberta)	Unlisted	President & CEO & Director	October 2019	May 2020
	Aura Health Inc. (Ontario)	CSE	Director	October 2018	May 2019
Damian Lopez	Black Iron Inc. (Ontario)	TSX	Corporate Secretary	August 2015	April 2021
	Routemaster Capital Inc. (British Columbia)	NEO	Corporate Secretary	August 2015	December 2018
	Fura Gems Inc. (Ontario)	TSXV	Corporate Secretary	August 2015	October 2020
	Emerita Resources Corp. (Ontario)	TSXV	Corporate Secretary	August 2015	Present

	AnalytixInsight Inc. (Ontario)	TSXV	Corporate Secretary	August 2015	April 2021
	Trigon Metals Inc. (Canada)	TSXV	Corporate Secretary	August 2015	Present
	EarthRenew Inc. (Quebec – continued to Ontario)	CSE	CEO & Director	May 2016	January 2019
	African Gold Group Inc. (Ontario)	TSXV	Corporate Secretary	August 2017	June 2019
	Wolf Acquisition Corp. (Ontario)	TSXV	CEO & Director	June 2018	March 2021
	Holly Street Capital Ltd. (British Columbia)	TSXV	Director	June 2019	Present
	Pacific Iron Ore Corporation (Alberta)	Unlisted	Director	October 2019	May 2020
	Braingrid Limited (Ontario)	CSE	Director	April 2020	November 2020
	Nobel29 Resources Corp. (British Columbia)	TSXV	Corporate Secretary	April 2021	Present
Robert Harrison	IM Exploration Inc. (Canada)	CSE	CFO and Corporate Secretary	October 2019	Present
David Hladky	Kismet Resources Corp. (British Columbia)	TSXV	Director	September 2018	December 2020

Proposed Executive Compensation

The Resulting Issuer’s compensation practices for its NEOs are not expected to change following completion of the Transaction, although the salaries for certain NEOs may be increased to reflect increased workload and responsibilities. For more information, see “*Part I: Information Concerning TRU - NEO Summary Compensation Table*”.

Compensation of Directors

The Resulting Issuer intends to compensate directors through the issuance of Stock Options in accordance with the terms and conditions of its Stock Option Plan, as and when directed by the board of directors of the Resulting Issuer. Only the Lead Director receives cash compensation, in the amount of \$2,000 monthly, for his additional services to the Board and its committees in such capacity.

Indebtedness of Directors and Officers

No director or officer of the Resulting Issuer, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to TRU at any time.

Investor Relations Arrangements

MI3 (as defined below) and one of its Principals participated in the Concurrent Financing, and together they subscribed for 182,000 Subscription Receipts at a price of \$0.22 per Subscription Receipt for an aggregate purchase price of \$40,040. Other than the foregoing, no other investor relations firms set out below, nor their respective Associates or Affiliates, participated in the Concurrent Financing.

Integral Wealth Securities Limited

On September 3, 2020, TRU and Integral Wealth Securities Limited (“**Integral**”) entered into a market-making agreement (the “**Integral Agreement**”), pursuant to which Integral shall provide to TRU market-making services, including assisting in maintaining active and orderly trading of the Common Shares, in accordance with the policies of the TSXV. In consideration for the services under the Integral Agreement, the Company shall pay Integral a cash fee of \$5,000 per month. The Integral Agreement remains in effect on a month-to-month basis, albeit currently temporarily suspended while the Common Shares remain halted from trading pending completion of the Transaction. No consideration is being paid to Integral while the Integral Agreement is suspended. Integral and the Company are unrelated and unaffiliated entities, with no relationships other than pursuant to the Integral Agreement. Integral is not expected to have any interest, directly or indirectly, in the Resulting Issuer; will not receive Common Shares or Stock Options as compensation; and does not have any present intention to acquire any securities of the Resulting Issuer aside from as is necessary to perform its obligations under the Integral Agreement. The capital used for market-making will be provided by Integral.

Momentum Public Relations Inc.

On February 25, 2021, TRU and Momentum Public Relations Inc. (“**Momentum**”) entered into an agreement whereby Momentum will spearhead TRU’s investor relations efforts predominantly in the province of Québec.

Momentum will facilitate dialogue with investors and stockbrokers and advise TRU on various financing alternatives (the “**Momentum Services**”). As consideration for the Momentum Services, TRU agreed to pay Momentum a monthly cash fee of \$9,200 for a six (6) month term, all of which (\$55,200) was paid to Momentum in advance as a retainer. The Momentum Services were initially agreed to commence on April 1, 2021, but commencement has been postponed to May 1, 2021 while the Company completes the Transaction. In addition, following completion of the Change of Business and resumption of trading of the Common Shares on the TSXV, TRU shall grant Momentum 450,000 Stock Options on terms to be determined by the Board and in accordance with the Stock Option Plan and TSXV policies. Momentum acts at arm’s length to TRU and does not currently have any interest, directly or indirectly, in TRU or its securities.

MI3 Communications Financières Inc.

On February 25, 2021, TRU and MI3 Communications Financières Inc. (“**MI3**”) entered into an agreement whereby MI3 will spearhead TRU’s investor relations efforts predominantly in the province of Québec.

MI3 will provide a wide range of publicity and investor relations services, including conducting targeted communications campaigns following notable developments about TRU, and arranging virtual introductions to and roadshows with stockbrokers and high-net-worth individuals (the “**MI3 Services**”). As consideration for the MI3 Services, TRU shall pay MI3 a monthly cash fee of \$5,000 for a six (6) month term. The MI3 Services were initially agreed to commence on April 1, 2021, but commencement has been postponed to May 1, 2021 while the Company completes the Transaction. In addition, following completion

of the Change of Business and resumption of trading of the Common Shares on the TSXV, TRU shall grant MI3 100,000 Stock Options on terms to be determined by the Board and in accordance with the Stock Option Plan and TSXV policies. MI3 acts at arm's length to TRU and, except as set out above in this section, does not currently have any interest, directly or indirectly, in TRU or its securities.

HE Capital Markets Ltd.

On March 10, 2021, TRU and HE Capital Markets Ltd. (“**HE**”) entered into an agreement (the “**HE Agreement**”) whereby HE will design and implement a North American multimedia digital advertising campaign for TRU on certain investor-focused and financial market websites. HE will also provide other media communications services to raise TRU’s overall corporate profile in North America. In consideration for the services under the HE Agreement, TRU agreed to pay HE US\$30,000 for a three-month campaign initially agreed to commence on April 15, 2021, and US\$10,000 for a parallel one-month campaign initially agreed to commence on May 1, 2021. At the date hereof, all such amounts (US\$40,000) have been paid to HE. Commencement of both campaigns has been postponed to May 15, 2021 while the Company completes the Transaction. HE acts at arm's length to TRU and does not currently have any interest, directly or indirectly, in TRU or its securities.

Options to Purchase Securities

There will be no change to the total number of Stock Options to purchase securities of the Resulting Issuer after giving effect to the Transaction other than as previously indicated. For more information, see “*Part I: Information Concerning TRU – Stock Option Plan*” and “*Part III: Information Concerning the Resulting Issuer – Options*”.

The following tables set out the 2,310,000 existing Stock Options as at March 31, 2021, which will remain outstanding as Stock Options to purchase securities of the Resulting Issuer upon completion of the Transaction.

Name	Number of Holders of Stock Options	Number of Stock Options⁽⁴⁾
Directors who are not also Officers	2 ⁽¹⁾	900,000
Officers	2 ⁽²⁾	225,000
Employees	Nil	Nil
Consultants	5 ⁽³⁾	1,185,000
Other	Nil	Nil
TOTALS	9	2,310,000

Notes:

- (1) David Hladky holds 150,000 Stock Options, with an exercise price of \$0.26 per Common Share and an expiry date of October 22, 2025. Damian Lopez holds 750,000 Stock Options, with an exercise price of \$0.105 and an expiry date of May 26, 2025.
- (2) Joel Freudman, through Resurgent, holds 100,000 Stock Options, with an exercise price of \$0.18 and an expiry date of September 11, 2023. Robert Harrison holds 125,000 Stock options, with exercise prices of \$0.16, \$0.20 and \$0.18 per Common Share, and expiry dates of May 2, 2021, July 9, 2022 and September 11, 2023, respectively.
- (3) Stock Options issued to consultants have exercise prices ranging from \$0.12 to \$0.295 per Common Share.

- (4) Each Stock Option is exercisable into one Common Share.

Number of Stock Options	Exercise price per Stock Option	Expiry Date
150,000	\$0.260	October 22, 2025
210,000	\$0.120	June 1, 2025
750,000	\$0.105	May 26, 2025
500,000	\$0.295	November 23, 2023
550,000	\$0.180	September 11, 2023
100,000	\$0.200	July 9, 2022
50,000	\$0.160	May 2, 2021
2,310,000		

No Stock Options to will be issued in connection with this Transaction.

Stock Option Plan

Following the Closing, the Stock Option Plan as disclosed under the “*Part I: Information Concerning TRU – Stock Option Plan*” will remain in effect. The shareholders of the Resulting Issuer may approve a resolution at a meeting of the shareholders of the Resulting Issuer adopting a new Stock Option Plan or amending the existing Stock Option Plan.

Escrowed Securities

TRU has applied for and received a waiver from the escrow requirements set forth in Section 1.3(a) of TSXV Policy 5.4 - *Escrow, Vendor Consideration and Resale Restrictions* in connection with the Change of Business. No outstanding securities of TRU will be subject to escrow upon completion of the Change of Business.

Auditor, Transfer Agent and Registrar

The auditors of the Resulting Issuer will continue to be McGovern Hurley LLP located at 251 Consumers Rd., Suite 800, Toronto, Ontario M2J 4R3.

TSX Trust Company, which is currently TRU’s registrar and transfer agent, will continue to serve as the Resulting Issuer’s registrar and transfer agent for the Common Shares through its principal office at 301-100 Adelaide Street West, Toronto, Ontario M5H 4H1.

GENERAL MATTERS

Sponsorship

TRU has applied for and has received an exemption from the Sponsorship requirements of TSXV Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Relationships

TRU has not entered into an agreement with any registrant to provide sponsorship or corporate finance services, either now or in the future.

Experts

Opinions

The following opinions or reports have been described or included in this Filing Statement: the auditors' report included in this Filing Statement for the fiscal year ended December 31, 2020 is provided by McGovern Hurley LLP; and the auditors' report included in this Filing Statement for the fiscal years ended December 31, 2019 and 2018 is provided by Daye Kelly & Associates.

Expertised Reports

TRU engaged Mr. David Evans to prepare the Technical Report. Mr. Evans is a "qualified person" and considered "independent", as such terms are defined in NI 43-101. All of the scientific and technical mining disclosure contained in this Filing Statement regarding the Golden Rose Project has been extracted from the Technical Report prepared by Mr. Evans. The material under the heading *Part II: "Information Concerning the Golden Rose Project"* contains extracts from the Technical Report.

Interest of Experts

As of the date of this Filing Statement, no professional person whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or who has provided an opinion or report referenced in this Filing Statement, including but not limited to, McGovern Hurley LLP, Daye Kelly & Associates, the Author and TRU's legal counsel, Wildeboer Dellelce LLP, currently holds more than 1% of the issued and outstanding Common Shares and upon completion of the Transaction, will not hold more than 1% of the issued and outstanding Common Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of its associates or affiliates. Each of McGovern Hurley LLP and Daye Kelly & Associates is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and the Rules of Professional Conduct of the Institute of Chartered Accountants of New Brunswick, respectively.

Other Material Facts

To management's knowledge, there are no other material facts relating to TRU, the Resulting Issuer or the Transaction that are not otherwise disclosed in this Filing Statement or are necessary for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Transaction.

Board Approval

The Board has approved the contents of this Filing Statement.

CERTIFICATE OF TRU PRECIOUS METALS CORP.

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of TRU Precious Metals Corp. (“**TRU**”) assuming completion of the Transaction (as that term is defined in the Filing Statement of TRU dated April 29, 2021).

Dated: April 29, 2021

“Joel Freudman”

President, Chief Executive Officer

“Robert Harrison”

Chief Financial Officer, Corporate Secretary

On behalf of the board of directors of TRU

“Barry Greene”

Director

“Damian Lopez”

Lead Director

ACKNOWLEDGEMENT – PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual, and includes information contained in any Items in the attached Filing Statement that are analogous to Items 4.2, 11, 13.1, 16, 18.2, 19.2, 24, 25, 27, 32.3, 33, 34, 35, 36, 37, 38, 39, 41 and 42 of Exchange Form 3D2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to the Form 3D2; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

On behalf of the board of directors of TRU

“Joel Freudman”

President, Chief Executive Officer

SCHEDULE “A”

FINANCIAL STATEMENTS OF TRU

TRU PRECIOUS METALS CORP.

(FORMERLY TRIUS INVESTMENTS INC.)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of TRU Precious Metals Corp.

Opinion

We have audited the consolidated financial statements of TRU Precious Metals Corp. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements of the Company for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on April 24, 2020.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

McGovern Hurley

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner of the audit resulting in this independent auditor's report is Glen McFarland.

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
April 26, 2021

TRU Precious Metals Corp.
(Formerly Trius Investments Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 376,053	\$ 1,442,333
Amounts receivable (Note 6)	3,815	11,581
Equity investments	16,625	-
Note receivable (Note 7)	1,050,000	-
Income tax receivable	-	17,150
Prepaid expenses	13,980	12,403
Total current assets	1,460,473	1,483,467
Deferred tax assets (Note 11)	-	29,700
TOTAL ASSETS	\$ 1,460,473	\$ 1,513,167
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8 and 13)	205,093	90,562
Total liabilities	205,093	90,562
Shareholders' equity		
Share capital (Note 9)	2,935,574	672,140
Share-based payment reserves	498,969	122,731
Retained earnings (deficit)	(2,179,163)	627,734
Total shareholders' equity	1,255,380	1,422,605
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,460,473	\$ 1,513,167

Nature of operations and going concern (Note 1)
 Commitments and contingencies (Notes 10, 13 and 14)
 Subsequent events (Note 15)

Approved on behalf of the Board:

“ Damian Lopez “ Director

“ Joel Freudman “ Director

The accompanying notes to the consolidated financial statements are an integral part of these statements.

TRU Precious Metals Corp.
(Formerly Trius Investments Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
EXPENSES		
Management fees and salaries (Note 13)	182,003	57,976
Share-based compensation (Note 9 and 13)	392,063	-
Business combination transaction cost	7,390	91,981
Professional fees	254,706	40,165
Filing and agency fees	40,691	26,063
Corporate communications and investor relations	90,944	-
Administrative costs	34,469	71,406
Insurance	8,743	8,231
Directors' fees and expenses (Note 13)	42,729	43,607
Exploration and evaluation expenses (Note 10)	1,920,215	-
TOTAL EXPENSES BEFORE OTHER ITEMS	2,973,953	339,429
OTHER (INCOME) EXPENSES		
Interest income	(101,201)	(27,762)
Termination fee	(125,000)	(250,000)
Realized loss on investment	18,979	-
Change in unrealized loss on investment	9,654	-
Recovery of loss on disposal of investments in associate	-	(191)
LOSS BEFORE INCOME TAXES	2,776,385	61,476
Income taxes (recoverable)	30,512	(19,800)
NET LOSS AND COMPREHENSIVE LOSS	2,806,897	41,676
Net loss per share (Note 12)		
Basic and diluted	\$ 0.153	\$ 0.004
Weighted average common shares outstanding		
Basic and diluted	18,304,389	11,270,841

The accompanying notes to the consolidated financial statements are an integral part of these statements.

TRU Precious Metals Corp.

(Formerly Trius Investments Inc.)

