
**GOLDEN TAG RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Golden Tag Resources Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

	As at March 31, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,473,003	\$ 6,317,563
Marketable securities (note 5)	59,500	49,000
Sales taxes receivable (note 6)	203,726	109,494
Prepaid expenses	144,297	75,001
Total assets	\$ 7,880,526	\$ 6,551,058
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 402,815	\$ 760,137
Total liabilities	402,815	760,137
Equity		
Share capital (note 8)	27,864,793	25,431,648
Options reserves (note 9)	3,017,631	3,017,631
Warrant reserves (note 8)	3,075,767	2,318,071
Accumulated other comprehensive income	462,643	432,767
Deficit	(26,943,123)	(25,409,196)
Total equity	7,477,711	5,790,921
Total equity and liabilities	\$ 7,880,526	\$ 6,551,058

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

Related party transactions (note 12)
Contingencies and commitments (note 13)

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating expenses		
Administrative costs	\$ 25,695	\$ 8,153
Foreign exchange	49,983	28,033
Listing, filing and transfer agency fees (note 12)	22,054	25,669
Management, consulting fees and directors' fees (note 12)	164,808	317,089
Mineral property expenses	956,341	753,267
Promotion costs	49,915	76,511
Professional fees (note 12)	158,589	96,047
Rent	34,515	34,515
Salaries	75,377	52,989
Shareholder information	9,715	6,426
Total operating expenses	1,546,992	1,398,699
Finance income	(2,565)	(4,497)
Unrealized (gain) loss on change in fair value of marketable securities (note 5)	(10,500)	6,248
Net loss for the period	\$ (1,533,927)	\$ (1,400,450)
Other comprehensive income		
Items that will be reclassified subsequently to loss		
Exchange differences on translating foreign operations	\$ 29,876	\$ 2,341
Other comprehensive income for the period	29,876	2,341
Total comprehensive loss for the period	\$ (1,504,051)	\$ (1,398,109)
Basic and diluted net loss per share (note 10)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	200,311,021	167,849,857

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

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating activities		
Net loss for the period	\$ (1,533,927)	\$ (1,400,450)
Non-cash items:		
Changes in working capital items (note 11)	(520,850)	(633,412)
Unrealized (gain) loss on change in fair value of marketable securities (note 5)	(10,500)	6,248
Foreign exchange	34,709	5,887
Net cash used in operating activities	(2,030,568)	(2,021,727)
Financing activities		
Proceeds from private placements (note 8)	3,250,000	-
Share issue costs	(70,409)	-
Proceeds from warrants exercised	11,250	255,814
Net cash provided by financing activities	3,190,841	255,814
Net change in cash and cash equivalents	1,160,273	(1,765,913)
Effect of exchange rate	(4,833)	(3,546)
Cash and cash equivalents, beginning of period	6,317,563	8,401,157
Cash and cash equivalents, end of period	\$ 7,473,003	\$ 6,631,698

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

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Number of shares	Share capital	Options reserves	Warrants reserves	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2020	166,196,558	\$ 21,896,373	\$ 3,017,631	\$ 3,387,453	\$ 448,505	\$ (20,627,668)	\$ 8,122,294
Warrants exercised	2,330,850	313,322	-	(57,508)	-	-	255,814
Net loss and comprehensive loss for the period	-	-	-	-	2,341	(1,400,450)	(1,398,109)
Balance, March 31, 2021	168,527,408	\$ 22,209,695	\$ 3,017,631	\$ 3,329,945	\$ 450,846	\$ (22,028,118)	\$ 6,979,999
Balance, December 31, 2021	194,325,157	\$ 25,431,648	\$ 3,017,631	\$ 2,318,071	\$ 432,767	\$ (25,409,196)	\$ 5,790,921
Private placement (note 8(a))	13,000,000	3,250,000	-	-	-	-	3,250,000
Warrants (note 8(a))	-	(762,151)	-	762,151	-	-	-
Share issue costs (note 8(a))	-	(70,409)	-	-	-	-	(70,409)
Warrants exercised	15,000	15,705	-	(4,455)	-	-	11,250
Net loss and comprehensive loss for the period	-	-	-	-	29,876	(1,533,927)	(1,504,051)
Balance, March 31, 2022	207,340,157	\$ 27,864,793	\$ 3,017,631	\$ 3,075,767	\$ 462,643	\$ (26,943,123)	\$ 7,477,711

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

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operation

Golden Tag Resources Ltd. (the "Company") is incorporated under the Canada Business Corporations Act and is in the process of exploring its mineral properties and has not yet determined whether those properties contain ore reserves that are economically recoverable. The address of the Company's registered office and its principal place of business are 22 Adelaide Street West, Suite 2020, Bay Adelaide Centre, Toronto, Ontario, Canada.

