CONDENSED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE SIX MONTHS ENDED JUNE 30, 2019

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed 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 condensed interim 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.

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars) – unaudited

As at		**June 30, 2019**		**December 31, 2018**
ASSETS				
Current				
Cash	$	249,637	$	632,073
Receivables		7,627		28,309
Prepaid expenses		38,754		97,197
		296,018		757,579
Reclamation deposit (Note 3)		7,500		7,500
Mineral property (Note 3)		832,085		794,489
	$	1,135,603	$	1,559,568
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	63,011	$	171,083
Shareholders' equity				
Share capital (Note 5)		1,967,776		1,967,776
Reserves (Note 5)		226,703		226,703
Deficit		(1,121,887)		(805,994)
		1,072,592		1,388,485
	$	1,135,603	$	1,559,568

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on August 21, 2019.

"Gary Schellenberg"	Director	*"Geoff Schellenberg"*	Director
Gary Schellenberg		Geoff Schellenberg	

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars) - unaudited

	Three months ended June 30		Six months ended June 30	
	2019	**2018**	**2019**	**2018**
Expenses				
Consulting fees	$ 36,268	$ -	$ 52,104	$ -
Filing and transfer agent fees	6,639	15,956	17,215	16,306
Investor relations	120,460	5,574	175,018	9,072
Interest and bank charges	121	71	244	125
Office and administration	4,264	1,918	10,343	2,086
Professional Fees	40,763	6,245	57,354	28,524
Rent	1,500	-	3,000	-
Travel and promotion	421	-	2,842	-
Loss before other items	(210,436)	(29,764)	(318,120)	(56,113)
Other items				
Interest income	911	1,574	2,227	1,954
Loss and comprehensive loss for the period	$ (209,525)	$ (28,190)	$ (315,893)	$ (54,159)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	21,462,835	16,225,045	21,462,835	15,996,947

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars) – unaudited

For the six-month period ended June 30	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (315,893)	$ (54,159)
Non-cash working capital item changes:		
Receivables	20,682	(8,691)
Prepaid expenses	58,443	3,498
Accounts payable and accrued liabilities	34,277	10,869
Net cash used in operating activities	(202,491)	(48,483)
CASH FLOWS FROM INVESTING ACTIVITIES		
Mineral property expenditures	(179,945)	(99,423)
Net cash used in investing activities	(179,945)	(99,423)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	117,880
Share issuance costs	-	(7,350)
Net cash provided by financing activities	-	110,530
Change in cash for the period	(382,436)	(37,376)
Cash, beginning of period	632,073	736,278
Cash, end of period	$ 249,637	$ 698,902

No cash was paid for interest or taxes for the six-month periods ended June 30, 2019 and 2018.

During the six-month period ended June 30, 2019, the Company accrued $11,418 in mineral property costs through accounts payable and accrued liabilities (June 30, 2018 - $157,619) and recognized $nil in non-cash share issuance costs related to the fair value of finder’s warrants granted (June 30, 2018 - $3,170).

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

TROUBADOUR RESOURCES INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars) – unaudited

	Share Capital						
	Number	**Amount**	**Reserves**	**Subscriptions receivable**	**Subscriptions received in advance**	**Deficit**	**Total**
Balance, December 31, 2017	14,790,620	$ 1,226,467	$ 19,430	$ (10,000)	$ 30,068	$ (394,700)	$ 871,265
Shares issued for cash	1,379,480	137,948	-	10,000	(30,068)	-	117,880
Share issuance costs – cash	-	(7,350)	-	-	-	-	(7,350)
Share issuance costs – warrants	-	(3,170)	3,170	-	-	-	-
Shares issued for mineral properties	500,000	50,000	-	-	-	-	50,000
Loss for the period	-	-	-	-	-	(54,159)	(54,159)
Balance, June 30, 2018	16,670,100	$ 1,403,895	$ 22,600	$ -	$ -	$ (448,859)	$ 977,636
Shares issued for cash	4,250,910	510,091	-	-	-	-	510,091
Share issuance costs – cash	-	(8,717)	-	-	-	-	(8,717)
Share issuance costs – warrants	-	(7,852)	7,852	-	-	-	-
Warrants exercised	541,825	70,359	(3,148)	-	-	-	67,211
Share-based payments	-	-	199,399	-	-	-	199,399
Loss for the period	-	-	-	-	-	(357,135)	(357,135)
Balance, December 31, 2018	21,462,835	1,967,776	226,703	-	-	(805,994)	1,388,485
Loss for the period	-	-	-	-	-	(315,893)	(315,893)
Balance, June 30, 2019	21,462,835	$ 1,967,776	$ 226,703	$ -	$ -	$ (1,121,887)	$ 1,072,592

