

Condensed consolidated interim financial statements of

GOLDEN TAG RESOURCES LTD.

September 30, 2019

(unaudited)

GOLDEN TAG RESOURCES LTD.

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Golden Tag Resources Ltd.
Condensed Consolidated Interim Statements of Financial Position
As at September 30, 2019
(unaudited)

		September 30, 2019	December 31, 2018
		\$	\$
Assets	Note		
Current			
Cash		1,374,146	43,385
Marketable Securities	6	189,700	470,400
Sales taxes receivable	7	36,983	27,589
Prepaid Expenses and deposits		11,608	24,360
		1,612,437	565,734
Non-current assets			
Long Term sales taxes receivable	7	100,396	100,396
Total assets		1,712,833	666,130
 Liabilities			
Current			
Trade payables		54,978	26,514
 Equity			
Share capital	9	14,967,625	14,734,673
Options reserve	10	83,455	83,455
Warrants reserve	9	1,561,607	440,274
Deficit		(15,376,403)	(15,040,357)
Accumulated other comprehensive income		421,571	421,571
Total equity		1,657,855	639,616
Total liabilities and equity		1,712,833	666,130
 Going concern	1		
Related party transactions	13		
Contingencies and commitments	16		

Approved on Behalf of the Board:

Signed by: _____

Marc Carrier, President & CFO

Signed by: _____

Bruce Robbins, CEO

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Golden Tag Resources Ltd.
Condensed Statements of Loss and Comprehensive Loss
For the three and nine months ended September 30, 2019 and 2018
(unaudited)

		Three Months	Three Months	Nine	Nine
		Ended	Ended	Months	Months
		September 30,	September 30,	Ended	Ended
		2019	2018	September 30,	September 30,
		2019	2018	2019	2018
		\$	\$	\$	\$
	Note				
Management and consulting fees		36,250	36,248	108,750	108,750
Professional fees		8,668	6,437	49,389	66,935
Office expenses and sundry		14,164	13,151	24,708	18,465
Listing, filing, and transfer fees		7,565	1,584	17,498	16,089
Printing, promotion, shareholder information and travel		3,715	317	5,337	2,561
Rent		3,172	3,173	9,518	9,518
Mineral Property expenses		17,641	15,575	56,971	66,004
Foreign exchange		3,283	569	2,111	(2)
Operating expenses	5	94,488	77,054	274,282	288,320
Finance income		(149)	(51)	(154)	(65)
Loss (gain) on sale of marketable securities		2,399	(5,347)	9,548	1,983
Unrealized loss (gain) on change in fair value of marketable securities		(40,430)	(48,500)	52,370	194,038
Loss and comprehensive loss for the period		56,308	23,156	336,046	484,276
Basic Loss per share	11	0.001	0.000	0.004	0.006
Diluted loss per share	11	0.001	0.000	0.004	0.006
Number of shares 2019 and 2018					
Weighed average number of shares – Basic				80,905,459	79,806,558
Weighed average number of shares – Diluted				80,905,459	79,806,558

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Golden Tag Resources Ltd.
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2019 and 2018
(unaudited)

	Number of Shares	Share capital (Note 10)	Options reserve	Warrants reserve	Deficit	Accumulated other comprehensive Income/loss	Total
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2019	79,806,558	14,734,673	83,455	440,274	(15,040,357)	421,571	639,616
Issuance of shares and warrants	30,000,000	576,968	-	923,032	-	-	1,500,000
Finder's warrants issued	-	(198,301)	-	198,301	-	-	-
Share issue costs	-	(145,715)	-	-	-	-	(145,715)
Comprehensive Income	-	-	-	-	(336,046)	-	(336,046)
Balance as at September 30, 2019	109,806,558	14,967,625	83,455	1,561,607	(15,376,403)	421,571	1,657,855

	Number of Shares	Share capital (Note 9)	Options reserve	Warrants reserve	Deficit	Accumulated other comprehensive income	Total
		\$	\$	\$	\$	\$	\$
Balance as at January 1, 2018	78,926,558	14,690,674	9,242	440,274	(14,395,484)	403,649	1,148,355
Issuance of shares	880,000	43,999	-	-	-	-	43,999
Comprehensive Loss	-	-	-	-	(484,276)	-	(484,276)
Balance as at September 30 2018	79,806,558	14,734,673	9,242	440,274	(14,879,760)	403,649	708,078

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Golden Tag Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three and nine months ended September 30, 2019 and 2018

	Note	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
		\$	\$	\$	\$
Operating activities					
Net loss		(56,308)	(23,156)	(336,046)	(484,276)
Non-cash items					
Changes in working capital items	12	28,269	(21,646)	31,822	(24,407)
Realized loss (gain) on sale of marketable securities.		2,399	(5,347)	9,548	1,983
Unrealized loss (gain) on change in fair value of marketable securities.		(40,430)	(48,500)	52,370	194,038
		(66,070)	(98,649)	(242,306)	(312,662)
Investing activity					
Proceeds on sale of marketable securities		52,141	89,367	218,782	326,379
Financing activities					
Net proceeds on private placement		1,354,285	-	1,354,285	-
Proceeds on exercise of warrants		-	43,999	-	43,999
		1,354,285	43,999	1,354,285	43,999
Net increase in cash		1,340,356	34,717	1,330,761	57,716
Cash, beginning of period		33,790	37,570	43,385	14,571
Cash, end of period		1,374,146	72,287	1,374,146	72,287