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Share based payments	Retained Earnings (Deficit)	Total
Balance, December 31, 2018	11,270,841	\$ 672,140	\$ 122,731	\$ 669,410	\$ 1,464,281
Net loss for the year	-	-	-	(41,676)	(41,676)
Balance, December 31, 2019	11,270,841	672,140	122,731	627,734	1,422,605
Shares issued for cash (Note 9)	10,000,000	500,000	-	-	500,000
Share issuance costs (Note 9)	-	(15,041)	-	-	(15,041)
Shares issued for acquisitions of exploration and evaluation assets (Note 10)	7,185,000	1,734,650	-	-	1,734,650
Shares issued on stock options exercised (Note 9)	175,000	43,825	(15,825)	-	28,000
Share-based payments (Note 9)	-	-	392,063	-	392,063
Net loss for the year	-	-	-	(2,806,897)	(2,806,897)
Balance, December 31, 2020	28,630,841	\$ 2,935,574	\$ 498,969	\$ (2,179,163)	\$ 1,255,380

The accompanying notes to the consolidated financial statements are an integral part of these statements.

TRU Precious Metals Corp.
(Formerly Trius Investments Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Operating activities		
Net loss	(2,806,897)	(41,676)
Shares issued for property acquisitions	1,734,650	-
Share based payments	392,063	-
Deferred taxes	29,700	(11,700)
Loss on equity investment	28,633	-
Changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	6,189	12,961
Income tax receivable	17,150	(4,942)
Amounts payable and accrued liabilities	114,531	(35,145)
Net cash used in operating activities	(483,981)	(80,502)
Financing activities		
Proceeds from share issuance	500,000	-
Share issue costs	(15,041)	-
Proceeds from exercise of stock options	28,000	-
Net cash provided by financing activities	512,959	-
Investing activities		
Advance of note receivable	(1,250,000)	-
Payment of note receivable	200,000	-
Purchase of investments	(90,100)	-
Proceeds on disposal of investments	44,842	-
Net cash used in investing activities	(1,095,258)	-
Net change in cash and cash equivalents	(1,066,280)	(80,502)
Cash and cash equivalents, beginning of year	1,442,333	1,522,835
Cash and cash equivalents, end of year	\$ 376,053	\$ 1,442,333

The accompanying notes to the consolidated financial statements are an integral part of these statements

TRU Precious Metals Corp.
(Formerly Trius Investments Inc.)
Notes to Consolidated Financial Statements
For Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

TRU Precious Metals Corp. (formerly Trius Investments Inc.) (the “Company”) is a Canadian public company listed on the TSX Venture Exchange (the “TSXV”) under the symbol “TRU”, and on the OTCQB Venture Market under the symbol “TRUIF”. The Company exists under the laws of the Province of Alberta. The Company’s head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada, E3B 5E3. On October 19, 2020 the Company changed its name to TRU Precious Metals Corp. The Company has assembled a portfolio of gold exploration properties in Newfoundland and Labrador, Canada through its wholly owned subsidiary, 11436465 Canada Inc., with which the Company has since amalgamated.

The Company’s future viability depends upon the acquisition and financing of mineral exploration or other projects. If the mineral projects are to be successful, additional funds will be required for exploration and development and, if warranted, to place them into commercial production. The sources of future funds presently available to the Company are through the issuance of common shares or through the sale of an interest in any of its properties or assets in whole or in part. The ability of the Company to arrange such financing or the sale of an interest will depend, in part, on prevailing market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through restrictions put in place by the Canadian and provincial governments regarding travel, business operations and isolations/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company’s business and financial condition.

These consolidated financial statements of the Company for the year ended December 31, 2020 were approved and authorized for issue by the Audit Committee and the Board of Directors on April 26, 2021.

2. BASIS OF PRESENTATION AND COMPLIANCE

Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The principal accounting policies applied in the presentation of these financial statements are set out in note 3.

Basis of Presentation

These consolidated financial statements have been prepared on a going concern basis, under the historical cost basis (except for financial instruments carried at fair value), and using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in accordance with International Accounting Standards ("IAS") 1, Preparation of Financial Statements, requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Functional Currency

Amounts in the financial statements are presented in Canadian dollars unless otherwise noted.

Principles of Consolidation

The consolidated financial statements reflect the financial position and results of operations of the Company and its wholly owned subsidiary 11436465 Canada Inc. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

2. BASIS OF PRESENTATION AND COMPLIANCE (continued)

Significant accounting estimates and judgements

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make estimates and judgments concerning the future. The Company's management reviews these estimates and underlying judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, and the recoverability and measurement of deferred tax assets.

The significant areas requiring the use of management estimates include:

- the valuation of share-based compensation (Notes 3 and 9);
- the evaluation of the note receivable for expected credit losses (Notes 3, 5 and 7);
- the recoverability and measurement of deferred income taxes (Notes 3 and 11); and
- the recognition of contingent liabilities (Notes 3 and 14).

The significant judgments applying to these financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty relating thereto.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9 Financial Instruments:

Classification

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

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Amortized cost
Cash equivalents	FVTPL
Investments	FVTPL
Receivable	Amortized cost
Note receivable	Amortized cost
Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

Debt investments at FVTOCI

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

Equity investments at FVTOCI

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

Impairment of financial assets at amortized cost

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

Derecognition

Financial assets

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

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets – newly implemented policy from the quarter ended September 30, 2020

In order to enhance the relevance to the decision making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was adopted and applied retrospectively as of January 01, 2020. In prior periods the Company's policy was to capitalize the costs related to acquisition of, exploration for and development of mineral claims and crediting any revenues received prior to commercial production against the cost of the related claims. The Company elected to change this accounting policy to expense exploration expenditures as incurred on a retrospective basis.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Impact on the financial statements:

The change in accounting policy requires full retrospective application per IAS 1 – Presentation of Financial Statements. Given there is no impact on the consolidated financial statements overall, an opening consolidated statement of financial position as at January 1, 2019 is not presented.

Consolidated Statements of Financial Position

As at September 30, 2020, there was an exploration and evaluation asset of \$411,000 (December 31, 2019 and 2018 - \$nil) on the consolidated statements of financial position. The Company did not commence mining operations until fiscal 2020. In 2019, the Company was inactive. As a result of the change in policy, the entire amount would be expensed through the consolidated statements of income (loss) and comprehensive income (loss). The exploration and evaluation asset would be \$nil as at September 30, 2020, December 31, 2019 and 2018.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and nine months period ended September 30, 2020, \$nil of costs (December 31, 2019 and 2018 - \$nil) were classified as exploration and evaluation costs. With the policy change, these items would now be classified as exploration costs. This would result in an increase in exploration and evaluation expenses of \$411,000 as at September 30, 2020, and \$nil for December 31, 2019 and 2018.

Consolidated Statements of Cash Flows

For the three and nine months period ended September 30, 2020, a cash outflow for *acquisition of mineral properties* was recorded under investing activities for \$31,000 (December 31, 2019 and 2018 - \$nil). With the policy change, there would be no investing cash flow as the Company is not capitalizing an asset on the consolidated statements of financial position. As a result, cash flows used in investing activities decreased and cash flows used in operating activities increased, respectively, in the amount of \$31,000 for the three and nine months period ended September 30, 2020 (December 31, 2019 and 2018 - \$nil).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

For 2020 and 2019, diluted loss per share is equal to basic loss per share as the effects of outstanding options is anti-dilutive.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income, value added, withholding and other taxes:

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company is also subject to tax regulations as they relate to flow-through financing arrangements. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Lease policy

Leases – Lessee

A contract is a lease (or may contain a lease) if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lesser of the lease term and the asset's useful life. The lease liability is subsequently measured at amortized cost using the effective interest method.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

General

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a financial cost and included in interest expense.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of loss for the period.

Comparative Figures

Certain comparative figures were reclassified to be consistent with presentation adopted in 2020.

Adoption of new accounting standards

During 2020, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IAS 8, IAS 28, IFRS 3, and IFRS 10. These new standards and changes did not have any material impact on the Company's financial statements.

New standards not yet adopted, and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The

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amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

4. CAPITAL RISK MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its mineral properties and to sustain future development of the business. The capital structure of the Company consists of equity and debt obligations, net of cash.

The Company's objectives in managing capital are (a) to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern, so that the Company is able to pursue the exploration and development of its mineral property interests, and (b) to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company plans to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to volatile conditions for junior mineral exploration companies. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

There are no restrictions on the Company's capital and there were no significant changes in the Company's approach to capital management during 2020 and 2019.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- ◆ Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- ◆ Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- ◆ Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and note receivable.

The credit risk on cash is remote as it maintains accounts with highly-rated financial institutions.

Credit risk with respect to the note receivable has been assessed as moderate from management, as the Company has strong working relationship with the parties involved and its note receivable is secured by a general security agreement. In addition, the customer operates in the ready-to-eat-meal delivery industry in North America which the Company considers to be favorable in the current economic environment. There is significant concentration of credit risk because the note receivable is with a single counterparty.

Allowance for expected credit losses

The Company measures loss allowances based on an expected credit loss impairment ("ECL") model for all financial instruments measured at amortized cost or fair value through other comprehensive income with recycling into income.

Application of the model depends on the following credit stages of the financial assets.

- Stage 1 - for new loans recognized and for existing loans that have not experienced a significant increase in credit risk ("SICR") since initial recognition, a loss allowance is recognized equal to the lifetime credit losses expected to result from defaults occurring in the next 12 months;
- Stage 2 - for those loans that have experienced a SICR since initial recognition, a loss allowance is recognized equal to the credit losses expected over the remaining life of the loan; and
- Stage 3 - for loans that are considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is recognized.

Significant judgement is required in making assumptions and estimates used to calculate the ECL, including movements between the three stages and the use of forward looking information. The measurement of ECL for each stage and the criteria used to determine a SICR uses information about past events and current conditions as well as reasonable and supportable projections of future events.

As there is only one loan receivable outstanding, the evaluation of the allowance for expected credit losses for the Company is performed collectively. As at December 31, 2020, the loan receivable is current and the Company has not recognized a loss allowance for expected credit losses.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. As at December 31, 2020, the Company has current assets totaling \$1,460,473 to settle current liabilities of \$205,093.

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6. AMOUNTS RECEIVABLE

	2020	2019
Input tax credits receivable	\$ 3,815	\$ -
Interest receivable	-	11,581
	\$ 3,815	\$ 11,581

7. NOTE RECEIVABLE

On March 20, 2020, the Company loaned \$1,250,000 (the "Loan") to Revive Organics Inc. ("Revive"), an unrelated private company. The Loan had a maturity date of March 20, 2021 and bears interest at a rate of 10% per annum, payable monthly. The Loan is secured by a general security agreement in favour of the Company over all of the assets of Revive. On October 19, 2020, the Loan was amended to provide that Revive would repay at least \$500,000 of the outstanding principal amount in five equal monthly installments commencing in November 2020. Also see Note 15 – Subsequent Events.

	2020	2019
Loan advance	\$ 1,250,000	\$ -
Principal repayments	(200,000)	-
	\$ 1,050,000	\$ -

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade payables and accruals	\$ 56,013	\$ 12,485
Employee compensation and related payables	73,000	1,997
Uncashed dividend payment	76,080	76,080
	\$ 205,093	\$ 90,562

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9. SHARE CAPITAL

a) Authorized share capital:

Unlimited number of common shares
 Unlimited number of preferred shares issuable in series

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2018	11,270,841	\$ 672,140
Balance, December 31, 2019	11,270,841	\$ 672,140
Private placement (i)		
Shares issued	10,000,000	500,000
Cost of issue	-	(15,041)
Exercise of stock options (ii)	175,000	43,825
Shares issued for acquisition of exploration and evaluation properties (Note 10)	7,185,000	1,734,650
Balance, December 31, 2020	28,630,841	\$ 2,935,574

- (i) On May 25, 2020, the Company completed a private placement with the issuance of 10,000,000 common shares, at a price of \$0.05 per common share, for gross proceeds of \$500,000. The Company paid legal costs of \$15,041 related to this financing. Certain officers, directors or companies controlled by them subscribed for 2,050,000 common shares, for total gross proceeds to the Company of \$102,500.
- (ii) On October 7, 2020, a director of the Company exercised an aggregate of 175,000 stock options for gross proceeds to the Company of \$28,000. Reserve of \$15,825 was reallocated to common shares to disclose share price at time of exercise. The share price on the date of exercise was \$0.26 per share.
- c) **Stock options**
 The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares at the time of the most recent grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company. At December 31, 2020, the Company had 353,084 options remaining available for issuance under the plan.

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9. SHARE CAPITAL (continued)

Continuity of unexercised options to purchase common shares are as follows:

	Number of options	Weighted average exercise price
Options outstanding, December 31, 2018	1,125,000	\$ 0.18
Transactions during the year:		
Options expired	(25,000)	0.17
Options outstanding, December 31, 2019	1,100,000	0.18
Transactions during the year:		
Options granted	2,360,000	0.17
Options exercised	(175,000)	0.16
Options forfeited	(275,000)	0.20
Options expired	(500,000)	0.17
Options outstanding, December 31, 2020	2,510,000	\$ 0.17
Options exercisable, December 31, 2020	2,510,000	\$ 0.17

Details of options outstanding as at December 31, 2020 are as follows:

Weighted average exercise price	Number of options outstanding	Weighted average contractual life	Number of options exercisable	Weighted average contractual life
\$0.105	950,000	4.40 years	950,000	4.40 years
\$0.120	210,000	4.42 years	210,000	4.42 years
\$0.160	50,000	0.33 years	50,000	0.33 years
\$0.180	550,000	2.70 years	550,000	2.70 years
\$0.200	100,000	1.52 years	100,000	1.52 years
\$0.260	150,000	4.81 years	150,000	4.81 years
\$0.295	500,000	2.90 years	500,000	2.90 years
\$0.175	2,510,000	3.56 years	2,510,000	3.56 years

On May 25, 2020, one officer and one former director of the Company voluntarily forfeited an aggregate of 275,000 stock options.

On May 26, 2020, the Company granted 950,000 stock options to its independent directors in accordance with the Company's stock option plan. These stock options have a 5-year term and an exercise price of \$0.105 each, and vest immediately. The fair value of these stock options was estimated to be \$0.116 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.40%, expected volatility – 125%, expected dividend yield – 0%, expected life – 5 years.

On June 1, 2020, the Company granted 210,000 stock options to certain of its consultants in accordance with the Company's stock option plan. These stock options have a 5-year term and an exercise price of \$0.12 each, and vest immediately. The fair value of the stock options granted was estimated to be \$0.100 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.39%, expected volatility – 125%, expected dividend yield – 0%, expected life – 5 years.

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9. SHARE CAPITAL (continued)

On September 11, 2020, the Company granted 550,000 stock options to certain of its consultants and officers in accordance with the Company's stock option plan. These stock options have a 3-year term and an exercise price of \$0.18 each, and vest immediately. The fair value of the stock options granted was estimated to be \$0.156 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.27%, expected volatility – 126%, expected dividend yield – 0%, expected life – 3 years.

On October 22, 2020, the Company granted 150,000 stock options to a new independent director in accordance with the Company's stock option plan. These stock options have a 5-year term and an exercise price of \$0.260 each, and vest immediately. The fair value of these stock options was estimated to be \$0.310 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.39%, expected volatility – 134%, expected dividend yield – 0%, expected life – 5 years.

On November 23, 2020, the Company granted 500,000 stock options to a consultant in accordance with the Company's stock option plan. These stock options have a 3-year term and an exercise price of \$0.295 each, and vest immediately. The fair value of the stock options granted was estimated to be \$0.257 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.44%, expected volatility – 135%, expected dividend yield – 0%, expected life – 3 years.