On November 5, 2020, the Company announced that after successfully completing the application process, the Company was approved for quotation on the OTCQB operated by the OTC Market Groups. The Company's common shares started trading on the OTCQB November 5, 2020 at the opening of the market under the stock symbol "GTAGF" and remains listed on the TSX Venture Exchange ("TSXV") under the ticker symbol "GOG".

These unaudited condensed interim consolidated financial statements comprise the financial statements of Golden Tag Resources Ltd. and its wholly-owned subsidiary, Golden Tag de Mexico S.A., incorporated in Mexico.

These unaudited condensed interim consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The Canadian federal government and the Mexican government have not introduced measures that have directly impeded the operational activities of the Company other than the Company had to bring new working procedures in place. From time to time various Mexican government facilities are closed temporarily, however management believes businesses will continue to be allowed to operate and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of presentation

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under international Accounting Standard 34 – Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the notes required in annual financial statements and accordingly, should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on May 26, 2022.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation (continued)

Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

Functional and presentation currency

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars, unless otherwise stated, which is the Company's functional currency. The functional currency of the Company's Mexican subsidiary is the US dollar. The Company has adopted the Canadian dollar as its presentation currency.

3. Summary of significant accounting policies

These unaudited condensed interim consolidated financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in note 3 – Summary of Significant Accounting Policies, as described in the Company's annual audited consolidated financial statements for the year ended December 31, 2021.

4. Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports on the performance of the managerial units of the Company to the Board of Directors. An analysis of the Company's business segments is set out below:

	Three Months Ended March 31, 2022			Three Months Ended March 31, 2021		
	Canada	Mexico		Canada	Mexico	
Operating expenses	\$ 565,864	\$ 981,128	\$ 1,546,992	\$ 738,010	\$ 660,689	\$ 1,398,699
Net loss for the period	\$ 552,799	\$ 981,128	\$ 1,533,927	\$ 739,761	\$ 660,689	\$ 1,400,450

	As at March 31, 2022			As at December 31, 2021		
	Canada	Mexico		Canada	Mexico	
Total assets	\$ 7,547,640	\$ 332,886	\$ 7,880,526	\$ 5,822,500	\$ 728,558	\$ 6,551,058
Total liabilities	\$ 393,864	\$ 8,951	\$ 402,815	\$ 751,056	\$ 9,081	\$ 760,137

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

5. Marketable securities

	<u>2022</u>	<u>2021</u>
Balance as at January 1,	\$ 49,000	\$ 181,508
<u>Disposals in the period:</u>		
Battle North Gold Corp. - nil shares (35,100 shares in 2021)	-	(48,789)
	<u>49,000</u>	<u>132,719</u>
Unrealized gain (loss) on change in fair value of marketable securities	10,500	(83,719)
Balance as at March 31, 2022 and December 31, 2021	\$ 59,500	\$ 49,000

Marketable securities include the following components at fair value:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Sirios Resources Inc. - 700,000 shares (700,000 shares 2021)	\$ 59,500	\$ 49,000

6. Sales taxes receivable

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Aging analysis		
Current	\$ 67,241	\$ 10,854
30-90 days	59,548	20,307
Over 90 days	76,937	78,333
Total	\$ 203,726	\$ 109,494

7. Mineral properties

Mexico San Diego Property

The Company holds a 100% interest in the San Diego Property, Durango State, Mexico. Golden Minerals Company has a 2% net smelter return royalty on the property. This is the only mining property that the Company holds the rights to explore as at March 31, 2022 and December 31, 2021.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

8. Equity

(a) Share capital

Authorized share capital: An unlimited number of the following classes of shares:

- Common shares, voting, without par 207,340,157.
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued during 2022

(i) On February 8, 2022, the Company closed the first tranche of a non-brokered private placement. Under the first tranche, the Company issued 7,166,670 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,791,668. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 8, 2024. The warrants contain an acceleration provision whereby if the closing price of the common shares on the TSXV is \$0.70 or more for 10 consecutive trading days the Company will have the right to accelerate the expiry date of the warrants (the "Acceleration Provision"). The fair value of the 3,583,335 warrants was estimated at \$0.117 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the first tranche, the Company paid aggregate cash finder's fees of \$39,800 and issued 140,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the first tranche, subject to Acceleration Provision. The fair value of the 140,000 broker warrants was estimated at \$0.143 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 110%, a risk-free interest rate of 1.35%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

The securities issued and issuable pursuant to the first tranche of the offering will be subject to a four months and one day hold period.

