

TRIUMPH GOLD CORP.

(An Exploration Stage Corporation)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2023

(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC

May 26, 2023

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	March 31, 2023 (Unaudited) \$	December 31, 2022 (Audited) \$
ASSETS		
Current assets		
Cash	1,032,339	2,746
Trade and other receivables	15,596	36,474
Prepayments and deposits	17,525	19,365
	<u>1,065,460</u>	<u>58,585</u>
Non-current assets		
Property and equipment (note 3)	20,267	22,786
Investment in equities	1	1
Exploration and evaluation assets (note 4)	3,722,759	3,620,869
	<u>3,743,027</u>	<u>3,643,656</u>
Total assets	<u>4,808,487</u>	<u>3,702,241</u>
LIABILITIES		
Current liabilities		
Trade and other payables (note 7)	253,868	1,806,522
Due to related party (note 7)	-	661,725
	<u>253,868</u>	<u>2,468,247</u>
Non-current liability		
Reclamation provision (note 4)	60,000	60,000
Total liabilities	<u>313,868</u>	<u>2,528,247</u>
SHAREHOLDERS' EQUITY		
Share capital (note 5)	76,586,274	72,870,002
Subscriptions receivable (note 5)	(100,000)	-
Reserve (note 5)	8,684,033	8,684,033
Deficit	(80,675,688)	(80,380,041)
	<u>4,494,619</u>	<u>1,173,994</u>
Total shareholders' equity and liabilities	<u>4,808,487</u>	<u>3,702,241</u>

Nature and continuance of operations (note 1)
 Commitments and contingency (note 6)
 Subsequent event (note 11)

Approved on behalf of the board:

"John Anderson"

John Anderson

Director

"Gregory Sparks"

Gregory Sparks

Director

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the three month period ended	March 31, 2023	March 31, 2022
	\$	\$
Expenses		
Administrative expenses (note 7)	20,743	22,800
Corporate communications	11,136	23,887
Depreciation (notes 3 and 6)	2,519	28,472
Exploration expenditures (notes 4 and 7)	62,174	187,475
Interest	-	1,790
Listing and filing fees	5,744	11,180
Professional fees (note 7)	49,540	43,420
Property investigation	-	41,954
Wages and salaries (note 7)	147,691	109,921
	(299,547)	(470,899)
Other item		
Write-off of trade payable	3,900	-
	(295,647)	(470,899)
Net and comprehensive loss for the period	(295,647)	(470,899)
Loss per share - basic and diluted	(0.01)	(0.03)
Weighted average number of shares outstanding - basic and diluted	34,201,880	13,884,423

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of Shares	Share Capital \$	Subscriptions Receivable \$	Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance, December 31, 2021	13,884,420	72,870,002	-	8,684,033	(78,859,632)	2,694,403
Loss for the period	-	-	-	-	(470,899)	(470,899)
Balance, March 31, 2022	13,884,420	72,870,002	-	8,684,033	(79,330,531)	2,223,504
Loss for the period	-	-	-	-	(1,049,510)	(1,049,510)
Balance, December 31, 2022	13,884,420	72,870,002	-	8,684,033	(80,380,041)	1,173,994
Share issuance (note 5)	28,571,428	3,750,000	(100,000)	-	-	3,650,000
Share issuance costs (note 5)	-	(33,728)	-	-	-	(33,728)
Loss for the period	-	-	-	-	(295,647)	(295,647)
Balance, March 31, 2023	42,455,848	76,586,274	(100,000)	8,684,033	(80,675,688)	4,494,619

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

TRIUMPH GOLD CORP.
(An Exploration Stage Corporation)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the three month period ended	March 31, 2023	March 31, 2022
	\$	\$
Cash flows from operating activities		
Loss for the period	(295,647)	(470,899)
Items not involving cash		
Depreciation	2,519	28,472
Interest	-	1,790
Reclamation provision	-	10,000
Write-off of trade payable	(3,900)	-
	<u>(297,028)</u>	<u>(430,637)</u>
Change in non-cash working capital		
Trade and other receivables	20,878	(8,046)
Prepayments and deposits	1,840	15,116
Trade and other payables	(1,548,754)	199,926
	<u>(1,823,064)</u>	<u>(223,641)</u>
Cash flows from investing activities		
Acquisition of property and equipment	-	(2,568)
Acquisition of exploration and evaluation assets	(101,890)	(4,179)
	<u>(101,890)</u>	<u>(6,747)</u>
Cash flows from financing activities		
Share issuance, net	3,616,272	(26,025)
Advances from (repayment) to related party	(661,725)	225,000
	<u>2,954,547</u>	<u>198,975</u>
Change in cash	1,029,593	(31,413)
Cash, beginning of the period	2,746	41,681
Cash, end of the period	<u>1,032,339</u>	<u>10,268</u>
Cash paid for:		
Income taxes	-	-
Interest	-	-
	<u>-</u>	<u>-</u>
Non-cash transactions:		