During the year ended December 31, 2020, the Company recognized stock-based compensation expense of \$392,063 (2019 - \$nil).

10. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures for the Company consist of the following:

	2020	2019
Acquisition costs:		
Gander West Property	\$ 471,000	\$ -
Twilite Gold Property	516,150	-
Rolling Pond Property	133,000	-
Stony Lake Property	770,500	-
Exploration expenditures:		
Gander West Property	5,100	-
Twilite Gold Property	13,337	-
Rolling Pond Property	5,000	-
Stony Lake Property	3,250	-
Other	2,878	-
	\$ 1,920,215	\$ -

Gander West Property

On September 18, 2020, the Company completed an asset purchase agreement (the "Gander West APA") with three individuals (the "Gander West Vendors"), pursuant to which TRU indirectly agreed to purchase a mineral license for the Gander West exploration property in Newfoundland (the "Gander West Property") along with all related permits and technical data. Pursuant to the Gander West APA, the Gander West Vendors received the following consideration: (i) 2,000,000 common shares at a fair value of \$0.22 per common share based on the quoted market price of the shares at the closing date; (ii) the payment to certain of the Gander West Vendors of an aggregate of \$25,000 in cash; (iii) the reimbursement to a Gander West Vendor of \$6,000 in direct staking costs; and (iv) the granting to certain of the Gander West Vendors of a 3.0% net smelter returns royalty from any future mineral production at the Gander West Property.

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Twilite Gold Property

On November 9, 2020, the Company completed an asset purchase agreement (the "Twilite APA") with GBC Grand Exploration Inc. ("GBC"), pursuant to which TRU indirectly agreed to purchase various mineral claims located in Central Newfoundland known as the Twilite Gold Project (the "Twilite Gold Property"), along with all related permits and technical data. GBC received the following consideration: (i) 1,435,000 common shares at a fair value of \$0.29 per common share based on the quoted market price of the shares at the closing date; (ii) \$100,000 cash; and (iii) a 1.0% net smelter returns royalty from any future mineral production at the Twilite Gold Property, of which 0.5% can be repurchased by TRU for \$1,000,000. The Twilite Gold Property is currently subject to a 2.0% net smelter returns royalty owing to prior owners, of which 1.0% can be repurchased for \$1,000,000.

Pursuant to the Twilite APA, GBC is entitled to receive up to an additional 1,000,000 common shares of the Company in the event certain mineral deposit discovery milestones are achieved at the Twilite Gold Property. As the required mineral deposit discovery has not been achieved to date, no provision has been made in these Financial Statements to report this contingency.

Rolling Pond Property

On November 18, 2020, the Company entered into an option agreement (the "Rolling Pond Agreement") with an arm's length individual (the "Optionor"), whereby the Company shall have the option (the "Rolling Pond Option") to acquire 100% interest in 11 mineral licenses covering 224 contiguous claims located in central Newfoundland (the "Rolling Pond Property"). In order to exercise the Rolling Pond Option to acquire the Rolling Pond Property, the Company would be required to:

- (i) issue common shares and make cash payments as follows:
 - a. 400,000 common shares and \$25,000 upon signing the Rolling Pond Agreement (completed). The shares were valued at \$0.27 per common share based on the quoted market price at the date of the closing;
 - b. 500,000 common shares and \$50,000 on or before November 18, 2021;
 - c. 600,000 common shares and \$50,000 on or before November 18, 2022;
 - d. 1,000,000 common shares and \$100,000 on or before November 18, 2023; and
- (ii) incur exploration expenditures in the aggregate amount of \$500,000 on or before November 18, 2024, with a minimum of \$100,000 on or before November 18, 2021. The Company has granted a right of first refusal in favour of the Optionor and associated companies to be provided in connection with these exploration work commitments, subject to certain conditions as set out in the Rolling Pond Agreement.

Upon exercise of the Rolling Pond Option, the Company shall grant the Optionor a 2.0% net smelter returns royalty from any future mineral production at the Rolling Pond Property, of which 1.0% can be repurchased by the Company for \$1,000,000 at any time.

Stony Lake Property

On December 15, 2020, the Company completed an asset purchase agreement (the "Stony Lake APA") with four arm's length vendors (the "Stony Lake Vendors"), pursuant to which the Company purchased a mineral license for the Stony Lake exploration property in Central Newfoundland (the "Stony Lake Property"), along with all related permits and technical data. As consideration, the Stony Lake Vendors received an aggregate of 3,350,000 common shares at a fair value price of \$0.23 per common share based on the quoted market value of the common shares at the closing date.

TRU Precious Metals Corp.
(Formerly Trius Investments Inc.)
Notes to Consolidated Financial Statements
For Years Ended December 31, 2020 and 2019
(Expressed in Canadian Dollars)

11. INCOME TAXES

a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 – 26.0%) to the effective tax rate is as follows:

	2020	2019
Loss before income taxes	\$ (2,776,385)	(61,476)
Expected income tax recovery based on statutory rate	(736,000)	(16,000)
Adjustment to expected income tax recovery:		
Share-based compensation	104,000	-
Other	-	(1,100)
Change in benefit of tax assets not recognized	661,700	-
Deferred income tax provision (recovery)	\$ 29,700	\$ (17,100)

b) Deferred income taxes

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Recognized deferred tax assets

	2020	2019
Non-capital loss carry-forwards	\$ 29,700	\$ 8,400
Share issue costs	-	(15,000)
Other temporary differences	29,700	36,300
	\$ -	\$ 29,700

Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2020	2019
Non-capital loss carry-forwards	\$ 475,000	\$ -
Other temporary differences	127,000	-
Mineral property costs	1,920,000	-
	\$ 2,522,000	\$ -

The tax losses expire in 2040. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

12. LOSS PER SHARE

For the year ended December 31, 2020, basic and diluted loss per share has been calculated based on the loss attributable to common shareholders of \$2,806,897 (2019 - \$41,676) and the weighted average number of common shares outstanding of 18,304.389 (2019 – 11,270,841).

13. RELATED PARTY TRANSACTIONS

In the course of regular business activities, the Company has transactions with related parties. Such transactions were measured at the exchange amount, which is the amount established and agreed to by the related parties, and are as follows:

- 1) Compensation of directors and key management personnel.

	2020	2019
Management fees and salaries	\$ 182,003	\$ 49,236
Directors' fees and expenses	42,729	43,607
Share-based compensation to directors and officers	180,028	-
	\$ 404,760	\$ 92,843

The remuneration of directors and key executives are determined by the Board of Directors having regard to their respective performance, compensation levels at comparable companies, and market trends.

- 2) Management services agreement.

On March 9, 2020, the Company entered into a management services agreement (the "MSA") with Resurgent Capital Corp. (the "Manager") for executive management and venture capital markets advisory services. In substitution for paying salary directly to the Company's President and CEO, under the MSA the Company will pay the Manager \$7,500 (plus HST) monthly. In addition, if the Company successfully completes a corporate M&A transaction with an arm's length counterparty, the Manager will, subject to any applicable regulatory approvals, earn a one-time performance bonus, payable entirely in the Company's shares, having an aggregate value of 5% of the Company's deemed valuation for purposes of such transaction. The Manager is a shareholder of the Company. In addition, the Manager's investment decisions are controlled by its President, Joel Freudman, who also serves as President and CEO and a Director of the Company. Also see Note 15 - Subsequent Events.

There was \$78,000 owing to related parties at December 31, 2020 (2019 - \$nil).

14. COMMITMENTS AND CONTINGENCIES

The Company is required to make certain cash payments, incur exploration costs and issue shares to maintain its mineral properties in good standing – See Note 10. These payments, costs and share issuances are at the Company's discretion and are based upon available financial resources and the exploration merits of the mineral properties which are evaluated on a periodic basis.

The Company is party to a management contract – See Note 13 and 15.

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

15. SUBSEQUENT EVENTS

On January 11, 2021, a former director of the Company exercised an aggregate of 100,000 stock options for gross proceeds to the Company of \$10,500. Also subsequent to December 31, 2020, 100,000 stock options held by another former director of the Company expired unexercised.

On February 26, 2021, the Company entered into a second Loan amendment (the "Second Amendment") with Revive, under which the payment schedule for the Loan was updated as follows, inclusive of interest: \$336,250 due on March 31, 2021 (paid); \$223,500 due on April 30, 2021; and \$201,667 due on May 31, 2021. As consideration for entering into the Second Amendment, Revive will also pay the Company a one-time fee of \$21,000 on May 31, 2021.

Golden Rose Project Transaction

On February 23, 2021, the Company entered into an option agreement ("Option Agreement") with a subsidiary of TSX-listed Altius Minerals Corporation for the option to purchase the Golden Rose Project located in the Central Newfoundland Gold Belt. In order to exercise this Option and acquire the Golden Rose Project, TRU is required to make a series of common share issuances to Altius, at a deemed price of \$0.25 per common share, and incur exploration expenditures on the Golden Rose Project, as follows:

- (i) TRU shall issue 7,140,000 common shares on the Closing Date of the Option Agreement (the "Initial Shares");
- (ii) TRU shall issue 800,000 common shares on or before the date that is one (1) month from the Closing Date;
- (iii) TRU shall issue 800,000 common shares on or before the date that is twelve (12) months from the date of the Option Agreement (the "Option Agreement Date");
- (iv) TRU shall issue 1,400,000 common shares on or before the date that is twenty-four (24) months from the Option Agreement Date (together with the common shares issued in (ii) through (iv), collectively, the "Additional Shares");
- (v) incurring exploration expenditures of \$500,000 within twelve (12) months of the Option Agreement Date;
- (vi) incurring additional exploration expenditures of \$1,000,000 within twenty-four (24) months of the Option Agreement Date; and
- (vii) incurring additional exploration expenditures of \$1,500,000 within thirty-six (36) months of the Option Agreement Date (together with the exploration expenditures incurred in (v) through (vii), collectively, the "Exploration Expenditures").

In order for TRU to exercise the Option Agreement, TRU shall issue an aggregate of 10,140,000 common shares to Altius. Notwithstanding the foregoing, in each case only that number of common shares will be issued which will result in the total shareholdings of Altius not exceeding 19.99% of TRU's issued and outstanding common shares as of the date of issuance.

In order to exercise the Option Agreement, TRU shall have added cumulative gross cash proceeds of not less than \$3,000,000 through Equity Financings within 24 months of February 23, 2021. This was completed on March 4, 2021 subject to approval of the TSX Venture Exchange.

15. SUBSEQUENT EVENTS (continued)

Golden Rose Project Transaction (continued)

In addition, Altius shall retain a 2.0% net smelter returns royalty (the "Altius NSR") on any future minerals production from the Golden Rose Project. Notwithstanding the foregoing, in respect of any claims on the Golden Rose Project that carry pre-existing royalty obligations to third parties, including the Rose Royalty, Altius shall retain a net smelter returns royalty equal to (a) 2.0%, minus (b) the pre-existing royalty. Altius shall also retain the benefit of any buyback provisions of any such pre-existing royalties.

In addition, Altius shall also assign the amended and restated option and royalty agreement between Altius and Shawn Rose dated November 24, 2020, as amended on February 22, 2021 (the "Underlying Agreement") to TRU. Pursuant to the Underlying Agreement, Altius was granted the option to acquire certain mineral claims known as Rose Gold in the Province of Newfoundland and Labrador (the "Rose Claims"). The Rose Claims are comprised of certain map-staked licenses and claims.

For the period ended December 31, 2020, Altius incurred maintenance expenditures of \$73,014 on the Golden Rose Project.

In order to exercise the option to acquire the Rose Claims, TRU must: (i) make a payment of \$22,500 (or equivalent amount of common shares, as determined by Shawn Rose in his sole discretion) on November 30, 2021; (ii) make a payment of \$37,500 (or equivalent amount of common shares, as determined by Shawn Rose in his sole discretion) on November 30, 2022; (iii) grant the Rose Royalty; and (iv) incur exploration expenditures in the amount of \$50,000 on the Rose Claims, which Altius has already incurred. If any or all of the Rose Claims achieves a National Instrument 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), TRU must make an additional cash payment of \$250,000 (which amount shall only be payable in cash) within five business days of the date of the filing on SEDAR of a related technical report. The deemed value of such common shares, if issued in lieu of cash, shall be the greater of (a) \$0.25 per common share and (b) the closing price of such common shares on the TSXV on the day prior to such payment date. Shawn Rose is at arm's length to TRU and Altius and will be at arm's length to the Resulting Issuer.

This transaction also constitutes a Change of Business for the Company under the policies of the TSXV.

On March 4, 2021, the Company completed its oversubscribed non-brokered private placement (the "Offering") for gross proceeds of \$3,500,212. Pursuant to the Offering, the Company issued 15,910,053 subscription receipts (the "Subscription Receipts") at a price of \$0.22 per Subscription Receipt. The Offering is subject to the final approval of the TSX Venture Exchange.

Each Subscription Receipt will, upon completion of the Company's Change of Business and certain other customary conditions for a transaction of this nature, be automatically exercised into one unit of the Company (each, a "unit"). Each Unit will be comprised of one (1) common share in the capital of the Company (each, a "share") and one (1) Share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one Share at a price of \$0.35 for period of 36 months following the date of closing of the Offering. Related parties have subscribed to 475,909 subscription receipts with a value of \$104,700.

Upon completion of the Change of Business, eligible finders will receive, on account of gross proceeds raised from subscribers to the Offering who were introduced by such finders, (a) a cash commission equal to an aggregate of \$115,777, and (b) an aggregate of 526,257 non-transferrable finder warrants, each of which will entitle the holder thereof to purchase one Share at a price of \$0.22 for a period of 36 months following the Closing Date.

15. SUBSEQUENT EVENTS (continued)

On April 1, 2021, the Company and its wholly-owned subsidiary, 11436465 Canada Inc., amalgamated under the *Business Corporations Act* (Alberta) for administrative simplicity. Following this amalgamation, the Company has no subsidiaries.

On April 19, 2021, the MSA with Resurgent Capital Corp. was amended as follows: (i) to increase the monthly fee payable under the MSA to \$12,500; (ii) to replace a share-based M&A performance bonus with a more conventional provision providing that Resurgent would be entitled to a lump-sum cash payment equivalent to one year of monthly fees upon the completion of a change of control; and (iii) to add a provision providing that, at the sole discretion of the board of directors, Resurgent will be eligible for cash bonuses upon the achievement by the Company of corporate milestones. These amendments to the MSA were made to align it with industry standards for executives of junior mining issuers and not in connection with the Transaction.

TRIUS INVESTMENTS INC.
Consolidated Financial Statements
December 31, 2019

TRIUS INVESTMENTS INC.
Consolidated Financial Statements
December 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the shareholders of TRIUS INVESTMENTS INC.

Opinion

We have audited the consolidated financial statements of TRIUS INVESTMENTS INC. (the Company), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of changes in equity, income and comprehensive income, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and 2018, and its results of consolidated operations and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Larry Johnston.

Daye Kelly & Associates

CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick
April 24, 2020

TRIUS INVESTMENTS INC.**Consolidated Statements of Financial Position**

December 31	Note	2019	2018
<i>(expressed in Canadian dollars)</i>			
ASSETS			
Current assets			
Cash and cash equivalents		\$1,442,333	\$1,522,835
Receivables	6	11,581	26,810
Income taxes receivable	14	17,150	12,208
Prepaid expenses		12,403	10,135
		1,483,467	1,571,988
Non-current assets			
Deferred tax assets	14	29,700	18,000
		\$1,513,167	\$1,589,988
LIABILITIES			
Current liabilities			
Trade and other payables	7	\$ 90,562	\$ 125,707
EQUITY			
SHARE CAPITAL	8	672,140	672,140
RESERVES		122,731	122,731
RETAINED EARNINGS		627,734	669,410
		1,422,605	1,464,281
		\$1,513,167	\$1,589,988

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

APPROVED BY THE BOARD

original signed by: Damian Lopez

Director

original signed by: Joel Freudman

Director

TRIUS INVESTMENTS INC.