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Troubadour Resources Inc. (the "Company") was incorporated in Canada under the British Columbia Corporations Act on March 22, 2012. The Company is principally engaged in the acquisition and exploration of resource properties. The Company's shares are publicly traded on the TSX Venture Exchange (the "TSXV") under the symbol TR. The head office, records office, and principal address of the Company is 488-625 Howe Street, Vancouver, British Columbia, V6C 2T6.

The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. During the year ended December 31, 2016, the Company entered into an agreement to acquire an interest in a property in Osoyoos, British Columbia (Note 3).

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the ability of the Company to continue as a going concern.

The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements are prepared using accounting policies consistent with the Company's annual audited financial statements issued under International Financial Reporting Standards ("IFRS") for the year ended December 31, 2018 except for the adoption of IFRS 16 as discussed below.

The condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Use of Estimates and Critical Judgments

The recognition of exploration and evaluation assets requires judgments regarding future recoverability and carrying cost. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd…)

New standards, interpretations and amendments adopted

IFRS 16 – Leases

The Company adopted IFRS 16 - Leases ("IFRS 16") on January 1, 2019. The objective of the new standard is to eliminate the classification of leases as either operating or financing leases for a lessee and report all leases on the statement of financial position. The only exemption to this will be for leases that are one year or less in duration or for leases of assets with low values. Under IFRS 16 a lessee is required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligations to make lease payments. IFRS 16 also changes the nature of expenses relating to leases, as lease expenses previously recognized for operating leases are replaced with depreciation expense on capitalized right-of-use assets and finance or interest expense for the corresponding lease liabilities associated with the capitalized right-of-use leased assets.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. As at the date of transition, management has assessed that it does not have any leases to which IFRS 16 applies. The adoption of the new IFRS pronouncement has therefore not resulted to adjustments in previously reported figures and there has been no change to the opening deficit balance as at January 1, 2019.

The following leases accounting policies have been applied as of January 1, 2019 on adoption of IFRS 16. For comparative periods prior to 2019, we applied leases policies in accordance with IAS 17, Leases and IFRS 4, Determining Whether an Arrangement Contains a Lease.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, 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. We asses weather the contract involves the use of an identified asset, whether we have the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if we have the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, we allocate the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, we recognize a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if we are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

(Expressed in Canadian Dollars) – unaudited

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd…)

New standards, interpretations and amendments adopted (cont'd…)

IFRS 16 – Leases (cont'd…)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in our estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

As part of the initial application of IFRS 16, we have elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

3. MINERAL PROPERTY

As at June 30, 2019, the Company held $7,500 (December 31, 2018 - $7,500) in deposits with a financial institution as security for reclamation requirements.

Amarillo Property

On October 27, 2016, the Company entered into a purchase and sale and royalty agreement with a third party to acquire a 100% interest in certain claims located in the Osoyoos Mining District, British Columbia, comprising the Amarillo property, for consideration of $10,000 (paid) and the issuance of 500,000 common shares (issued at a fair value of $50,000) of the Company within 10 days of a Canadian listing. The third party retains a 1.5% Net Smelter Returns royalty, of which the Company may purchase 1.0% for a payment of $1,000,000. During the year ended December 31, 2016, the Company also paid $4,756 to stake mineral claims contiguous to the Amarillo property in order to increase its holdings. During the year ended December 31, 2018, the Company paid $1,446 to stake an additional 896.95 hectares of land to increase the total size of the property to 4,178.21.