(ii) On February 28, 2022, the Company completed the second and final tranche of the non-brokered private placement. In connection with the second tranche, the Company issued an aggregate of 5,833,330 units at a price of \$0.25 per unit for aggregate gross proceeds of \$1,458,332. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant issued pursuant to the first tranche entitles the holder thereof to acquire one common share at a price of \$0.40 until February 28, 2024. The warrants are subject to the Acceleration Provision. The fair value of the 2,916,665 warrants was estimated at \$0.110 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

In connection with the second tranche, the Company paid aggregate cash finder's fees of \$7,000 and issued 28,000 finder's warrants. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.25 for a period of 24 months following closing of the second tranche, subject to Acceleration Provision. The fair value of the 28,000 broker warrants was estimated at \$0.137 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 105%, a risk-free interest rate of 1.45%, an expected unit life of 2 years, no expected dividend yield and a price at date of grant of \$0.25.

The securities issued and issuable pursuant to the first tranche of the offering will be subject to a four months and one day hold period.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

8. Equity (continued)

(b) Share purchase warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2022		2021	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	22,501,536	0.27	50,380,135	0.17
Issued (note 8(a))	6,500,000	0.40	1,050,000	0.07
Issued broker warrants (note 8(a))	168,000	0.25	-	-
Exercised warrants	(150,000)	0.08	(28,128,599)	0.08
Expired warrants	-	-	(800,000)	0.12
Balance as at March 31, 2022 and December 31, 2021	29,019,536	0.30	22,501,536	0.27

At March 31, 2022, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
8,261,401	0.075	05-Jun-22
392,005	0.05625	05-Jun-22
12,500,000	0.40	14-Aug-22
1,198,130	0.28	14-Aug-22
3,583,335	0.40	08-Feb-24
140,000	0.25	08-Feb-24
2,916,665	0.40	28-Feb-24
28,000	0.25	28-Feb-24
29,019,536	0.30	

9. Stock options

Outstanding options entitle their holders to subscribe to an equivalent number of common shares is as follows:

	2022		2021	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	13,600,000	0.26	13,600,000	0.26
Balance as at March 31, 2022 and December 31, 2021	13,600,000	0.26	13,600,000	0.26

As at March 31, 2022, 13,600,000 (December 31, 2021 - 13,600,000) options are exercisable.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

10. Loss per share

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential ordinary shares such as share options and warrants have not been included as their exercise prices were higher than the Company's share price as at March 31, 2022 and March 31, 2021. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in note 8 and note 9.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary for the three months ended March 31, 2022 and March 31, 2021 respectively.

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Loss for the period	\$ (1,533,927)	\$ (1,400,450)
Weighted average number of shares in circulation	200,311,021	167,849,857
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)

11. Additional cash flow information

The changes in working capital items are as follows:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Sales taxes receivable	\$ (94,232)	\$ (144,795)
Prepaid expenses	(69,296)	(9,071)
Trade payables	(357,322)	(479,546)
	\$ (520,850)	\$ (633,412)

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

12. Related party transactions

The Company's related parties include private companies controlled by directors and joint key management, as described below. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors as well as members of key management personnel.

Remuneration includes the following expenses:

	Three Months ended March 31, 2022	Three Months ended March 31, 2021
Management and administration fees paid to private companies controlled by directors and officers	\$ 143,812	\$ 161,385
Professional fees paid to private companies controlled by directors and officers	36,377	15,506
Listing, filing and transfer agency fees paid to private companies controlled by officers	958	3,128
Director fees	-	146,000
	\$ 181,147	\$ 326,019

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$39,143 and to directors of \$90,000 (December 31, 2021 - \$577,516 and \$90,000).

Of the 13,000,000 units issued during 2022 as part of the private placement (note 8(a)(ii)), Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 4,000,000 units.

13. Contingencies and commitments

The Company's operations are subject to governmental laws and regulations regarding environmental protection. Environmental consequences, their impact and their duration are difficult to determine. To the best of its knowledge, management believes that the Company's operations are in compliance with all applicable laws and regulations. Provisions for estimated costs are recorded when environmental remedial efforts are likely and costs can be reasonably estimated.