Consolidated Statements of Changes in Equity

	Note	Share Capital	Equity-settled share-based payments reserve	Foreign currency translation reserve	Retained Earnings	Total Equity
<i>(expressed in Canadian dollars)</i>						
BALANCE AS AT JANUARY 1, 2018		\$ 672,140	\$ 97,556	\$ 374,233	\$ 783,577	\$ 1,927,506
Net loss for the year		-	-	-	(114,167)	(114,167)
Other comprehensive income for the year		-	-	53,765	-	53,765
Total comprehensive income (loss) for the year		-	-	53,765	(114,167)	(60,402)
Recognition of share-based payments	8	-	25,175	-	-	25,175
Reclassification of currency translation		-	-	(427,998)	-	(427,998)
BALANCE AS AT DECEMBER 31, 2018		672,140	122,731	-	669,410	1,464,281
Net and comprehensive loss for the year		-	-	-	(41,676)	(41,676)
BALANCE AS AT DECEMBER 31, 2019		\$ 672,140	\$ 122,731	\$ -	\$ 627,734	\$ 1,422,605

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

TRIUS INVESTMENTS INC.
Consolidated Statements of Income and Comprehensive Income

For the Years Ended December 31	Note	2019	2018
<i>(expressed in Canadian dollars)</i>			
REVENUE			
Unrealized gain on currency exchange		\$ -	\$ 314
Interest income		27,762	13,302
Termination fee		250,000	-
Realized gain on currency exchange		-	482
		<u>277,762</u>	<u>14,098</u>
EXPENSES			
Management fees		8,740	8,918
Management salaries		49,236	99,491
Stock-based compensation	8	-	25,175
Business combination transaction costs		91,981	-
Professional fees		40,165	133,700
Filing and agency fees		26,063	33,008
Administrative costs		71,406	43,367
Insurance		8,231	8,190
Indemnification expenses		-	39,087
Directors' fees and expenses		43,607	56,226
Bad debts		-	65,000
		<u>339,429</u>	<u>512,162</u>
LOSS FROM OPERATIONS		(61,667)	(498,064)
OTHER INCOME			
Recovery of loss on disposal of investment in associate		<u>191</u>	<u>-</u>
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES		(61,476)	(498,064)
Income taxes (recoverable)	14	<u>(19,800)</u>	<u>26,200</u>
LOSS FROM CONTINUING OPERATIONS		(41,676)	(524,264)
FOREIGN EXCHANGE GAIN ON DISPOSAL OF INVESTMENTS		-	427,998
DISCONTINUED OPERATIONS	13	<u>-</u>	<u>(17,901)</u>
NET LOSS		(41,676)	(114,167)
OTHER COMPREHENSIVE GAIN			
Exchange differences on translating foreign operations		<u>-</u>	<u>53,765</u>
COMPREHENSIVE LOSS		\$ (41,676)	\$ (60,402)

EARNINGS PER SHARE (Note 9)

Weighted average number of shares outstanding	11,270,841	11,270,841
Weighted average number of diluted common shares outstanding	11,270,841	11,270,841
Basic net loss per share	\$ (0.0037)	\$ (0.0101)
Diluted net loss per share	\$ (0.0037)	\$ (0.0101)
Basic comprehensive loss per share	\$ (0.0037)	\$ (0.0054)
Diluted comprehensive loss per share	\$ (0.0037)	\$ (0.0054)

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

TRIUS INVESTMENTS INC.**Consolidated Statements of Cash Flows**

For the Years Ended December 31	2019	2018
	<i>(expressed in Canadian dollars)</i>	
OPERATING ACTIVITIES		
Cash received from operations	\$ 269,265	\$ 13,421
Cash paid to suppliers, employees and regulators	(333,044)	(430,686)
Income taxes recovered	3,158	54,262
Cash paid for directors' fees and expenses	(43,607)	(56,226)
	<u>(104,228)</u>	<u>(419,229)</u>
INVESTING ACTIVITIES		
Sale of subsidiary	-	915,404
Cash distributions from associates	-	28,654
Cash distributions from investees	-	54,423
Divestiture of long-term investments	-	608,048
Interest from investments	23,726	12,115
	<u>23,726</u>	<u>1,618,644</u>
INCREASE (DECREASE) IN CASH	(80,502)	1,199,415
CASH - BEGINNING OF YEAR	<u>1,522,835</u>	<u>323,420</u>
CASH - END OF YEAR	\$ 1,442,333	\$ 1,522,835

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

Notes to Consolidated Financial Statements

December 31, 2019*(expressed in Canadian dollars)***1. CORPORATE INFORMATION**

Trius Investments Inc. (the "Company") is a Canadian public company listed on the NEX Board of the TSX Venture Exchange under the symbol "TRU.H". The Company is incorporated under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada E3B 5E3.

On March 27, 2018, the Company reported a change of business from an industrial issuer to an investment issuer. The Company will pursue new investments and/or active business opportunities, with the goal of enhancing shareholder value.

On August 15, 2018, the Company sold its wholly-owned subsidiary, TRU Investments LLC, a State of Nevada Limited Liability Company, which owned interests in several real estate investments in the United States.

The wholly-owned subsidiary, 041093 NB Ltd. was dissolved May 27, 2019.

In 2019, the Company incorporated a subsidiary, 11436465 Canada Inc., which is currently inactive.

2. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Audit Committee and the Board of Directors and authorized for issue on April 24, 2020.

3. BASIS OF PREPARATION**Statement of Compliance**

The Company's consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with the 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 December 31, 2019.

During the year ended December 31, 2019, the Company recorded a net loss from continuing operations of \$41,676. This compares to a net loss from continuing operations of \$524,264 for the year ended December 31, 2018. Cash used in operating activities was \$104,228 for the year ended December 31, 2019, compared to cash used in operating activities of \$419,229 for the year ended December 31, 2018. The Company has a positive working capital balance of \$1,392,905 as at December 31, 2019, which has decreased by \$53,376 from \$1,446,281 at December 31, 2018.

The directors believe that the Company will continue as a going concern and, therefore, will realize its assets and liabilities and commitments in the normal course of business and at the amounts stated in the consolidated financial statements. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent upon the acquisition of a profitable business, the raising of additional capital, and the continued support of its shareholders, or some combination of the above factors.

Functional and Presentation Currency

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

Notes to Consolidated Financial Statements

December 31, 2019*(expressed in Canadian dollars)***3. BASIS OF PREPARATION (continued)****Basis of Preparation**

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 4. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements have been prepared on the basis of IFRS standards that are effective or available for early adoption on December 31, 2019.

Application of New and Revised International Financial Reporting Standards

The IASB has issued the revised standards, which are effective for the year ended December 31, 2019:

- IFRS 16 Leases

Effective January 1, 2019, This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that required the recognition of all assets and liabilities arising from a lease. The new standard supersedes the requirements in IAS 17 - Leases and the related interpretations.

- IFRS 23 Uncertainty over Income Tax treatments

Effective January 1, 2019, this standard provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The Company has assessed the impact of these amendments and determined that there is no impact in the Company's consolidated financial statements.

Accounting Standards, Interpretations and Amendments to Existing Standards That Are Not Yet Effective

At the date of authorization of these consolidated financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective for the year ended December 31, 2019:

- IFRS 3 - Business Combinations

This standard establishes a framework for identifying a business and the acquisition of assets or liabilities that may not be a business. This standard will be in effect for year ends starting after January 1, 2020.

- IAS 8 - Accounting Policies, Changes in Estimates (Amendment)

Definition of Material is clarified, effective for annual periods beginning on or after January 1, 2020. Early adoption is allowed

- IFRS 10 - Events after Reporting period (Amendment)

Consolidated Financial Statements, effective for annual periods beginning on or after a date to be determined by the IASB

- IAS 28 - Investments in Associates (Amendments)

Investments in Associates and Joint Ventures, effective for annual periods beginning on or after a date to be determined by the IASB

The Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial positions of the Company. The Company is currently assessing the impact that these standards will have on the disclosures in its consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2019*(expressed in Canadian dollars)***4. SIGNIFICANT ACCOUNTING POLICIES****Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), together referred to as "the Group". An entity controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-Current Assets Held for Sale

Non-current assets, including assets from discontinued operations, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Management must be committed to the sale, which would be expected to be completed within one year from the date of classification.

Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or have joint control of those policies. The investment in an Associate is accounted for under the equity method of accounting.

Foreign Currencies

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations were translated into Canadian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items were translated at the average exchange rates for each reporting period. Exchange differences arising were recognized in other comprehensive income and accumulated in equity.

Financial Instruments

The Company does not have any derivative financial instruments.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts or cash payments over the expected life of the debt instrument, or a shorter period if appropriate, to the net carrying amount on initial recognition.

Income is recognized on an effective interest method for debt instruments other than those financial assets classified as at fair value through profit or loss.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Financial assets

All financial assets are initially recorded at fair value and classified into one of the following four categories: fair value through profit or loss ("FVTPL"), held-to-maturity ("HTM"), loans and receivables or available-for-sale ("AFS"). The classification depends on the nature and purpose of the financial assets and is determined by management at the time of initial recognition. Purchases or sales of financial assets are recognized and derecognized on a trade date basis and require delivery of assets within the time frame established by regulation or convention in the marketplace. Trade date is the date on which the Company commits to the transaction.

1) *Financial assets at FVTPL*

A financial asset is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Subsequent to initial recognition, FVTPL assets are measured at fair value, with any gains or losses on remeasurement recognized in profit or loss.

The Company does not have any assets classified as FVTPL financial assets.

2) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment.

The Company has a redeemable GIC that has been classified as a cash equivalent.

3) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Company does not hold any loans or notes receivable.

4) *Available-for-sale financial assets*

Financial assets that are non-derivative, are available-for-sale or can not be classified as FVTPL financial assets, HTM investments or loans and receivables, are initially recognized at the transaction cost. Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss.

The Company's AFS financial assets are comprised of cash and cash equivalents.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

For all other financial assets, objective evidence of impairment should include:

- significant financial difficulty of the issuer or counterparty; or,
- default or delinquency in interest or principal payments; or,
- it becomes probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as accounts receivable, assets that are assessed as not to be impaired individually may be subsequently assessed for impairment on a collective basis.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of financial assets is reduced by the impairment loss for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Financial liabilities are classified as either:

1) Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses or remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability and is included in the consolidated statement of comprehensive income.

The Company does not have any liabilities classified as FVTPL financial liabilities.

2) Other financial liabilities

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequent to initial recognition, other financial liabilities are measured at amortized cost using the effective interest method

The Company's other financial liabilities are comprised of trade and other payables, including amounts due to related parties.

Notes to Consolidated Financial Statements**December 31, 2019***(expressed in Canadian dollars)***4. SIGNIFICANT ACCOUNTING POLICIES (continued)***Derecognition of financial assets and financial liabilities*

Financial assets are derecognized when the rights to receive cash flows from the assets expire, or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable, the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts on deposit with banks, redeemable term deposits and other similar short-term highly liquid investments with maturities of 90 days or less at the date of issue.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax.

Current Tax

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, which may differ from net income or loss as reported in the consolidated statement of comprehensive income due to items of income or expenses that are not currently taxable or deductible for tax purposes, and includes any adjustment to tax payable in respect of previous years. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred income tax is determined using the liability method. Under this method, deferred tax assets or liabilities are determined based on the temporary differences between the carrying amount of assets and liabilities on the consolidated financial statements and the respective tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period. To the extent that the Company does not consider it probable that the benefits of a deferred tax asset will be realized, it provides a valuation allowance against the excess.

Deferred income tax is not recognized if it arises from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable income.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period in which the change is substantively enacted.

Notes to Consolidated Financial Statements

December 31, 2019*(expressed in Canadian dollars)***4. SIGNIFICANT ACCOUNTING POLICIES (continued)****Revenue Recognition**

Dividend, interest and other income from financial assets is recognized when the Company's right to receive payment has been established, it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

When applicable, the Company recognizes revenue from associates based on its proportionate interest in the associate's net income. The Company recognizes distributions from long-term investments as income, if not identified as capital receipts. Such transactions are translated to the functional currency using average exchange rates during the reporting period.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Earnings per Share

Earnings per share is calculated by dividing earnings by the weighted average number of outstanding common shares for the period. Diluted earnings per share is calculated by adjusting for the dilutive effect of outstanding stock options and warrants using the treasury stock method, which assumes that proceeds from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate.

In periods when the Company reports a net loss, the effect of potential issuance of common shares under options and warrants is anti-dilutive. As a result, in the periods when the Company reports a net loss, basic and diluted loss per share are the same.

Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 8.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, if any, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in shareholder's equity from transactions and other events from non-owner sources. Other comprehensive income (loss) includes unrealized gains and losses resulting from the foreign currency translation of financial statements of a self-sustaining foreign subsidiary.

5. USE OF JUDGMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments in the process of applying the Company's accounting policies to determine the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from estimated amounts.

Judgments, assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Accounting estimates will, by definition, seldom equal the actual results. Revisions to estimates are recognized in the period in which the estimates are revised and in any future years affected.

The main judgments and estimates made by management in applying accounting policies primarily relate to the following:

Valuation of financial instruments

As described in Note 12, the Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 12 provides detailed information about the key assumptions used in the determination of the fair value of the financial instruments.

Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Valuation of loans receivable

The Company evaluates its loans receivable for indicators of impairment. Objective evidence of impairment includes significant financial difficulty of the borrower, default or delinquency in interest or principal payments, or it becomes probable the borrower will enter bankruptcy or financial reorganization. Management considers these factors when determining if an impairment loss should be recognized.

Income taxes

The amounts recorded for deferred income taxes are based on assumptions as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on assumptions by management as to the probability of the Company utilizing certain tax losses in future periods and tax rates applicable to those periods. Any difference between estimated and actual tax expense is recognized in tax expense in the year the difference is identified.

Stock-based compensation

The Company has made certain assumptions when determining the fair value of stock option grants, including assumptions about the volatility of the Company's stock. See Note 8 for additional information.

6. RECEIVABLES

	2019	2018
HST receivable	\$ -	\$ 19,265
Interest receivable	<u>11,581</u>	<u>7,545</u>
	<u>\$ 11,581</u>	<u>\$ 26,810</u>

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

7. TRADE AND OTHER PAYABLES

	2019	2018
Trade payables and accruals	\$ 12,485	\$ 49,627
Employee compensation and related payables	1,997	-
Uncashed dividend payment	<u>76,080</u>	<u>76,080</u>
	<u>\$ 90,562</u>	<u>\$ 125,707</u>

The usual credit period taken for trade purchases is between 30 to 60 days. The following is an aged analysis of trade and other payables:

	2019	2018
Less than 1 month	\$ 14,482	\$ 49,627
31 - 60 days	-	-
61 - 90 days	-	-
Over 90 days	<u>76,080</u>	<u>76,080</u>
	<u>\$ 90,562</u>	<u>\$ 125,707</u>

8. SHARE CAPITAL

Authorized

Unlimited number of common shares

Unlimited number of preferred shares issuable in series

Issued

	Number of Shares	Amount
Common shares		
Balance at December 31, 2018	11,270,841	\$ 672,140
Balance at December 31, 2019	11,270,841	\$ 672,140

Incentive Stock Option Plan

The Company's incentive stock option plan permits the grant of stock options to employees, directors, officers and consultants of the Company. The Board of Directors designates eligible participants to be included under the plan and designates the number of options and share price of the options, subject to applicable securities laws and stock exchange regulations. As at December 31, 2019, under this plan, 27,084 common shares remain available for issuance under the stock option plan.