There were no non-cash transactions during the periods ended March 31, 2023 and 2022.

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

TRIUMPH GOLD CORP.
Notes to the Condensed Consolidated Financial Statements
Three month period ended March 31, 2023
(Unaudited – Prepared by management)
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Triumph Gold Corp. was continued under the British Columbia Business Corporations Act on December 19, 2011 and is extra-provincially registered in the Yukon Territory. The Company is listed on the TSX Venture Exchange (“TSXV”), having the symbol “TIG”. The Company’s principal business activity is the exploration for mineral resources, primarily in the Yukon Territory, Canada.

The Company’s corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

The consolidated financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2023, the Company had a working capital of \$811,592 and an accumulated deficit of \$80,675,688. The Company’s ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

The Company’s business financial condition and results of operations may be negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. In response to the military action by Russia, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the hostilities and sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic market and on various sectors, industries and markets for securities and commodities globally.

While the Company expects any direct impacts, of the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future. As a result, there always exists uncertainty that causes significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

TRIUMPH GOLD CORP.
Notes to the Condensed Consolidated Financial Statements
Three month period ended March 31, 2023
(Unaudited – Prepared by management)
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2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2022.

The financial statements were authorized for issue on May 26, 2023 by the directors of the Company.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Bushmaster Exploration Services (2007) Ltd. All significant intercompany transactions and balances have been eliminated upon consolidation. The financial statements of the subsidiary are prepared using consistent accounting policies and reporting dates of the Company. The functional currency for the Company and its subsidiary is the Canadian dollar.

New or revised accounting standards not yet adopted

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

TRIUMPH GOLD CORP.
Notes to the Condensed Consolidated Financial Statements
Three month period ended March 31, 2023
(Unaudited – Prepared by management)
(Expressed in Canadian dollars)

3. PROPERTY AND EQUIPMENT

	Automotive	Computer Equipment	Equipment	Furniture and Fixtures	Total
	\$	\$	\$	\$	\$
Cost					
Balance, December 31, 2021	120,292	45,768	76,401	5,000	247,461
Additions	-	5,764	-	-	5,764
Balance, December 31, 2022 and March 31, 2023	120,292	51,532	76,401	5,000	253,225
Accumulated depreciation					
Balance, December 31, 2021	108,753	35,254	67,060	1,400	212,467
Depreciation	3,462	11,922	1,868	720	17,972
Balance, December 31, 2022	112,215	47,176	68,928	2,120	230,439
Depreciation	606	1,395	374	144	2,519
Balance, March 31, 2023	112,821	48,571	69,302	2,264	232,958
Net book value					
As at December 31, 2022	8,077	4,356	7,473	2,880	22,786
As at March 31, 2023	7,471	2,961	7,099	2,736	20,267

4. EXPLORATION AND EVALUATION ASSETS

During the year ended December 31, 2021, the Company paid a \$100,000 non-refundable fee pursuant to the terms of a proposed Property Purchase Agreement (the “Property Purchase Agreement”). Closing of the Property Purchase Agreement was contingent upon certain consents, orders and approvals, including the TSXV, necessary or desirable for completion of the proposed transaction, all on satisfactory terms. At December 31, 2022, the terms for closing had not been fulfilled and the Company was no longer pursuing with the Property Purchase Agreement. Accordingly, the deposit was expensed to property investigation cost during the year ended December 31, 2022.

Exploration and evaluation assets and related expenditures comprise:

Freegold Mountain, Canada

To March 31, 2023, the Company has recorded a \$60,000 (December 31, 2022 - \$60,000) provision for reclamation activities related to the Freegold Mountain project. The timing of the reclamation activities cannot be estimated at this time, and will be performed upon the completion of the development of the project.

