
**GOLDEN TAG RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 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 September 30, 2022	As at December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,912,499	\$ 6,317,563
Marketable securities (note 5)	38,500	49,000
Sales taxes receivable (note 6)	116,679	109,494
Prepaid expenses	127,027	75,001
Total assets	\$ 7,194,705	\$ 6,551,058
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 94,457	\$ 760,137
Total liabilities	94,457	760,137
Equity		
Share capital (note 8)	28,786,826	25,431,648
Options reserves (note 9)	3,017,631	3,017,631
Warrant reserves (note 8)	762,151	2,318,071
Accumulated other comprehensive income	260,984	432,767
Deficit	(25,727,344)	(25,409,196)
Total equity	7,100,248	5,790,921
Total equity and liabilities	\$ 7,194,705	\$ 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 September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Operating expenses				
Administrative costs	\$ 19,992	\$ 7,626	\$ 53,494	\$ 24,140
Foreign exchange	(174,500)	(31,981)	(193,049)	9,145
Listing, filing and transfer agency fees (note 12)	12,142	9,435	63,099	47,448
Management, consulting fees and directors' fees (note 12)	198,780	286,385	550,075	845,292
Mineral property expenses	53,324	209,713	1,132,216	1,562,964
Professional fees (note 12)	113,864	37,438	311,947	214,363
Promotion costs	49,518	37,125	154,570	179,783
Rent	11,089	34,515	90,054	103,545
Salaries	71,536	71,946	220,876	160,401
Shareholder information	4,300	13,589	17,940	31,761
Total operating expenses	360,045	675,791	2,401,222	3,178,842
Finance income	(26,842)	(5,126)	(38,285)	(12,867)
Realized gain on sale of marketable securities	-	-	-	(44,226)
Unrealized loss on change in fair value of marketable securities (note 5)	3,500	14,000	10,500	80,219
Net loss for the period	\$ (336,703)	\$ (684,665)	\$ (2,373,437)	\$ (3,201,968)
Other comprehensive loss				
Items that will be reclassified subsequently to loss				
Exchange differences on translating foreign operations	\$ (137,847)	\$ (16,800)	\$ (171,783)	\$ (17,303)
Other comprehensive loss for the period	(137,847)	(16,800)	(171,783)	(17,303)
Total comprehensive loss for the period	\$ (474,550)	\$ (701,465)	\$ (2,545,220)	\$ (3,219,271)
Basic and diluted net loss per share (note 10)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	216,324,566	180,190,883	209,008,696	172,654,229

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)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Operating activities		
Net loss for the period	\$ (2,373,437)	\$ (3,201,968)
Non-cash items:		
Changes in working capital items (note 11)	(724,891)	(840,536)
Realized gain on sale of marketable securities	-	(44,226)
Unrealized loss on change in fair value of marketable securities (note 5)	10,500	80,219
Foreign exchange	(152,257)	(17,608)
Net cash used in operating activities	(3,240,085)	(4,024,119)
Investing activities		
Proceeds on sale of marketable securities	-	93,015
Net cash provided by investing activities	-	93,015
Financing activities		
Proceeds from private placements (note 8)	3,250,000	-
Share issue costs	(70,409)	-
Proceeds from warrants exercised	674,956	2,478,445
Net cash provided by financing activities	3,854,547	2,478,445
Net change in cash and cash equivalents	614,462	(1,452,659)
Effect of exchange rate	(19,526)	305
Cash and cash equivalents, beginning of period	6,317,563	8,401,157
Cash and cash equivalents, end of period	\$ 6,912,499	\$ 6,948,803

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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	28,048,599	3,526,899	-	(1,048,454)	-	-	2,478,445
Warrants expired	-	-	-	(18,552)	-	18,552	-
Net loss and comprehensive loss for the period	-	-	-	-	(17,303)	(3,201,968)	(3,219,271)
Balance, September 30, 2021	194,245,157	\$ 25,423,272	\$ 3,017,631	\$ 2,320,447	\$ 431,202	\$ (23,811,084)	\$ 7,381,468
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	8,999,409	937,738	-	(262,782)	-	-	674,956
Warrants expired	-	-	-	(2,055,289)	-	2,055,289	-
Net loss and comprehensive loss for the period	-	-	-	-	(171,783)	(2,373,437)	(2,545,220)
Balance, September 30, 2022	216,324,566	\$ 28,786,826	\$ 3,017,631	\$ 762,151	\$ 260,984	\$ (25,727,344)	\$ 7,100,248

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 and Nine Months Ended September 30, 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 November 21, 2022.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 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:

	Nine Months Ended September 30, 2022			Canada		Mexico		Nine Months Ended September 30, 2021	
	Canada	Mexico		Canada	Mexico	Canada	Mexico	Canada	Mexico
Operating expenses	\$ 1,222,641	\$ 1,178,581	\$ 2,401,222	\$ 2,127,725	\$ 1,051,117	\$ 3,178,842			
Net loss for the period	\$ 1,194,856	\$ 1,178,581	\$ 2,373,437	\$ 2,150,851	\$ 1,051,117	\$ 3,201,968			

	As at September 30, 2022			Canada		Mexico		As at December 31, 2021	
	Canada	Mexico		Canada	Mexico	Canada	Mexico	Canada	Mexico
Total assets	\$ 6,931,781	\$ 262,924	\$ 7,194,705	\$ 5,822,500	\$ 728,558	\$ 6,551,058			
Total liabilities	\$ 84,639	\$ 9,818	\$ 94,457	\$ 751,056	\$ 9,081	\$ 760,137			

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 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 loss on change in fair value of marketable securities	<u>(10,500)</u>	<u>(83,719)</u>
Balance as at September 30, 2022 and December 31, 2021	\$ 38,500	\$ 49,000

Marketable securities include the following components at fair value:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Sirios Resources Inc. - 700,000 shares (700,000 shares 2021)	\$ 38,500	\$ 49,000

6. Sales taxes receivable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Aging analysis		
Current	\$ 3,483	\$ 10,854
30-90 days	25,560	20,307
Over 90 days	87,636	78,333
Total	\$ 116,679	\$ 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 September 30, 2022 and December 31, 2021.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 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 216,324,566.
- 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.

(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.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 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)(b))	6,696,003	0.39	1,050,000	0.07
Issued broker warrants (note 8(a))	168,000	0.25	-	-
Exercised warrants	(8,999,409)	0.08	(28,128,599)	0.08
Expired warrants	(13,698,130)	0.40	(800,000)	0.12
Balance as at September 30, 2022 and December 31, 2021	6,668,000	0.40	22,501,536	0.27

2022

During the three months ended June 30, 2022, 392,005 broker warrants were exercised for \$0.075 per broker unit. Each broker warrant entitled the holder to one common share and one-half warrant at a price of \$0.075. The fair value of the 196,003 additional warrants issued was estimated at \$0.0001 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 101%, a risk free interest rate of 2.50%, an expected unit life of 0.02 year, no expected dividend yield and an expected unit value at date of grant of \$0.06.

2021

During the three months ended September 30, 2021, 2,100,000 broker warrants were exercised for \$0.05 per broker unit. Each broker warrant entitled the holder to one common share and one-half warrant at a price of \$0.07. The fair value of the 1,050,000 additional warrants issued was estimated at \$0.0001 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 69%, a risk free interest rate of 0.43%, an expected unit life of 0.01 year, no expected dividend yield and an expected unit value at date of grant of \$0.07.

At September 30, 2022, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
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
6,668,000	0.40	

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2022
(Expressed in Canadian Dollars)
(Unaudited)

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 September 30, 2022 and December 31, 2021	13,600,000	0.26	13,600,000	0.26

As at September 30, 2022, 13,600,000 (December 31, 2021 - 13,600,000) options are exercisable.

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 September 30, 2022 and September 30, 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 and nine months ended September 30, 2022 and September 30, 2021 respectively.

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Loss for the period	\$ (336,703)	\$ (684,665)	\$ (2,373,437)	\$ (3,201,968)
Weighted average number of shares in circulation	216,324,566	180,190,883	209,008,696	172,654,229
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)

11. Additional cash flow information

The changes in working capital items are as follows:

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Sales taxes receivable	\$ (7,185)	\$ (316,712)
Prepaid expenses	(52,026)	37,699
Trade payables	(665,680)	(561,523)
	\$ (724,891)	\$ (840,536)

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 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 September 30, 2022	Three Months ended September 30, 2021	Nine Months ended September 30, 2022	Nine Months ended September 30, 2021
Management and administration fees paid to private companies controlled by directors and officers	\$ 137,385	\$ 127,385	\$ 418,582	\$ 456,155
Professional fees paid to private companies controlled by directors and officers	8,636	10,779	78,003	75,239
Listing, filing and transfer agency fees paid to private companies controlled by officers	735	2,357	3,280	7,260
Director fees	-	146,000	-	292,000
	\$ 146,756	\$ 286,521	\$ 499,865	\$ 830,654

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$36,060 and to directors of \$nil (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)(i)(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. Environments 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.