The Company has incurred the following in relation to mineral properties:

	June 30, 2019	December 31, 2018
Acquisition Costs		
Opening Balance	$ 66,202	$ 14,756
Additions (Note 5)	-	51,446
Closing Balance	66,202	66,202
Exploration Costs		
Opening Balance	728,287	176,270
Administrative Expenditures	1,584	1,896
Assays	12,574	1,799
Drilling	-	256,400
Field Expenditures	6,241	45,729
Field Personnel	9,338	95,013
Geological Consulting	7,688	25,313
Geophysics	-	123,104
Mobilization	171	2,508
Staking	-	255
Closing Balance	765,883	728,287
Total	$ 832,085	$ 794,489

(Expressed in Canadian Dollars) – unaudited

4. RELATED PARTY TRANSACTIONS

During the six-month period ended June 30, 2019, the Company paid or accrued $36,925 (2018 - $87,388) included in mineral property expenditures, $3,000 (2018 - $nil) included in rent expense, and $18,386 (2018 - $nil) relating to mineral property investigation included in consulting fees to a company related to two officers of the Company.

Included in accounts payable and accrued liabilities at March 31, 2019 was $49,493 (December 31, 2018 - $85,070) payable to companies controlled by officers of the Company.

During the period ended June 30, 2019, the Company paid or accrued, to key management personnel and their related companies:

	Professional fees	Consulting fees	Share-based payments	Total
Chief Executive Officer	$ -	$ 15,000	$ -	$ 15,000
President	-	15,000	-	15,000
Chief Financial Officer	15,000	-	-	15,000
Total	$ 15,000	$ 30,000	$ -	$ 45,000

There were no payments to key management personnel or their related companies in the comparative period ended June 30, 2018.

5. SHAREHOLDERS' EQUITY

Authorized

An unlimited number of common shares without par value.

Issued share capital

There were no share activities during the period ended June 30, 2019.

During the year ended December 31, 2018, the Company:

a) completed a non-brokered private placement, issuing 1,050,000 Non-Flow Through ("NFT") units at a price of $0.10 per unit for gross proceeds of $105,000. Each NFT unit is comprised of one common share in the capital of the Company and one non-transferable share purchase warrant for a period of two years exercisable at $0.15. In connection with this issuance, the Company paid a finder a fee of $7,350 and issued a total of 73,500 share purchase warrants on the same terms as the warrants issued;

b) completed a non-brokered private placement, issuing 330,390 NFT units at a price of $0.10 per unit for gross proceeds of $33,039. Each NFT unit is comprised of one common share in the capital of the Company and one non-transferable share purchase warrant for a period of two years exercisable at $0.15. As at December 31, 2017, $30,068 related to the share issuance had been collected;

c) issued 500,000 common shares at $0.10 per share, for a total value of $50,000 as consideration for the Amarillo property (Note 3); and

d) completed a non-brokered private placement by issuing 4,250,000 NFT units at $0.12 per unit for gross proceeds of $510,000. Each NFT unit is comprised of one common share of the Company and one common share purchase warrant entitling the holder to acquire an additional common share at a price of $0.18 for a period of two years. In connection with the private placement, the Company paid finder's fees of $8,717 and issued 70,560 finder's warrants on the same terms as the private placement warrants.