The Freegold Mountain project is comprised of the following exploration properties:

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(Unaudited – Prepared by management)
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4. EXPLORATION AND EVALUATION ASSETS (continued)

Freegold Mountain, Canada (continued)

(i) Tinta Hill Property, Yukon

The Company holds a 100% interest in the Tinta Hill Property subject to an annual advanced royalty payment of \$20,000 and a 3% Net Smelter Return (“NSR”). The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of \$250,000 for the first 1% and \$1,000,000 for the second 1%.

As at March 31, 2023, the total advanced royalty payment made was \$140,000 (December 31, 2022 – \$100,000). During the three month period ended March 31, 2023, the Company paid \$20,000 (December 31, 2022 - \$nil) in filing fees for the Tinta Hill Property.

(ii) Freegold Property, Yukon

The Company holds a 100% interest in the Freegold Property subject to an annual advanced royalty payment of \$ 10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of \$250,000 for the first 1% and \$1,000,000 for the second 1%.

As at March 31, 2023, the total advanced royalty payment made was \$70,000 (December 31, 2022 – \$50,000). During the three month period ended March 31, 2023, the Company paid \$10,000 (December 31, 2022 - \$nil) in filing fees for the Freegold Property.

(iii) Goldstar Property, Yukon

The Company holds a 100% interest in the Goldstar Property subject to an advance payment of \$10,000 and a 3% NSR. The advanced royalty payment will be netted against royalty interest payments after the commencement of commercial production. Of the 3% NSR, the Company can elect to purchase 2% at a cost of \$500,000 for the first 1% and \$1,000,000 for the second 1%.

As at March 31, 2023, the total advanced royalty payment made was \$64,900 (December 31, 2022 – \$50,000). During the three month period ended March 31, 2023, the Company paid \$4,900 (December 31, 2022 - \$nil) in filing fees for the Goldstar Property.

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(Unaudited – Prepared by management)
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4. EXPLORATION AND EVALUATION ASSETS (continued)

Freegold Mountain, Canada (continued)

(iv) Golden Revenue Property, Yukon

The Company holds a 100% interest in the Golden Revenue Property subject to a 1% NSR in favour of ATAC Resources Ltd on that portion of the property which is not subject to an underlying royalty. There is a 2% underlying NSR on a portion of the property. A total of 75% of the underlying NSR (1.5% NSR) may be purchased at any time for \$600,000. On June 13, 2018, the Company acquired the underlying NSR for a purchase price of \$100,000, thereby conveying the exclusive right to be paid all future rights associated from the NSR to the Company.

Big Creek, Canada

On February 3, 2021, and as closed on March 1, 2021, the Company entered into a purchase and sale agreement to acquire certain claims, subject to 1.5% NSR, comprising the Big Creek copper-gold Property located in the Whitehorse Mining District of Yukon, Canada. As consideration, the Company issued 125,000 post-consolidated common shares at a fair value of \$225,000. During the three month period ended March 31, 2023, the Company paid \$27,090 (December 31, 2022 - \$2,089) in filing fees for the Big Creek Property.

Other, Canada

Tad/Toro Property, Yukon

The Company holds a 100% interest in the Tad/Toro Property subject to a 3% NSR, of which the first 1% may be purchased for \$500,000 and a second 1% for \$1,000,000. The Company wrote-down the value of the Tad/Toro Property to \$1 in previous years. During the three month period ended March 31, 2023, the Company paid \$39,900 (December 31, 2021 - \$2,090) in filing fees for the Tad/Toro Property.

Andalusite Peak, British Columbia, Canada

The Company staked the Andalusite Peak Property and held a 100% interest. On August 8, 2019, the Company and Rio Tinto Exploration Canada Inc. ("RTEC") entered into an option agreement whereby RTEC has the option to obtain a 100% interest in the Andalusite Peak property for consideration of \$3,000,000 over a five-year option period and reserve for the Company a 1% NSR. On December 15, 2020, RTEC provided notice of termination of the option agreement and 100% ownership of the Andalusite Property was transferred back to the Company.