The Company is following the fair value based method of accounting for stock options.

On May 2, 2018 the Company granted 300,000 stock options to directors and officers with a three (3) year term, an exercise price of \$0.160 and vest immediately. The fair value of the stock options granted estimated to be \$0.081 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate - 1.7%, volatility - 77%, dividend yield - 0%, expected life - 3 years.

On October 5, 2018 the Company granted 25,000 stock options to an arm's length consultant providing advisory services to the Company for no additional compensation. These stock options have a one (1) year term and an exercise price of \$0.170 and vest immediately. The fair value of the stock options granted was estimated be \$0.035 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate - 2.1%, volatility - 50%, dividend yield - 0%, expected life - 1 year.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

During the twelve months ended December 31, 2019, the Company recognized share-based compensation expense of \$-0- (2018- \$25,175).

The following reconciles the share options outstanding at the beginning and end of the year.

	2019		2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance - beginning of year	1,125,000	\$ 0.178	800,000	\$ 0.185
Granted - May 2, 2018	-	-	300,000	0.160
Granted - October 5, 2018	-	-	25,000	0.170
Expired during the year	(25,000)	0.170	-	-
Balance - end of year	1,100,000	\$ 0.177	1,125,000	\$ 0.178

9. EARNINGS PER SHARE

The basic share issue is calculated as follows:

	2019	2018
Common shares issued and outstanding - beginning and end of the year	11,270,841	11,270,841
Weighted average of common shares issued and outstanding	11,270,841	11,270,841

The basic earnings per common share is calculated by dividing the net income for each year by the number of basic common shares outstanding, on a weighted average basis.

The diluted share issue is calculated as follows:

	2019	2018
Weighted average number of basic common shares issued and outstanding - end of year	11,270,841	11,270,841
Dilutive effect		
Stock options	-	-
Weighted average number of diluted common shares issued and outstanding - end of the year	11,270,841	11,270,841

The diluted earnings per common share is calculated by dividing the net income for each period by the number of diluted common shares outstanding, on a weighted average basis. The Company has no stock options that would currently be dilutive, as the conversion of the options would not increase loss per share from continuing operations, nor any other outstanding securities convertible into common shares.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

10. OPERATING SEGMENTS

The Company's reportable segments had previously consisted of three operating segments: Discontinued Operations, Held for Sale, and Corporate. For this reporting period, the only active segment is the Corporate Division, which reports the cost of head office administration and exploratory efforts.

11. RELATED PARTY TRANSACTIONS

In the course of regular business activities, the Company has routine transactions with related parties. Such transactions are measured at the exchange amount, which is the amount established and agreed to by the related parties, and are further described below. The terms and conditions of the transactions with key management personnel and other related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

	2019	2018
Short-term benefits	\$ 92,843	\$ 155,717
Share-based compensation	-	25,175
	<u>\$ 92,843</u>	<u>\$ 180,892</u>

The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends. The Board of Directors established a Special Committee of Independent members to evaluate strategic alternatives for divesting the Company's investments. In 2018, the members of the special committee were paid one-time fees totalling \$9,000.

Pursuant to an agreement with a former officer and director of the Company for consulting services to provide significant corporate leadership advice and to assist in transitional matters, payments for the year ended December 31, 2019 of \$6,000 (2018 - \$12,000) are included in professional fees.

Investing Activities

In 2018, North American Management, LLC, (NAM LLC), a company associated with a former director, received US\$50,375 for administrative transaction fees in connection with the sale of the wholly owned subsidiary, TRU Investments LLC.

Trading transactions

In 2018, management fees of \$3,418 were paid to a company controlled by a former officer and director of the Company, pursuant to an agreement which terminated on April 24, 2018.

Subsequently the Company entered into a twelve (12) month agreement for management services to be provided by a company controlled by a former officer and director. In April 2019, this agreement was extended another twelve (12) months to April 30, 2020. The management services to be provided were for IT and administration services as well as office space. Pursuant to these agreements, the Company paid in 2019 \$8,740 and \$5,500 in 2018.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (continued)

Management fees were comprised of:

	2019	2018
General and administrative services	\$ -	\$ 781
Premises rent	-	2,637
Management services	<u>8,740</u>	<u>5,500</u>
	<u>\$ 8,740</u>	<u>\$ 8,918</u>

There was \$2,415 included in trade payables owing to the related party as at December 31, 2019.

Other

Reported in the expenses of the Company for the year ended December 31, 2018 were claims from former directors for indemnification in the amount of \$39,087.

12. FINANCIAL INSTRUMENTS

Capital Management

The Company's objectives when managing capital are to maintain adequate liquidity and to maintain financial flexibility in order to have access to capital in the event of future requirements. The Company manages its capital structure and makes adjustments to it in accordance with the objectives stated above, as well as in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's net capital is comprised of working capital and shareholders' equity. The Company monitors its net working capital, which is calculated as follows:

	2019	2018
Current assets	\$ 1,483,467	\$ 1,571,988
Current liabilities	<u>90,562</u>	<u>125,707</u>
Net working capital	<u>\$ 1,392,905</u>	<u>\$ 1,446,281</u>

Categories of Financial Instruments

	2019	2018
Loans and receivables		
Receivables	<u>\$ 11,581</u>	<u>\$ 26,810</u>
Available for sale		
Cash and cash equivalents	<u>\$ 1,442,333</u>	<u>\$ 1,522,835</u>

Notes to Consolidated Financial Statements

December 31, 2019*(expressed in Canadian dollars)***12. FINANCIAL INSTRUMENTS (continued)***Fair Value*

Fair value is defined as the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing partners in an arm's length transaction. The following provides the basis of analysis for those financial instruments of the Company which are measured subsequent to their initial recognition at fair value. This analysis is based on the degree to which the fair value is observable, and financial instruments are grouped into categories accordingly:

- Level 1 financial instruments are those which can be valued based on quoted market prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 financial instruments are those which can be valued based on inputs other than quoted active market prices, using techniques that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- Level 3 financial instruments are those derived from valuation techniques using inputs for the asset or liability that are not based on observable market data.

As at December 31, 2019, the Company did not hold any financial instruments that would be categorized within Levels 1, 2 or 3.

The carrying values of cash and cash equivalents, receivables, loan receivable, trade and other payables, and amounts due to related parties approximate their fair values on a discounted cash flow basis because of the short-term maturity of those instruments.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company's credit risk is primarily related to its receivables and loan receivable. The amounts disclosed in the Consolidated Statements of Financial Position are net of allowances for bad debts, estimated by the Company's management based on prior experience and their assessment of the current economic environment. The Company believes that the credit risk of accounts receivable is limited due to the nature of the amounts receivable. Additional details of receivables are included in Note 6.

The credit risk on liquid funds is limited because the counterpart are banks with high credit ratings.

The Company manages its exposure to credit risk related to loans receivable by requiring debtors to provide collateral against the loans issued.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Although the Company does not maintain a revolving credit facility, it has sufficient funds available to meet its current and foreseeable financial requirements.

The Consolidated Statements of Financial Position includes \$90,562 in accounts payable and accrued liabilities that are due within one year or less.

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS (continued)

Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Company is exposed to interest rate risk and previously to currency risk.

a) *Interest Rate Risk*

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash and cash equivalents, including short-term investments have limited interest rate risk due to their short-term nature.

b) *Currency Risk*

The Company was not transacting in foreign currencies during the periods covered.

13. DISCONTINUED OPERATIONS

The results of operations of the held for sale assets (formerly Associates and Investees) are set out below.

	2019	2018
Revenue		
Share of associates' profit	\$ -	\$ 54,423
Distributions from associates classified as held for sale	-	28,654
	-	83,077
Expenses		
Professional fees	-	32,278
Income before Income Taxes	-	50,799
Income taxes	-	13,700
	-	37,099
Loss on remeasurement of assets held for sale	-	(55,000)
Net Loss	\$ -	\$ (17,901)
	2019	2018
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	\$ -	\$ (32,278)
Net cash provided by investing activities	-	691,126
Net cash flow for the period	\$ -	\$ 658,848

Notes to Consolidated Financial Statements

December 31, 2019

(expressed in Canadian dollars)

14. TAXES

The Company is subject to Canadian federal and provincial tax for the estimated taxable income for the years ended December 31, 2019 and 2018 at a rate of 26%.

The tax expense for the Company is reconciled to the net income for the period per the Consolidated Statements of Income and Comprehensive Income as follows:

	2019		2018	
Loss from continuing operations before tax		\$ (61,476)		\$ (498,064)
Income tax using the statutory tax rate	26.0%	\$ (15,985)	26.0%	\$ (129,500)
Origination and reversal of temporary differences	3.0%	(1,865)	2.0%	(10,195)
Difference between prior year's estimate and actual		-	0.8%	4,000
Current tax expense for the year	29.0%	(17,850)	27.2%	(135,695)
Deferred tax				
Origination and reversal of temporary differences	3.2%	(1,950)	32.4%	161,895
Income tax expense recognized in the current year relating to continuing operations	32.2%	\$ (19,800)	5.2%	\$ 26,200

The Company's total tax expense is recorded as follows:

	2019		2018	
Income taxes (recoverable) relating to continued operations		\$ (19,800)		\$ 26,200
Income taxes relating to discontinued operations		-		13,700
		\$ (19,800)		\$ 39,900
Current tax assets				
Tax refund receivable		\$ 17,150		\$ 12,208

The components of the Company's recognized deferred income tax assets (liabilities) are as follows:

	2019		2018	
Deferred tax assets				
Capital losses		\$ 28,500		\$ 28,500
Unused tax loss		8,400		4,500
Undeducted costs		7,800		-
Deferred tax liabilities				
Share issue costs		(15,000)		(15,000)
		\$ 29,700		\$ 18,000

Notes to Consolidated Financial Statements**December 31, 2019***(expressed in Canadian dollars)***15. SUBSEQUENT EVENT**

On March 2, 2020, the Company announced that the Letter of Intent with Starling Brands Inc. to effect a business combination was terminated and the Company has been paid a break fee of \$125,000.

On March 9, 2020, the Company entered into a management services agreement (the "MSA") with Resurgent Capital Corp. (the "Manager") for executive management and venture capital markets advisory services. In substitution for paying salary directly to the Company's President and CEO, under the MSA the Company will pay the Manager \$7,500 monthly. In addition, if the Company successfully completes a corporate M&A transaction with an arm's length counterparty, the Manager will, subject to any applicable regulatory approvals, earn a one-time performance bonus payable entirely in the Company shares, having an aggregate value of 5% of the Company's deemed valuation for purposes of such transactions. The Manager is the largest shareholder of the Company. In addition, the Manager's investment decisions are controlled by the President, Joel Freudman, who also sits as President and CEO and a Director of the Company.

On March 20, 2020, the Company entered into an agreement to lend \$1,250,000 to Revive Organics Inc. ("Revive"). The loan has a maturity date of March 20, 2021 and bears interest at a rate of 10% per annum, payable monthly. Revive operates in the ready-to-eat meal delivery industry in North America.

Subsequent to the year end, the novel corona virus ("COVID-19") outbreak was declared as a pandemic by the World Health Organization. This pandemic has resulted in a widespread health crisis that has affected the economies and financial markets around the world resulting in an economic downturn. The Company is continually monitoring the potential impact on its operations and, to the date of the authorization of these financial statements, has not been significantly impacted. However, COVID-19 may affect our ability to source and execute investments and transactions. The full extent of the impact on the Company's future financial results is uncertain, given the length and severity of these developments and cannot be reliably estimated.

16. COMPARATIVE FIGURES

Prior year figures may have been reclassified to conform to current presentation only.

SCHEDULE “B”

MANAGEMENT DISCUSSION AND ANALYSIS OF TRU



TRU Precious Metals Corp. (Formerly Trius Investments Inc.)

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

This Management's Discussion and Analysis ("MD&A") provides a discussion and analysis of the financial condition and results of operations of TRU Precious Metals Corp. (the "Company" or "TRU") as at and for the years ended December 31, 2020 and 2019. The MD&A should be read in conjunction with the Company's Audited Consolidated Financial Statements and Notes thereto as at and for the year ended December 31, 2020.

This MD&A reports our activities through April 26, 2021, unless otherwise indicated.

All amounts included in the MD&A are in Canadian dollars, unless otherwise specified. Additional information about the Company including the Company's public filings can be reviewed under the Company's profile on the SEDAR website (www.sedar.com).

This MD&A has been reviewed and approved by management of the Company, and the Audit Committee and the Board of Directors on April 26, 2021.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains forward-looking statements intended to provide readers with a reasonable basis for assessing the Company's performance. Forward-looking statements can be identified by such words as "plans", "expects", "budgets", "estimates", "intends", "anticipates", "believes", "continues", "may", "could", "would", "should", "might" or "will", or equivalents or variations thereof. Forward-looking statements include those with respect to the Company's future strategy, plans, transactions, objectives and adequacy of working capital, including statements relating to acquiring, exploring, and monetizing current and future mineral exploration properties in Newfoundland. Forward-looking statements rely on underlying assumptions, including management's expectations as to transaction opportunities, exploration potential, and precious metals prices, that, if not realized, can result in such forward-looking statements not being achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, those described under "Risks and Uncertainties" below and among others, the exploration or monetization potential of the Company's mineral properties, transaction execution risk, volatility in financial markets, economic conditions, precious metals prices and unanticipated increases in expenses. Although the Company has attempted to identify important factors that could cause actions, events or results not to be as predicted, there can be no assurance that forward-looking statements will prove to be accurate. Other than as required by applicable Canadian securities laws, the Company does not undertake to update any such forward-looking statements to reflect events or circumstances after the date hereof. Accordingly, readers should not place undue reliance on any forward-looking statements herein.

General Overview

TRU Precious Metals Corp. (formerly Trius Investments Inc.) is a Canadian public company listed on the TSX Venture Exchange (the "TSXV") under the symbol "TRU", and on the OTCQB Venture Market under the symbol "TRUIF". The Company exists under the laws of the Province of Alberta. The Company's head office is located at 70 Trius Drive, Fredericton, New Brunswick, Canada, E3B 5E3. On October 19, 2020 the Company changed its name to TRU Precious Metals Corp. The Company has assembled a portfolio of 4 gold exploration properties in Newfoundland and Labrador, Canada.

Overall Performance

The audited consolidated financial statements as of December 31, 2020, indicate a cash position of \$376,053 (December 31, 2019 - \$1,442,333) and total current assets of \$1,460,473 (December 31, 2019 - \$1,483,467). Current liabilities at December 31, 2020, total \$205,093 (December 31, 2019 - \$90,562).

Working capital, which is current assets less current liabilities, is \$1,255,380 at December 31, 2020 (December 31, 2019 - working capital of \$1,392,905).

During the year ended December 31, 2020, the Company reported loss of \$2,806,897 (\$0.153 basic and diluted loss per share) on expenses of \$2,973,953. This compares to net loss of \$41,676 (\$0.004 basic and diluted loss per share) for the year ended December 31, 2019 on expenses of \$339,429.

For the year ended December 31, 2020 the expenses (not including the share-based compensation and exploration and evaluation expenses) were \$661,675. This compares to \$339,429 for the year ended December 31, 2019.

During the year ended December 31, 2020, the operating activities of the Company used \$483,981 in cash. This compared to a use of cash of \$80,502 for the year ended December 31, 2019.