(Expressed in Canadian Dollars) – unaudited

5. SHAREHOLDERS' EQUITY (cont'd…)

Warrants

The Company did not grant any finder's warrants during the six-month period ended June 30, 2019 (December 31, 2018 – 144,060). The 144,060 Finder's Warrants issued during the year ended December 31, 2018 had an aggregate grant date fair value of $11,022. The fair value was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	June 30, 2019	**December 31, 2018**
Risk-free interest rate	-	2.04%
Expected volatility	-	100.00%
Expected dividends	-	Nil
Expected life	-	2.0 years

The following is a summary of warrants outstanding as at June 30, 2019 and December 31, 2018 and changes during the years ended:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2017	9,554,620	0.15
Issued during the year	5,774,450	0.17
Expired during the year	(856,250)	0.12
Exercised during the year	(541,825)	0.12
Balance, December 31, 2018 and March 31, 2019	13,930,995	$ 0.16

At June 30, 2019 the following warrants were outstanding:

	Number outstanding and exercisable	Exercise Price	Expiry Date
Warrants	782,600	$ 0.15	September 30, 2019
Warrants	6,995,520	$ 0.15	December 19, 2019
Finder's Warrants	411,500	$ 0.15	December 19, 2019
Warrants	1,050,000	$ 0.15	January 23, 2020
Finder's Warrants	40,425	$ 0.15	January 23, 2020
Warrants	330,390	$ 0.15	February 6, 2020
Warrants	4,250,000	$ 0.18	October 22, 2020
Finder's Warrants	70,560	$ 0.18	October 22, 2020
	13,930,995		

(Expressed in Canadian Dollars) – unaudited

5. SHAREHOLDERS' EQUITY (cont'd…)

Stock Options

On September 25, 2017, the Company adopted a stock option plan. The stock option plan provides that, subject to the requirement of the TSXV, the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Company issued and outstanding from time to time. In addition, the number of common shares which may be reserved for issuance on a yearly basis to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued shares calculated at the time of grant. All options granted under the stock option plan will expire no later than the date that is ten years from the date that such options are granted.

The Company did not grant any options during the six-month period ended June 30, 2019 (December 31, 2018 – 1,750,000). The weighted average fair value of options granted during the year ended December 31, 2018 was $0.11. Total share-based payments recognized in the statement of loss and comprehensive loss for the six-month ended June 30, 2019 was $nil (year ended December 31, 2018 - $199,399) for incentive options vested and was recognized in the profit or loss.

The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	June 30, 2019	**December 31, 2018**
Risk-free interest rate	-	2.25%
Expected life of option	-	5 years
Expected annualized volatility	-	100%
Expected dividend rate	-	Nil

The following is a summary of stock options outstanding as at June 30, 2019 and December 31, 2018 and changes during the years ended:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2017	-	-
Issued during the year	1,750,000	$ 0.15
Balance, December 31, 2018 and June 30, 2019	1,750,000	$ 0.15

At June 30, 2019 the following stock options were outstanding:

Number outstanding	Number outstanding and exercisable	Exercise Price	Expiry Date
1,450,000	1,450,000	$ 0.15	September 11, 2023
200,000	200,000	$ 0.15	September 18, 2023
100,000	100,000	$ 0.18	October 29, 2023
1,750,000	1,750,000		

5. SHAREHOLDERS’ EQUITY (cont’d…)

Escrow Agreement

During the year ended December 31, 2017, the Company entered into an escrow agreement whereby 2,125,000 common shares are subject to an escrow agreement and may not be transferred without the consent of the TSXV. The escrow agreement provides, among other things, that 10% of such common shares will be released from escrow on the date the common shares commence trading on the Exchange and 15% of such common shares will be released every six months thereafter. As at June 30, 2019, 1,381,250 common shares remain in escrow.

6. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in one geographical location, being Canada.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables, reclamation bond, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is carried at fair value through profit or loss. Receivables, reclamation bond, and accounts payable and accrued liabilities are carried at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss of a customer or third party to a financial instrument fails to meet its contractual obligations. The Company’s cash and reclamation bond are held at a large Canadian financial institution in interest bearing accounts. The Company has no investment in asset backed commercial paper.

The Company’s receivables consist of Goods and Services Tax receivable from the government of Canada and the Company considers credit risk associated with these amounts to be low.

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 manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd…)

Risk management (cont'd…)

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 and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. As at June 30, 2019, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The majority of purchases are transacted in the Canadian dollar. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.