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Notes to the Condensed Consolidated Financial Statements
Three month period ended March 31, 2023
(Unaudited – Prepared by management)
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4. EXPLORATION AND EVALUATION ASSETS (continued)

	Freegold Mountain	Big Creek	Other	Andalusite Peak	Total
	\$	\$	\$	\$	\$
Exploration and Evaluation Assets					
Balance, December 31, 2021	3,348,639	225,000	3,051	-	3,576,690
Additions	40,000	2,089	2,090	-	44,179
Balance, December 31, 2022	3,388,639	227,089	5,141	-	3,620,869
Additions	34,900	27,090	39,900	-	101,890
Balance, March 31, 2023	3,423,539	254,179	45,041	-	3,722,759
Current Exploration Expenditures					
Year ended December 31, 2022					
Administrative	1,025	-	-	-	1,025
Assaying	2,251	-	-	12,950	15,201
Camp costs	377	-	-	-	377
Equipment and supplies (recovery)	(11,110)	-	-	-	(11,110)
Exploration grant	-	-	-	(7,893)	(7,893)
Geological costs	23,676	-	-	981	24,657
Reclamation provision	10,000	-	-	-	10,000
Transportation and storage	13,827	-	-	-	13,827
Travel and accomodation	62	-	-	-	62
Wages and labour costs	372,782	164	163	15,781	388,890
Total	412,890	164	163	21,819	435,036
Period ended March 31, 2023					
Geological costs	2,381	-	-	-	2,381
Transportation and storage	645	-	-	-	645
Wages and labour costs	54,054	-	-	5,094	59,148
Total	57,080	-	-	5,094	62,174

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Notes to the Condensed Consolidated Financial Statements
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(Unaudited – Prepared by management)
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4. EXPLORATION AND EVALUATION ASSETS (continued)

	Freegold Mountain	Big Creek	Other	Andalusite Peak	Total
	\$	\$	\$	\$	\$
Cumulative Exploration Expenditures					
Administrative	702,295	3,042	-	1,050	706,387
Assaying	1,146,546	-	12,172	25,751	1,184,469
Camp costs	3,860,635	-	10,800	86	3,871,521
Community relations	9,125	-	-	-	9,125
Drilling costs	18,668,403	-	-	-	18,668,403
Environmental	33,800	-	-	-	33,800
Equipment and supplies	1,063,089	-	2,275	2,569	1,067,933
Exploration grant	(325,455)	-	-	(7,893)	(333,348)
Geological costs	6,254,218	22,605	83,372	13,716	6,373,911
Geophysical costs	1,476,715	-	-	-	1,476,715
Helicopter	7,942	-	30,841	17,965	56,748
Reclamation provision	60,000	-	-	-	60,000
Resource work	243,501	-	-	-	243,501
Transportation and storage	1,502,402	-	22,632	2,591	1,527,625
Travel and accomodation	837,277	-	100	13,627	851,004
Wages and labour costs	13,185,831	164	27,401	51,506	13,264,902
Total	48,726,324	25,811	189,593	120,968	49,062,696

5. SHARE CAPITAL

Authorized:

Unlimited common shares with no par value

Unlimited preferred shares, the series rights and restrictions to be determined by the Board of Directors on issuance.

Issued:

For the three month period ended March 31, 2023

On January 27, 2023, the Company completed a non-brokered private placement for 28,571,428 units at a price of \$0.13125 per unit for gross proceeds of \$3,750,000, of which \$100,000 is recorded as subscriptions receivable at March 31, 2023 (subsequently received). Each unit is comprised of one common share and one half of a common share purchase warrant, with each whole warrant exercisable to acquire one additional share at a price of \$0.175, for a term of 5 years. The Company paid finder's fees of \$9,975 and incurred share issuance costs of \$23,753 in connection with the private placement.

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Three month period ended March 31, 2023
(Unaudited – Prepared by management)
(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Issued (continued):

For the year ended December 31, 2022

On December 22, 2022, the Company completed a consolidation of its share capital on 10:1 basis. Accordingly, the number of outstanding common shares, options and warrants have been retroactively presented.