Between September 2020 and December 2020, the Company purchased or optioned a total of 4 gold exploration properties in the Central Newfoundland Gold Belt. See "Mineral Exploration Properties" below. Subsequent to December 31, 2020, the Company, signed an option agreement to acquire a fifth such property, the Golden Rose Project, which will become the Company's flagship asset upon completion of such transaction. See "Subsequent Events - Golden Rose Project Transaction" below. The Company is attempting to capitalize on higher gold prices and growing interest in mineral exploration in Newfoundland and Labrador.

TRU Precious Metals Corp. (Formerly Trius Investments Inc.) - Management Discussion and Analysis - 2020 Annual Report

Selected Annual Information

The following table summarizes selected financial data for the Company for each of the three most recently completed financial years. The information set forth below should be read in conjunction with the consolidated audited financial statements, prepared in accordance with IFRS, and related notes:

	Years Ended December 31st		
	2020	2019	2018
	\$	\$	\$
Interest income	101,201	27,762	13,302
Loss from Continuing Operations	2,806,897	41,676	524,264
Basic and diluted loss per share	0.153	0.004	0.047
Comprehensive Loss	2,806,897	41,676	60,402
Basic and diluted loss per share	0.153	0.004	0.005
Total assets	1,460,473	1,513,167	1,589,988
Total non-current liabilities	Nil	Nil	Nil

The loss from continuing operations for the year ended December 31, 2020 was \$2,806,897 compared to the loss from continuing operations of \$41,676 incurred during fiscal 2019. The changes in the loss from continuing operations were mainly attributable to:

- In 2020, the Company received \$125,000 termination fee for the proposed business combination with Starling Brands Inc. In 2019, the Company received a \$250,000 termination fee from African Cannabis Corp. on the termination of the proposed reverse takeover.
- For the year ended December 31, 2020, the Company received \$95,107 in interest income from a secured loan investment. This loan was effective March 20, 2020.
- For the year ended December 31, 2020, the Company recorded \$1,920,215 in exploration and evaluation expenses, compared to \$nil for the year ended December 31, 2019.
- For the year ended December 31, 2020, the Company incurred \$392,063 in stock-based compensation costs, compared to \$nil for the year ended December 31, 2019.
- For the year ended December 31, 2020, the Company incurred \$254,706 in professional fees, compared to \$40,165 for the year ended December 31, 2019. During the year ended December 31, 2020 the Company incurred \$58,706 in fees related to certain stock exchange listing matters and \$95,355 for legal fees related to the acquisition of exploration property licenses.
- For the year ended December 31, 2020, the Company incurred \$90,944 in corporate communications and investor relations costs, compared to \$nil for the year ended December 31, 2019. The Company is attempting to generate public and market awareness as it reactivates, re-brands, and increases its presence and activities in Newfoundland.

Results of Operations and Fourth Quarter Results

For a discussion of the Company's mineral exploration properties, see "Mineral Exploration Properties" below.

Other Income

For the year ended December 31, 2020 the Company received \$125,000 for the termination fee of the proposed business combination with Starling Brands Inc.

Interest income for the year ended December 31, 2020 includes \$95,017 in interest received from the loan to Revive Organics; \$6,167 in interest from on the \$1,350,000 short term investment certificate redeemed in March 2020 and \$17 in miscellaneous interest.

Expenses

For the year ended December 31, 2020, the Company recorded \$1,920,215 in exploration and evaluation expenses, compared to \$nil for the year ended December 31, 2019.

Professional fees increased to \$254,706 for the year ended December 31, 2020 from \$40,165 for the year ended December 31, 2019. The changes were mainly attributable to:

- Legal fees related to the acquisition of exploration property licenses were \$95,355 for the year ended December 31, 2020 compared to \$nil in 2019;
- Legal fees related to certain stock exchange listing matters were \$58,706 for the year ended December 31, 2020 compared to \$nil in 2019.

Professional fees increased to \$138,925 for the three months ended December 31, 2020 from \$4,470 for the three months ended December 31, 2019. This increase is primarily driven by legal fees incurred for the acquisition of exploration property licenses and certain stock exchange listing matters.

For the year ended December 31, 2020, the Company incurred \$132,750 in management fees, compared to \$8,740 for the year ended December 31, 2019. This increase in 2020 was due to payments, effective March 9, 2020 to Resurgent Capital Corp. ("Resurgent") under a management services agreement and a \$48,000 performance bonus accrued for 2020.

For the three months ended December 31, 2020, the Company incurred \$73,425 in management fees, compared to \$2,415 for the three months ended December 31, 2019. This increase in 2020 was due to payments of \$25,425 to Resurgent under a management services agreement and a \$48,000 performance bonus accrued for 2020.

Share-based compensation for the year ended December 31, 2020 was \$392,063 compared to \$nil for the year ended December 31, 2019 due to a larger number of options granted to directors, officers and consultants in 2020.

The Company recorded a consolidated net loss for the year ended December 31, 2020 of \$2,806,897 or \$0.153 per share, compared to a consolidated net loss of \$41,676 or \$0.004 per share for the year ended December 31, 2019.

The Company recorded a consolidated net loss for the three months ended December 31, 2020 of \$2,605,846 or \$0.104 per share, compared to consolidated net loss of \$28,360 or \$0.002 per share for the three months ended December 31, 2019.

TRU Precious Metals Corp. (Formerly Trius Investments Inc.) - Management Discussion and Analysis - 2020 Annual Report

Selected Quarterly Information

The quarterly results are presented in Canadian dollars and prepared in accordance with IFRS.

	<u>2020</u>	<u>2020</u>	<u>2020</u>	<u>2020</u>
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
	Dec 31	Sep 30	Jun 30	Mar 31
	\$	\$	\$	\$
Total other income	21,913	9,455	31,266	134,934
Comprehensive Income (Loss)	(2,605,846)	(181,077)	(74,819)	54,845
Basic and diluted earnings (loss) per share	(0.142)	(0.008)	(0.005)	0.005

	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>
	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter
	Dec 31	Sep 30	Jun 30	Mar 31
	\$	\$	\$	\$
Total other income	7,567	6,806	6,732	256,657
Comprehensive Income (Loss)	(28,360)	(92,037)	(119,578)	198,299
Basic and diluted earnings (loss) per share	(0.003)	(0.008)	(0.011)	0.018

The Company's quarterly revenue from Q2-2020 to Q4-2020 includes interest income from a secured loan investment. From Q1-2019 to Q1-2020 revenue was generated from the interest earned on its cash balance. In the quarter ended March 31, 2020, the Company received a Termination fee of \$125,000. In the quarter ended March 31, 2019, the Company received a Termination fee of \$250,000.

The Company's quarterly expenses have fluctuated substantially. Starting in Q3-2020 the Company's expenses increased as the Company began to reactivate and assembling a portfolio of gold exploration properties in the Central Newfoundland Gold Belt. In the quarter ended December 31, 2020, the Company recorded acquisition costs of \$1,509,215 to assemble a portfolio of 4 gold exploration properties in Newfoundland and Labrador.

Mineral Exploration Properties

Gander West Property

On September 18, 2020, the Company completed an asset purchase agreement (the “Gander West APA”) with three individuals (the “Gander West Vendors”), pursuant to which TRU indirectly agreed to purchase a mineral license for the Gander West exploration property in Newfoundland (the “Gander West Property”) along with all related permits and technical data. Pursuant to the Gander West APA, the Gander West Vendors received the following consideration: (i) 2,000,000 common shares at a fair value of \$0.22 per common share based on the quoted market price of the shares at the closing date; (ii) the payment to certain of the Gander West Vendors of an aggregate of \$25,000 in cash; (iii) the reimbursement to a Gander West Vendor of \$6,000 in direct staking costs; and (iv) the granting to certain of the Gander West Vendors of a 3.0% net smelter returns royalty from any future mineral production at the Gander West Property.

In 2021, the Company plans to conduct limited early-stage exploration on the Gander West Property.

Twilite Gold Property

On November 9, 2020, the Company completed an asset purchase agreement (the “Twilite APA”) with GBC Grand Exploration Inc. (“GBC”), pursuant to which TRU indirectly agreed to purchase 65 mineral claims located in Central Newfoundland known as the Twilite Gold Project (the “Twilite Gold Property”), along with all related permits and technical data. GBC received the following consideration: (i) 1,435,000 common shares at a fair value of \$0.29 per common share based on the quoted market price of the shares at the closing date; (ii) \$100,000 cash; and (iii) a 1.0% net smelter returns royalty from any future mineral production at the Twilite Gold Property, of which 0.5% can be repurchased by TRU for \$1,000,000. The Twilite Gold Property is currently subject to a 2.0% net smelter returns royalty owing to prior owners, of which 1.0% can be repurchased for \$1,000,000.

Pursuant to the Twilite APA, GBC is entitled to receive up to an additional 1,000,000 common shares in the event certain mineral deposit discovery milestones are achieved at the Twilite Gold Property.

In 2021, the Company plans to conduct limited drilling program at the Twilite Gold Property. The program has not yet commenced, pending receipt of an outstanding water use permit.

Rolling Pond Property

On November 18, 2020, the Company entered into an option agreement (the “Rolling Pond Agreement”) with an arm’s length individual (the “Optionor”), whereby the Company shall have the option (the “Rolling Pond Option”) to acquire 100% interest in 11 mineral licenses covering 224 contiguous claims located in central Newfoundland (the “Rolling Pond Property”). In order to exercise the Rolling Pond Option to acquire the Rolling Pond Property, the Company would be required to:

- (i) issue Common Shares and make cash payments as follows:
 - a. 400,000 common shares and \$25,000 upon signing the Rolling Pond Agreement (completed). The shares were valued at \$0.27 per common share based on the quoted market price at the date of the closing;
 - b. 500,000 common shares and \$50,000 on or before November 18, 2021;
 - c. 600,000 common shares and \$50,000 on or before November 18, 2022;
 - d. 1,000,000 common shares and \$100,000 on or before November 18, 2023; and

Mineral Exploration Properties (continued)

Rolling Pond Property (continued)

- (ii) incur exploration expenditures in the aggregate amount of \$500,000 on or before November 18, 2024, with a minimum of \$100,000 on or before November 18, 2021. The Company has granted a right of first refusal in favour of the Optionor and associated companies to be provided in connection with these exploration work commitments, subject to certain conditions as set out in the Rolling Pond Agreement.

Upon exercise of the Rolling Pond Option, the Company shall grant the Optionor a 2.0% net smelter returns royalty from any future mineral production at the Rolling Pond Property, of which 1.0% can be repurchased by the Company for \$1,000,000 at any time.

In 2021, the Company plans to conduct early-stage exploration on the Rolling Pond Property.

Stony Lake Property

On December 15, 2020, the Company completed an asset purchase agreement (the "Stony Lake APA") with four arm's length vendors (the "Stony Lake Vendors"), pursuant to which the Company purchased a mineral license for the Stony Lake exploration property in Central Newfoundland (the "Stony Lake Property"), along with all related permits and technical data. As consideration, the Stony Lake Vendors received an aggregate of 3,350,000 common shares at a fair value price of \$0.23 per common share based on the quoted market price of the shares at the closing date.

In 2021, the Company plans to conduct early-stage exploration on the Stony Lake Property.

Additional Disclosure For Venture Issuers Without Significant Revenue

The exploration and evaluation expenditures for the Company consist of the following:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Acquisition costs:		
Gander West Property	471,000	-
Twilite Gold Property	516,150	-
Rolling Pond Property	133,000	-
Stony Lake Property	770,500	-
Exploration expenditures		
Gander West Property	5,100	-
Twilite Gold Property	13,337	-
Rolling Pond Property	5,000	-
Stony Lake Property	3,250	-
Other	2,878	-
	\$ 1,920,215	-

Risks & Uncertainties

The Company, and an investment in the Company's securities, is subject to various risks and uncertainties set out below and, in the Company's, other publicly filed disclosure documents. The following is a brief discussion of the main risks and uncertainties that could negatively impact the Company's business, results of operations, and/or financial condition. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our business operations.

COVID-19 Pandemic

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through restrictions put in place by the Canadian and provincial governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate that this outbreak may cause supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.

Exploration and Development Risks; No Mineral Reserves or Resources

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, geological and environmental hazards, equipment failures, unsuccessful exploration results, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Company's mining properties are considered to be in the early exploration stage. As of the date of this MD&A, no mineral resources have been identified at the Company's mining properties. There is no certainty that further exploration and development will result in the identification of indicated, or measured resources, or probable or proven reserves, at the Company's mining properties, or that if any mineral resources or reserves are defined at the Company's mining properties that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The marketability of minerals acquired or discovered by TRU may be affected by numerous factors which are beyond the control of TRU and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the TRU not receiving an adequate return of investment capital.

The mining properties on which a portion of the Company's working capital is to be expended do not contain any known amounts of commercial ore.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore on TRU's mining properties or elsewhere. The long-term profitability of TRU's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Risks & Uncertainties (continued)

Environmental and other Regulatory Requirements

Environmental laws and regulations may affect the operations of TRU. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on TRU for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations. TRU intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making TRU's operations more expensive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on TRU and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Potential Additional Financings

Although the Company currently has positive working capital, the Company may eventually seek to raise additional capital to support its growth and fund ongoing operations. There are no assurances that additional funding will be available to the Company on favorable terms or at all. Any additional equity financing may dilute existing shareholders.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks may occur, including in particular unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and TRU may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs.

Permits and Government Regulations

The planned and future operations of the Company require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, drilling, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Company's mining properties.

Risks & Uncertainties (continued)

Competition

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future and to engage qualified personnel to explore and develop the Company's mining properties.

Fluctuating Mineral Prices

the Company's revenues, if any, are expected to be in large part derived from the extraction and sale of precious metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Gold prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

Share Price Volatility

The Company's common shares are listed on the TSX Venture Exchange and the OTCQB Venture Market. The Company's share price may decline due to any number of factors, including negative corporate developments or general market declines. In addition, the lack of trading volume in the Company's shares reduces the liquidity of an investment in the Company, impacting an investor's ability to trade such shares at prevailing market prices.

No Dividend Policy

The Company does not intend to pay any dividends.

Conflicts of Interest

Certain directors and officers of the Company are also personally involved as directors, officers and/or investors of other companies and businesses that may from time to time compete with the Company for new business opportunities. Such engagements may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, and to disclose any interests they have in any contract or transaction being considered by the Company. In addition, all of the Company's personnel must conduct themselves in accordance with the Company's Code of Business Conduct.

Risks & Uncertainties (continued)

Dependence on Management and Directors

The Company is dependent upon the efforts, skill and business contacts of members of management and the Board for, among other things, the information and deal flow they generate during the normal course of their activities and the synergies that exist amongst their various fields of expertise and knowledge. Accordingly, the Company's success may depend upon the continued service of these individuals to the Company. The loss of the services of any of these individuals could have a material adverse effect on the Company and could harm its ability to identify promising assets.

No Guaranteed Return

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short-term or long-term. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investment and/or business opportunities successfully. The past performance of management of the Company provides no assurance of its future success.

Related Party Transactions

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to with the related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include officers and directors.

During the three months and year ended December 31, 2020 (with comparable figures provided for the three months and year ended December 30, 2019), the Company incurred the following charges with management personnel and other related parties:

(i) Management fees for the three-month and year-ended December 31, 2020 in the amounts of \$73,435 and \$132,750 respectively (\$nil and \$nil) were paid to Resurgent Capital Corp. (the "Manager"). On March 9, 2020, the Company entered into a management services agreement (the "MSA") with Resurgent Capital Corp. for executive management and venture capital markets advisory services. In substitution for paying salary directly to the Company's President and CEO, under the MSA the Company will pay the Manager \$7,500 (plus HST) monthly. The Manager is a shareholder of the Company. In addition, the Manager's investments decisions are controlled by its President, Joel Freudman, who also serves as President and CEO and a Director of the Company. Also see Subsequent Events.

There was \$78,000 owing to related parties at December 31, 2020 (2019 - \$nil).

Related Party Transactions (continued)

(ii) Management salaries of \$31,648 and \$49,253 respectively (\$11,340 and \$49,236) as follows:

		Three months ended		Year ended	
		Dec 31	Dec 31	Dec 31	Dec 31
		2020	2019	2020	2019
		\$	\$	\$	\$
Joel Freudman	CEO	-	9,618	6,284	38,474
Robert Harrison	CFO	26,648	1,722	37,969	10,762
Barry Greene	VP Property Development	5,000	-	5,000	-
		31,648	11,340	49,253	49,236

Mr. Freudman does not receive additional compensation for serving on the Board of Directors.

(iii) Directors' fees and expense of \$11,109 and \$42,729 respectively (\$10,902 and \$43,607) as follows:

		Three months ended		Year ended	
		Dec 31	Dec 31	Dec 31	Dec 31
		2020	2019	2020	2019
		\$	\$	\$	\$
Damian Lopez		7,280	4,686	25,034	18,743
Marisa Muchnik		3,112	-	7,893	-
Peter van Dijken		717	-	7,442	-
Yousuf Soliman		-	3,108	2,360	12,432
Peter Deacon		-	3,108	-	12,432
		11,109	10,902	42,729	43,607

(iv) In 2020, the Company recognized share-based compensation of \$180,028 relating to option grants issued on May 26, 2020, September 11, 2020, and October 22, 2020 to directors and officers of the Company.

(v) There was \$73,000 included in accounts payable and accrued liabilities to record compensation owed to directors and officers of the Company.

Liquidity and Capital Resources

The Company's main anticipated capital expenditures are those required to maintain its mineral exploration properties in good standing. Refer to "Mineral Exploration Properties" above, and "Subsequent Events - Golden Rose Project Transaction" below.

Cash and cash equivalent balances as at December 31, 2020 and December 31, 2019 were as follows:

	Dec 31	Dec 31
	2020	2019
	\$	\$
Cash and cash equivalents	376,053	1,442,333
	376,053	1,442,333

Liquidity and Capital Resources (continued)

The Company's net capital is comprised of working capital and shareholders' equity. The Company monitors its net working capital and is calculated as follows:

	Dec 31 2020 \$	Dec 31 2019 \$
Current assets	1,460,473	1,483,467
Current liabilities	(205,093)	(90,562)
Net working capital	1,255,380	1,392,905

Although the Company does not generate material amounts of revenue or cash, the Company's working capital is primarily comprised of cash and short term receivables and is expected to be adequate to sustain its mineral exploration and corporate plans for at least the next 12 months. The Company's cash burn rate will increase as it accelerates its mineral exploration activities and grows its supporting corporate overhead. The Company will continue to require additional working capital for the foreseeable future to fund its ongoing activities. The most likely source of additional capital will be equity financings, which are not assured and will depend on, among other things, financial market conditions, precious metals prices, and the company's exploration results. The Company completed a financing after December 31, 2020; see "Subsequent Events" below.

Summary of Share Capital

As at the date of this MD&A, TRU has the following securities outstanding: 28,730,841 common shares; 2,310,000 stock options; and 15,910,053 subscription receipts (convertible into 15,910,053 common shares and 15,910,053 share purchase warrants; finder warrants have yet to be issued; see "Subsequent Events - Golden Rose Project Transaction").

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements or commitments.

Significant Accounting Policies and New Standards

The significant accounting policies of the Company are described in Note 3 of the Company's December 31, 2020 audited consolidated financial statements.

Adoption on New Accounting Standards

During 2020, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements to existing standards. These included IAS 8, IAS 28, IFRS 3, and IFRS 10. These new standards and changes did not have any material impact on the Company's financial statements.

Significant Accounting Policies and New Standards (continued)

Exploration and evaluation assets - newly implemented policy from the quarter ended September 30, 2020

In order to enhance the relevance to the decision making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 - Exploration for and Evaluation of Mineral Resources and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy was adopted and applied retrospectively as of January 01, 2020. In prior periods the Company's policy was to capitalize the costs related to acquisition of, exploration for and development of mineral claims and crediting any revenues received prior to commercial production against the cost of the related claims. The Company elected to change this accounting policy to expense exploration expenditures as incurred on a retrospective basis.

The full accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed with development has been approved by the Board of Directors, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Impact on the financial statements:

The change in accounting policy requires full retrospective application per IAS 1 - Presentation of Financial Statements. Given there is no impact on the consolidated financial statements overall, an opening consolidated statement of financial position as at January 1, 2019 is not presented.

Consolidated Statements of Financial Position

As at September 30, 2020, there was an exploration and evaluation asset of \$411,000 (December 31, 2019 and 2018 - \$nil) on the consolidated statements of financial position. The Company did not commence mining operations until fiscal 2020. In 2019, the Company was inactive. As a result of the change in policy, the entire amount would be expensed through the consolidated statements of income (loss) and comprehensive income (loss). The exploration and evaluation asset would be \$nil as at September 30, 2020, December 31, 2019 and 2018.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

For the three and nine months period ended September 30, 2020, \$nil of costs (December 31, 2019 and 2018 - \$nil) were classified as exploration and evaluation costs. With the policy change, these items would now be classified as exploration costs. This would result in an increase in exploration and evaluation expenses of \$411,000 as at September 30, 2020, and \$nil for December 31, 2019 and 2018.

Consolidated Statements of Cash Flows

For the three and nine months period ended September 30, 2020, a cash outflow for *acquisition of mineral properties* was recorded under investing activities for \$31,000 (December 31, 2019 and 2018 - \$nil). With the policy change, there would be no investing cash flow as the Company is not capitalizing an asset on the consolidated statements of financial position. As a result, cash flows used in investing activities decreased and cash flows used in operating activities increased, respectively, in the amount of \$31,000 for the three and nine months period ended September 30, 2020 (December 31, 2019 and 2018 - \$nil).

Significant Accounting Policies and New Standards (continued)

New standards not yet adopted, and interpretations issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 10 - Consolidated Financial Statements ("IFRS 10") and IAS 28 - Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

Financial Instruments and Risk Management

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

- ◆ Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- ◆ Level 2 - Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- ◆ Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The Company determined that the carrying values of its short-term financial assets and liabilities approximate the corresponding fair values because of the relatively short periods to maturity of these instruments and the low credit risk.

Financial Instruments and Risk Management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and note receivable.

The credit risk on cash is remote as it maintains accounts with highly rated financial institutions.

Credit risk with respect to the note receivable has been assessed as moderate from management, as the Company has strong working relationship with the parties involved and its note receivable is secured by a general security agreement. In addition, the customer operates in the ready-to-eat-meal delivery industry in North America which the Company considers to be favorable in the current economic environment. There is significant concentration of credit risk because the note receivable is with a single counterparty.

Allowance for expected credit losses

The Company measures loss allowances based on an expected credit loss impairment ("ECL") model for all financial instruments measured at amortized cost or fair value through other comprehensive income with recycling into income. Application of the model depends on the following credit stages of the financial assets.

- Stage 1 - for new loans recognized and for existing loans that have not experienced a significant increase in credit risk ("SICR") since initial recognition, a loss allowance is recognized equal to the lifetime credit losses expected to result from defaults occurring in the next 12 months;
- Stage 2 - for those loans that have experienced a SICR since initial recognition, a loss allowance is recognized equal to the credit losses expected over the remaining life of the loan; and
- Stage 3 - for loans that are considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is recognized.

Significant judgement is required in making assumptions and estimates used to calculate the ECL, including movements between the three stages and the use of forward looking information. The measurement of ECL for each stage and the criteria used to determine a SICR uses information about past events and current conditions as well as reasonable and supportable projections of future events.

As there is only one loan receivable outstanding, the evaluation of the allowance for expected credit losses for the Company is performed collectively. As at December 31, 2020, the loan receivable is current, and the Company has not recognized a loss allowance for expected credit losses.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. As at December 31, 2020, the Company has current assets totaling \$1,460,473 to settle current liabilities of \$205,093.

Proposed Transactions

See “Subsequent Events - Golden Rose Project Transaction” below. The financial implications of such transaction, beyond those required by the terms of the transaction, are not ascertainable at this time. The Company expects increased exploration expenditures as a result. The transaction remains subject to shareholder approval and approval by the TSX Venture Exchange.

Subsequent Events

On January 11, 2021, a former director of the Company exercised an aggregate of 100,000 stock options for gross proceeds to the Company of \$10,500. Also subsequent to year-end, 100,000 stock options held by another former director of the Company expired unexercised.

On February 26, 2021, the Company entered into a second Loan amendment (the “Second Amendment”) with Revive, under which the payment schedule for the Loan was updated as follows, inclusive of interest: \$336,250 due on March 31, 2021 (paid); \$223,500 due on April 30, 2021; and \$201,667 due on May 31, 2021. As consideration for entering into the Second Amendment, Revive will also pay the Company a one-time fee of \$21,000 on May 31, 2021.

Golden Rose Project Transaction

On February 23, 2021, the Company entered into an option agreement (“Option Agreement”) with a subsidiary of TSX-listed Altius Minerals Corporation for the option to purchase the Golden Rose Project located in the Central Newfoundland Gold Belt. In order to exercise this Option and acquire the Golden Rose Project, TRU is required to make a series of common share issuances to Altius, at a deemed price of \$0.25 per common share, and incur exploration expenditures on the Golden Rose Project, as follows:

- (i) TRU shall issue 7,140,000 common shares on the Closing Date of the Option Agreement (the “Initial Shares”);
- (ii) TRU shall issue 800,000 common shares on or before the date that is one (1) month from the Closing Date;
- (iii) TRU shall issue 800,000 common shares on or before the date that is twelve (12) months from the date of the Option Agreement (the “Option Agreement Date”);
- (iv) TRU shall issue 1,400,000 common shares on or before the date that is twenty-four (24) months from the Option Agreement Date (together with the common shares issued in (ii) through (iv), collectively, the “Additional Shares”);
- (v) incurring exploration expenditures of \$500,000 within twelve (12) months of the Option Agreement Date;
- (vi) incurring additional exploration expenditures of \$1,000,000 within twenty-four (24) months of the Option Agreement Date; and
- (vii) incurring additional exploration expenditures of \$1,500,000 within thirty-six (36) months of the Option Agreement Date (together with the exploration expenditures incurred in (v) through (vii), collectively, the “Exploration Expenditures”).

In addition, Altius shall retain up to a 2.0% net smelter returns royalty (the “Altius NSR”) on any future minerals production from the Golden Rose Project.

In addition, Altius shall also assign the amended and restated option and royalty agreement between Altius and Shawn Rose dated November 24, 2020, as amended on February 22, 2021 (the “Underlying Agreement”) to TRU. Pursuant to the Underlying Agreement, Altius was granted the option to acquire certain mineral claims known as Rose Gold in the Province of Newfoundland and Labrador (the “Rose Claims”).

For the period ended December 31, 2020, Altius incurred maintenance expenditures of \$73,014 on the Golden Rose Project.

Subsequent Events (continued)

Golden Rose Project Transaction (continued)

In order to exercise the option to acquire the Rose Claims, TRU must: (i) make a payment of \$22,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2021; (ii) make a payment of \$37,500 (or equivalent amount of Common Shares, as determined by Shawn Rose in his sole discretion) on November 30, 2022; (iii) grant the Rose Royalty; and (iv) incur exploration expenditures in the amount of \$50,000 on the Rose Claims, which Altius has already incurred. If any or all of the Rose Claims achieves a National Instrument 43-101 defined measured and indicated mineral resource equal to at least one million gold ounces (at 1 g/t cut-off), TRU must make an additional cash payment of \$250,000.

This transaction also constitutes a Change of Business under the policies of the TSXV.

On March 4, 2021, the Company completed its oversubscribed non-brokered private placement (the "Offering") for gross proceeds of \$3,500,212. Pursuant to the Offering, the Company issued 15,910,053 subscription receipts (the "Subscription Receipts") at a price of \$0.22 per Subscription Receipt. The Offering is subject to the final approval of the TSX Venture Exchange.

Each Subscription Receipt will, upon completion of the Company's Change of Business and certain other customary conditions for a transaction of this nature, be automatically exercised into one unit of the Company (each, a "unit"). Each Unit will be comprised of one (1) common share in the capital of the Company (each, a "share") and one (1) Share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder thereof to purchase one Share at a price of \$0.35 for period of 36 months following the date of closing of the Offering. Related parties have subscribed to 475,909 subscription receipts with a value of \$104,700.

Upon completion of the Change of Business, eligible finders will receive, on account of gross proceeds raised from subscribers to the Offering who were introduced by such finders, (a) a cash commission equal to an aggregate of \$115,777, and (b) an aggregate of 526,257 non-transferable finder warrants, each of which will entitle the holder thereof to purchase one Share at a price of \$0.22 for a period of 36 months following the Closing Date.

On April 1, 2021, the Company and its wholly-owned subsidiary, 11436465 Canada Inc., amalgamated under the Business Corporations Act (Alberta) for administrative simplicity. Following this amalgamation, the Company has no subsidiaries.

On April 19, 2021, the MSA with Resurgent Capital Corp. was amended as follows: (i) to increase the monthly fee payable under the MSA to \$12,500; (ii) to replace a share-based M&A performance bonus with a more conventional provision providing that Resurgent would be entitled to a lump-sum cash payment equivalent to one year of monthly fees upon the completion of a change of control; and (iii) to add a provision providing that, at the sole discretion of the board of directors, Resurgent will be eligible for cash bonuses upon the achievement by the Company of corporate milestones. These amendments to the MSA were made to align it with industry standards for executives of junior mining issuers and not in connection with the Transaction.

SCHEDULE “C”

***PRO-FORMA* CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF
THE RESULTING ISSUER AS AT DECEMBER 31, 2020**

[See attached]

TRU Precious Metals Corp.
(Formerly known as Trius Investments Inc.)
(Resulting Issuer)

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian Dollars)

December 31, 2020

TRU PRECIOUS METALS CORP.

(Formerly Trius Investments Inc.)

(Resulting Issuer)

Unaudited Pro-Forma Consolidated Statement of Financial Position

As at December 31, 2020

	TRU Precious Metals Corp. As at December 31, 2020	Notes	Pro-Forma Adjustments	Resulting Issuer As at December 31, 2020
ASSETS				
Current				
Cash and cash equivalents	\$ 376,053	5(c) 5(d) 5(b) 5(f) 5(h) 6(i) 6(ii) 6(iii)	\$ 3,500,212 (115,777) (250,000) 850,000 16,625 10,500 (55,200) (30,000)	\$ 4,302,413
Amounts receivable	3,815		-	3,815
Equity investments	16,625	5(h)	(16,625)	-
Note receivable	1,050,000	5(f)	(850,000)	200,000
Prepaid expenses	13,980		-	13,980
Total Current Assets	1,460,473		3,059,735	4,520,208
Total Assets	\$ 1,460,473		\$ 3,059,735	\$ 4,520,208

See accompanying notes to the Pro-Forma Consolidated Statement of Financial Position

TRU PRECIOUS METALS CORP.

(Formerly Trius Investments Inc.)