Stock options:

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

A summary of outstanding stock options at March 31, 2023 is as follows:

Number of stock options outstanding	Exercise price	Expiry date	Number of stock options exercisable
	\$		
125,000	4.00	July 20, 2023	125,000
120,000	5.50	July 26, 2024	120,000
595,000	3.00	July 24, 2025	595,000
30,000	3.00	January 25, 2026	30,000
870,000			870,000

Stock option transactions are summarized as follows:

	Number of stock options	Weighted average exercise price	Weighted average remaining life
		\$	
December 31, 2021	1,358,500	3.70	2.28
Expired	(468,500)	4.12	
Cancelled	(20,000)	3.00	
December 31, 2022	870,000	3.49	2.16
March 31, 2023	870,000	3.49	1.91

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Notes to the Condensed Consolidated Financial Statements
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(Unaudited – Prepared by management)
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5. SHARE CAPITAL (continued)

Warrants:

A summary of outstanding warrants at March 31, 2023 is as follows:

Number of warrants outstanding	Exercise price \$	Expiry date	Remaining life (years)
1,659,850	3.00	July 17, 2023	0.30
27,465	2.50	July 17, 2023	0.30
1,500,000	3.00	July 24, 2023	0.32
62,720	2.50	July 24, 2023	0.32
68,500	3.00	December 31, 2023	0.75
14,285,714	0.18	January 27, 2028	4.83
17,604,249			

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price \$	Weighted average remaining life
December 31, 2021 and 2022	3,318,535	2.99	0.56
Granted	14,285,714	0.18	4.83
March 31, 2023	17,604,249	0.70	3.98

Reserve:

The reserve records items recognized as share-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Any fair value attributed to the warrants is recorded in the reserve. If the warrants expire unexercised, the value attributed to the warrants is transferred to deficit.

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6. COMMITMENTS AND CONTINGENCY

- a) The Company has included in officers' employment agreements a change in control clause that entitles them to a lump sum severance payment equal to 1.5 to 2.0 times their annual base salaries. This would amount to up to \$360,000 based on salaries in effect as at March 31, 2023 and December 31, 2022.
- b) Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.
- c) On July 10, 2018, the Company entered into a sublease agreement that provided for a base rent of \$5,175 per month, commencing initially from September 1, 2018 to August 31, 2020 and subsequently extended to August 31, 2022.

The Company recognized a lease liability obligation and associated right-of-use asset related to its lease commitment for its office lease of \$115,185. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8%. The right-of-use asset was depreciated and the Company recorded a related interest expense over the term of the lease liability obligation. During the year ended December 31, 2022, the Company paid lease obligations of \$41,400, thereby reducing the lease liability, recorded \$38,394 in depreciation of the right-of-use asset and \$947 in interest expense.

- d) On October 1, 2020, the Company entered into a lease agreement that provides for a base rent of \$3,500 per month, commencing October 1, 2020 to September 30, 2022.

The Company recognized a lease liability obligation and associated right-of-use asset related to its lease commitment for its office lease of \$109,662. Included in the right-of-use asset is \$3,500, representing the last month's rent, prepaid in advance. The liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 8%. The right-of-use asset was depreciated and the Company recorded a related interest expense over the term of the lease liability obligation.

On October 26, 2022, the Company extinguished the lease. The Company paid lease obligations to September 30, 2022 of \$31,500, thereby reducing the lease liability, recorded \$29,100 in depreciation of the right-of-use asset and \$2,984 in interest expense, and derecognized the right-of-use asset and lease obligation, resulting in a \$1,685 gain on derecognition of the lease. On October 26, 2022, the Company paid the remaining lease commitment obligation of \$10,500, covering the period up to December 31, 2022, as final payment in extinguishment of the lease and recorded the remaining short-term lease payments as incurred.

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(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

Commencing January 1, 2022, interest at a rate of 20% per annum has been charged on advances from a director of the Company. The balance was unsecured and due on demand. During the three month period ended March 31, 2023, the advances and interest were repaid in full. At December 31, 2022, the balance due to the director was comprised of \$64,601 in principal and \$11,779 in accrued interest included in accounts payable and accrued liabilities, and \$569,251 in principal and \$92,474 in accrued interest included in due to related party. Accrued interest at December 31, 2022 totaled \$104,253, of which \$73,423 related to amounts advanced during the year ended December 31, 2022 and \$30,830 represented an interest bonus relating to amounts previously advanced.