(Resulting Issuer)

Unaudited Pro-Forma Consolidated Statement of Financial Position

As at December 31, 2020

	TRU Precious Metals Corp. As at December 31, 2020	Notes	Pro-Forma Adjustments	Resulting Issuer As at December 31, 2020
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 205,093		\$ -	\$ 205,093
Total Liabilities	\$ 205,093		-	205,093
EQUITY				
Share capital	\$ 2,935,574	5(c)	\$ 3,500,212	\$ 7,828,691
		5(d)	(115,777)	
		5(d)	(84,201)	
		5(e)	1,570,800	
		6(i)	22,083	
Share-based payment reserves	498,969	5(d)	84,201	677,187
		6(i)	(11,583)	
		6(ii)	86,400	
		6(iii)	19,200	
Retained earnings (deficit)	(2,179,163)	5(e)	(1,570,800)	(4,190,763)
		5(b)	(250,000)	
		6(ii)	(86,400)	
		6(ii)	(55,200)	
		6(iii)	(19,200)	
		6(iii)	(30,000)	
Total Shareholders' Equity	1,255,380		3,059,735	4,315,115
Total Liabilities & Shareholders' Equity	\$ 1,460,473		\$ 3,059,735	\$ 4,520,208

See accompanying notes to the Pro-Forma Consolidated Statement of Financial Position

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements

As at December 31, 2020

1. Basis of Presentation

The accompanying unaudited pro-forma consolidated financial statements of TRU Precious Metals Corp. (formerly Trius Investments Inc.) (“TRU” or the “Company”) have been prepared by management consistent with International Financial Reporting Standards (“IFRS”) from information derived from the financial statements of TRU and the financial statements of its wholly-owned subsidiary 11436465 Canada Inc., together with other information available to the Company. The Company applies IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

The resulting issuer will continue to be known as “TRU Precious Metals Corp.”. The unaudited pro-forma consolidated financial statements to which these notes relate have been prepared for inclusion in the filing statement of TRU (the “Filing Statement”) to be filed by TRU with the TSX Venture Exchange (the “TSXV”) in conjunction with the Transaction (as defined herein). All capitalized terms used but not defined herein have the meaning ascribed thereto in the Filing Statement.

Pursuant to the terms of the Transaction, TRU entered into a definitive option agreement (the “Option Agreement”) with a subsidiary of TSX-listed Altius Minerals Corporation (TSX:ALS) (“Altius”) on February 23, 2021, whereby TRU has acquired an option to acquire a 100% right, title and interest in the Golden Rose Project (the “Golden Rose Project”), subject to a maximum of 2.0% net smelter return royalty to be retained by Altius (see Note 3).

It is management's opinion that the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair presentation, in all material respects, of the transactions described in notes 3 and 4 in accordance with IFRS, applied on a basis consistent with TRU's accounting policies, except as otherwise noted. The unaudited pro-forma consolidated financial statements are not necessarily indicative of the financial position that would have resulted if the Transaction had occurred on December 31, 2020.

Upon completion of the Transaction, the Resulting Issuer is expected to have 51,780,894 common shares (Note 6) issued and outstanding.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the historical financial statements and notes thereto of the Company, included elsewhere in the Filing Statement.

The unaudited pro-forma consolidated financial statements of the Resulting Issuer have been compiled from (a) the audited consolidated financial statements of TRU as at December 31, 2020, and (b) additional information set out in Note 5 and Note 6 hereof, all in accordance with the accounting policies set out in Note 2 hereof.

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements

As at December 31, 2020

1. Basis of Presentation (continued)

The unaudited pro-forma consolidated financial statements have been prepared as if the Transaction described in Note 3 hereof had occurred on December 31, 2020, and represents the related assets and liabilities included in the December 31, 2020 audited consolidated financial statements of TRU and subsequent material Transaction-related adjustments.

In the opinion of TRU's management, the unaudited pro-forma consolidated financial statements include all adjustments necessary for the fair pro-forma presentation of the Transactions (Note 3).

Actual amounts recorded upon approval of the Transaction will differ from those recorded in the unaudited pro-forma financial statements of TRU. Completion of the Transaction is subject to a number of conditions, including, but not limited to, final approval of the TSXV.

These unaudited pro-forma consolidated financial statements are expressed in Canadian dollars.

2. Significant Accounting Policies

The unaudited pro-forma consolidated financial statements have been compiled consistent with the significant accounting policies as set out in the audited consolidated financial statements of TRU as at and for the year ended December 31, 2020.

3. The Transaction

Pursuant to the terms of the Transaction, TRU entered into the Option Agreement with a subsidiary of Altius for the option to purchase the Golden Rose Project, by which Altius grants to TRU the exclusive right and option (the "Option") to acquire, subject to retention by Altius of a maximum 2.0% net smelter return ("NSR") royalty, Altius' 100% interest in a package of mineral claims located in the southwestern portion of the Central Newfoundland Gold Belt (the "Altius Claims"). Altius has also agreed to assign an existing option agreement (the "Rose Gold Agreement", and together with the Option Agreement, collectively, the "Transaction") under which Shawn Rose (the "Rose Optionor") has granted the exclusive right and option to acquire, subject to retention by the Rose Optionor of a 2.0% royalty, his 100% interest in certain surrounding mineral claims known as the Rose Gold claims (the "Rose Gold Claims"). Collectively, the Altius Claims and the Rose Gold Claims, as well as any future claims added within a defined area of interest around the Rose Gold Claims and the Altius Claims, will be called the "Golden Rose Project". The Transaction is an arm's length transaction.

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements

As at December 31, 2020

3. The Transaction (continued)

Option Agreement

In order to acquire a 100% interest in the Golden Rose Project, the Company must issue such number of common shares in the capital of TRU ("TRU Shares") as set forth below, and fund a total of \$3,000,000 in exploration expenditures:

- (i) 7,140,000 TRU Shares, valued based on recent finance price (Note 5(c)) of \$0.22 per TRU Share, due on the closing date ("Closing Date") of the Option Agreement;
- (ii) 800,000 TRU Shares, at a deemed price of \$0.25 per TRU Share, by one (1) month from the Closing Date;
- (iii) 800,000 TRU Shares, at a deemed price of \$0.25 per TRU Share, by February 23, 2022, plus an exploration funding commitment of \$500,000;
- (iv) 1,400,000 TRU Shares, at a deemed price of \$0.25 per TRU Share, by February 23, 2023, plus an exploration funding commitment of an additional \$1,000,000; and
- (v) An exploration funding commitment of an additional \$1,500,000 by February 23, 2024.

Notwithstanding the foregoing, the Option Agreement provides that on any given TRU Share issuance date only that number of TRU Shares will be issued which will result in the total shareholdings of Altius not exceeding 19.99% percent of the issued and outstanding TRU Shares as of the date of the issuance (provided such TRU Shares shall remain issuable by TRU prior to full exercise of the Option).

Rose Optionor

In addition, TRU must pay the Rose Optionor:

- (i) \$22,500, in cash or by issuance of TRU Shares, at the election of the Rose Optionor, on November 30, 2021; and
- (ii) \$37,500, in cash or by issuance of TRU Shares, at the election of the Rose Optionor, on November 30, 2022. The deemed value of such TRU Shares, if issued in lieu of cash, shall be the greater of (a) \$0.25 per TRU Share and (b) the closing price of such TRU Shares on the TSXV on the day prior to such payment date.

TRU will also have to pay the Rose Optionor a \$250,000 cash bonus if TRU defines at least 1,000,000 ounces of gold on the Rose Gold Claims in the Measured & Indicated categories of a National Instrument 43-101 mineral resource estimate. TRU shall also grant the Rose Optionor a 2.0% NSR on any future mineral production at the Rose Gold Claims.

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements

As at December 31, 2020

4. Accounting for the Option Agreement

The Golden Rose Project does not meet the definition of a business; therefore, the transaction is outside of the scope of IFRS 3 Business Combinations. Instead, the Transaction will be accounted for under IFRS 2 Share-based Payment. IFRS 2 generally requires equity-settled, share-based transactions to be measured or valued at the fair value of the consideration (goods or services) received. If the value of the goods or services received cannot be estimated reliably, then the default requires that they be measured indirectly, and requires the equity-settled transactions to be measured with reference to the fair value of the equity instruments issued rather than that of the goods or services received. As the fair value of the Golden Rose Project cannot be estimated reliably, the transaction was measured based on the fair value of shares, determined by the terms of the Offering (as defined below) of \$0.22 per TRU Share.

The capital structure and the dollar amounts of share capital and reserves prior to the completion of the Transaction would comprise the values presented in the audited consolidated financial statements of TRU effected for the various subsequent transactions leading up to closing including the items disclosed in Note 5.

5. Pro-Forma Assumptions and Adjustments

The unaudited pro-forma consolidated financial statements reflect the following assumptions and adjustments:

- (a) The preliminary purchase price allocation is summarized as follows:

Consideration paid to acquire the Golden Rose Project:	\$
Cash	Nil
Issuance of common shares	1,570,800
Closing costs (Note 5(b))	250,000
	<u>1,820,800</u>

TRU will pay to Altius \$Nil cash consideration upon closing of the Transaction.

- (b) Transaction costs associated with the Transaction are estimated to be \$250,000 (Note 5(a)) which comprises legal fees, TSXV listing fees, consulting fees and all other fees related to closing.
- (c) On March 4, 2021, TRU issued an aggregate of 15,910,053 subscription receipts ("SRs") for gross proceeds of \$3,500,212 (the "Offering"). The units to be issued upon conversion of the SRs, following satisfaction of the related escrow release conditions, will be comprised of one TRU Share and one TRU Share purchase warrant. Each such warrant will be exercisable by the holder thereof for one TRU Share for a period of thirty-six months after the closing date at an exercise price of \$0.35 per warrant.

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements

As at December 31, 2020

5. Pro-Forma Assumptions and Adjustments (continued)

The fair value of the TRU Shares and attached warrants was valued using the residual value method. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair market value of the TRU Shares at \$0.22 per common share, determined by the terms of the Offering, resulted in a residual valuation of the attached warrants at \$nil per share purchase warrant. As a result of this, the TRU Shares underlying the SRs were valued at \$3,500,212 and the attached warrants underlying the SRs were valued at \$nil in aggregate.

- (d) As consideration for the services provided by certain finders in connection with the Offering: (a) the finders will receive an aggregate cash commission of \$115,777; and (b) the finders will be issued an aggregate of 526,257 non-transferrable finder warrants, each of which will entitle the holder thereof to purchase one TRU Share at a price of \$0.22 for a period of 36 months following the Closing Date.

The value of the 526,257 finder warrants to be issued to various finders, exercisable at \$0.22 per share and expiring three years from date of grant, were estimated at \$0.16 per share using the Black-Scholes pricing model using the following assumptions: estimated share price on grant date of \$0.22, expected life of three years, expected volatility of 135%, annual rate of dividends of 0.00% and a risk free rate of 0.50%. Expected volatility is estimated using volatility levels of comparable companies to TRU.

- (e) On the date of closing of the Option Agreement, TRU will issue to Altius 7,140,000 TRU Shares, with a fair value of \$0.22 per common share based on concurrent financing for total consideration of \$1,570,800.
- (f) On March 20, 2020, the Company loaned \$1,250,000 (the “Loan”) to Revive Organics Inc. (“Revive”), an unrelated private company. The Loan is secured by a general security agreement, bears interest at 10% per annum, and was due on March 20, 2021. On October 16, 2020, the Company and Revive amended the Loan such that Revive would repay not less than \$500,000 of the outstanding principal amount to the Company early, in five equal monthly installments beginning in November 2020. On February 26, 2021, the Company announced that it had entered into a second amendment agreement with Revive in respect of the Loan (the “Second Amendment”), where the remaining Loan principal balance outstanding (\$850,000) is being fully repaid in connection with the Company’s Transaction. Pursuant to the Second Amendment, the payment schedule for the amount outstanding has been updated as follows: \$100,000 due on March 5, 2021 (paid); \$330,000 due on March 31, 2021 (paid); \$220,000 due on April 30, 2021 (paid April 29, 2021); and \$200,000 due on May 31, 2021. As consideration for entering into the Second Amendment, Revive will also pay the Company a one-time fee of \$21,000 on May 31, 2021. The Company has recalculated the effective interest rate present valuation on the modified payment terms and has concluded that it is not a substantial modification and no adjustment to the carrying value of the Loan has been recorded. The Company measures loss allowances based on an expected credit loss impairment (“ECL”) model for all financial instruments. As at April 26, 2021, the Loan is current, and the Company has not recognized a loss allowance for expected credit losses.

TRU PRECIOUS METALS CORP.

(Formerly known as Trius Investments Inc.)

(Resulting Issuer)

Notes to Unaudited Pro-Forma Consolidated Financial Statements**As at December 31, 2020****5. Pro-Forma Assumptions and Adjustments (continued)**

- (g) The fair value of the share price utilized in the pro-forma share transactions was based on the non-brokered private placement on March 4, 2021 share price of \$0.22 (Note 5(c)).
- (h) The Company completed its disposition of its remaining Pasofino Gold Ltd. shares in February 2021.

6. Pro-Forma Share Capital

After giving effect to the pro-forma adjustments and assumptions in Note 5, the issued and fully paid share capital of the Company would be as follows:

	<i>Notes</i>	<i>Shares</i>	<i>Amount</i>	<i>Reserves</i>	<i>Retained Earnings (Deficit)</i>	<i>Total Equity</i>
			\$	\$	\$	\$
Equity of TRU as at December 31, 2020		28,630,841	2,935,574	498,969	(2,179,163)	1,255,380
Shares issued on stock options exercised	6 (i)	100,000	22,083	(11,583)	-	10,500
TRU Shares issued to Altius	5(e)	7,140,000	1,570,800	-	(1,570,800)	-
Closing costs	5(b)	-	-	-	(250,000)	(250,000)
TRU SRs issued for Offering	5(c)	15,910,053	3,500,212	-	-	3,500,212
Finder fees - cash	5(d)	-	(115,777)	-	-	(115,777)
Finder fees - warrants	5(d)	-	(84,201)	84,201	-	-
Investor relations contract	6(ii)	-	-	-	(55,200)	(55,200)
Investor relations contract	6(iii)	-	-	-	(30,000)	(30,000)
Share-based payments	6 (ii)	-	-	86,400	(86,400)	-
Share-based payments	6 (iii)	-	-	19,200	(19,200)	-
Balance - December 31, 2020		51,780,894	7,828,691	677,187	(4,190,763)	4,315,115

- (i) On January 11, 2021, a former director of the Company exercised an aggregate of 100,000 stock options for gross proceeds to the Company of \$10,500. Reserve of \$11,583 was reallocated to common shares to disclose share price at time of exercise.

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As at December 31, 2020

6. Pro-Forma Share Capital (continued)

- (ii) Per the terms of an agreement with Momentum Public Relations Inc. (“Momentum”) for investor relations activities, following completion of the Transaction the Company will issue 450,000 stock options to Momentum in accordance with the Company's stock option plan. The stock options are estimated to have a 5-year term and an estimated exercise price of \$0.22 each, and estimated to vest immediately. The fair value of the stock options granted is estimated to be \$0.192 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.94%, expected volatility – 135%, expected dividend yield – 0%, expected life – 5 years. The agreement terms include compensation of \$9,200 per month for an initial term of 6 months.
- (iii) Per the terms of an agreement with M13 Communications Financieres (“M13”) for investor relations activities, following the completion of the Transaction the Company will issue 100,000 stock options to M13 in accordance with the Company's stock option plan. The stock options are estimated to have a 5-year term and an estimated exercise price of \$0.22 each, and estimated to vest immediately. The fair value of the stock options granted is estimated to be \$0.192 per stock option using the Black-Scholes option pricing model with the following assumptions: Risk-free interest rate – 0.94%, expected volatility – 135%, expected dividend yield – 0%, expected life – 5 years. The agreement terms include compensation of \$5,000 per month for an initial term of 6 months.

7. Effective Tax Rate

The pro-forma effective income tax rate applicable to the consolidated operations of TRU subsequent to the completion of the Transaction is 0%.