The Company had the following transactions involving key management during the three month period ended March 31, 2023:

- (i) RIP Services Inc., a company controlled by an officer of the Company provides accounting services to the Company. Professional fees incurred during the three months period were \$12,000 (2022 - \$12,000). At March 31, 2023, this officer was owed \$3,675 (December 31, 2022 - \$71,400).
- (ii) Purplefish Capital Limited, a company controlled by a director of the company, provides consulting services to the Company. Consulting fees incurred during the three months period were \$78,870 (2022 - \$15,000) which were recorded in wages and salaries. At March 31, 2023, this company was owed \$15,750 (December 31, 2022 - \$294,000).
- (iii) Brian Bower Consulting, a company controlled by a director of the company, provides consulting and geological services during the three months period. Consulting fees incurred during the three months period \$nil (2022 - \$3,675) and were recorded in professional fees and property investigation. Geological fees incurred during the three months period were \$nil (2022 – \$3,675) and were recorded in exploration expenditures. At March 31, 2023, this company was owed \$nil (December 31, 2022 – \$31,819).
- (iv) Halle Geological Services Ltd., a company controlled by the VP of Exploration of the company provided geological services. Geological fees incurred during the three months period were \$2,381 (2022 - \$4,688). At March 31, 2023, this company was owed \$1,897 (December 31, 2022 - \$34,688).
- (v) Wiklow Corporate Services, Inc. a company controlled by an officer of the Company provided consulting services to the Company. Professional fees incurred during the three months period were \$18,000 (2022 - \$10,500). At March 31, 2023, this company was owed \$3,675 (December 31, 2022 - \$60,628).
- (vi) Wages and salaries of \$45,000 (2022 – \$91,800) were paid to a directors and officers of the Company. At March 31, 2023, \$45,000 (December 31, 2022 - \$nil) was owed to a director.
- (vii) Directors of the Company were paid consulting fees of \$nil (2022 – \$nil) and were recorded in wages and salaries. At March 31, 2023, the directors were owed \$120,000 (December 31, 2022 - \$120,000).
- (viii) Parallel Mining Corp., a company related by common directors and officers, rented office space from the Company and paid \$3,360 (2022 - \$5,175) in rent to the Company during the three months period.

Amounts owed above are included in trade and other payables. The balance is non-interest bearing, unsecured and has no specific terms of repayment.

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Three month period ended March 31, 2023

(Unaudited – Prepared by management)

(Expressed in Canadian dollars)

8. SEGMENTED INFORMATION

The Company operates in one operating segment, that being exploration of mineral properties. All of the Company's assets are located in Canada.

9. CAPITAL MANAGEMENT

The Company includes cash and equity, comprising issued common shares, reserve and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2023. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper. Other receivables are comprised primarily of tax receivables generated on the purchase of supplies and services for the Company's exploration programs, which are refundable from the Canadian government. The Company's maximum exposure to credit risk is the carrying amount of financial assets on the consolidated statements of financial position.

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10. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk – The Company's cash is invested in business accounts with high-credit quality financial institutions which are available on demand for the Company's programs. Future operations or exploration programs will require additional financing primarily through equity markets.

The Company has a planning and budgeting process in place to help determine the funds required to support normal operating requirements on an ongoing basis. Historically, the Company's primary source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company has a working capital of \$811,592 (December 31, 2022 – working capital deficiency of \$2,409,662). Liquidity risk is assessed as high.

Market Risk – Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on cash accounts. Every 1% fluctuation in interest rates up or down would have an insignificant impact on profit or loss.

Foreign currency risk - The Company is exposed to foreign currency risk to the extent that certain monetary financial instruments and other assets are denominated in United States dollars. The Company has not entered into any foreign currency contracts to mitigate this risk and has no financial instruments held in United States funds. Therefore, foreign currency risk is minimized.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand. The Company is not exposed to significant price risk.

Fair Value - The Company has various financial instruments comprised of cash, trade and other receivables, investment in equities, trade and other payables and lease liabilities.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both

unobservable and significant to the overall fair value measurement.

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10. FINANCIAL INSTRUMENTS (continued)

Fair Value (continued) -

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
March 31, 2023				
Assets:				
Cash	1,032,339	-	-	1,032,339
Investment in equities	-	-	1	1
December 31, 2022				
Assets:				
Cash	2,746	-	-	2,746
Investment in equities	-	-	1	1

11. SUBSEQUENT EVENT

Subsequent to March 31, 2023, the Company received the \$100,000 in subscriptions receivable (note 5).