The accompanying notes are an integral part of the condensed consolidated interim financial statements

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

1. Nature of operation and going concern assumption

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 Golden Tag Resources Ltd.’s registered office and its principal place of business are 3608 Boul. St-Charles, Suite 16, Kirkland, Quebec, Canada. Golden Tag Resources Ltd.’s shares are listed on the TSX Venture Exchange, trading under the symbol “GOG.”

These condensed consolidated interim 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 condensed consolidated interim 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.

The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and support its administrative overhead. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future. The Company’s business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral property.

These factors indicate the existence of a material uncertainty regarding the ability of the Company to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of presentation

Statement of compliance

These condensed consolidated interim 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 (“IAS”) 34 – Interim Financial Reporting. Condensed consolidated interim 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, 2018.

Basis of measurement

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

Functional and presentation currency

These condensed consolidated interim 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.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

3. Summary of significant accounting policies

These condensed consolidated interim 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, 2018, except for the changes in accounting policies resulting from the adoption of new standards as described below.

IFRS 16 - Leases

Replaces the current guidance in IAS 17. The standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. For lessors, the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts). The adoption of the standard did not impact the condensed consolidated interim financial statements given the short-term nature of its lease.

IFRIC 23 - Uncertainty Over Income Tax Treatments

Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. The adoption of the interpretation did not impact the condensed consolidated interim financial statements,.

4. Critical accounting estimates, judgments and assumptions

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are detailed in Note 4 of the Company’s annual consolidated financial statements for the year ended December 31, 2018.

5. 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:

	September 30			September 30,		
	Canada	Mexico	2019	Canada	Mexico	2018
	\$	\$	\$	\$	\$	\$
Operating expenses	209,488	64,794	274,282	208,060	80,260	288,320

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

6. Marketable securities

	September 30, 2019	December 31, 2018
	\$	\$
Balance as at January 1,	470,400	1,044,000
<u>Additions (disposals) in the year:</u>		
Sirios Resources Inc. Nil (100,000 shares in 2018)	-	(106,000)
Rubicon Minerals Corporation 210,000 shares (270,00 shares in 2018)	(228,330)	(375,000)
	(260,000)	481,300
Unrealized loss on change in fair value of marketable securities	(52,370)	(92,300)
Balance as at September 30, 2019 and December 31, 2018	189,700	470,400

Marketable securities include the following components at fair value:

	September 30, 2019	December 31, 2018
	\$	\$
Sirios Resources Inc. 700,000 shares (700,000 shares 2018)	122,500	98,000
Rubicon Minerals Corporation 70,000 shares (280,000 shares 2018)	67,200	372,000
Total	189,700	470,400

7. Sales Taxes

	September 30, 2019	December 31, 2018
	\$	\$
Aging analysis		
Current	14,751	11,106
30-90 days	1,081	1,551
Over 90 days (past due)	21,151	14,932
Total	36,983	27,589

The long-term sales taxes receivable are amounts in dispute with the Mexican government. During the year, there was a court order in favour of the Company to collect this amount; however, the Mexican government is contesting that order thus it remains as a receivable at September 30, 2019.

8. Mineral properties

Mexico San Diego Property

The Company, through its wholly owned subsidiary, and Golden Minerals Company (formerly ECU Silver Mining Inc.) held a 50% interest in the San Diego Property, Durango State, Mexico. During the third quarter of 2016, the Company acquired the remaining 50% of the San Diego property for \$500,000 in cash consideration and 2,500,000 shares of the Company, which were valued at \$275,000, based on the stock price on the date of the issuance. Golden Minerals will retain a 2% NSR on the property. This is the only mining property that the Company holds the rights to explore as at September 30, 2019, and December 31, 2018.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

9. Equity

Share capital

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

Common shares, voting, without par

Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Shares issued and fully paid

	#	\$
Total common shares issued and fully paid January 12018	78,926,558	14,690,674
Issuance of shares on exercise of warrants	880,000	43,999
Total common shares issued and fully paid December 31, 2018	79,806,558	14,734,673
Issuance of shares on private placement, net of share issue costs	30,000,000	2,32,952
Total common shares issued and fully paid September 30, 2019	109,806,558	14,967,625

During 2018, 880,000 broker warrants issued in 2016 were exercised at \$0.05 per warrant entitling the broker for 880,000 shares and an additional 880,000 broker warrants.

During the quarter, the Company issued 30,000,000 units at a price of \$0.05 per unit for gross proceeds of \$1,500,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share at a price of \$0.07 until September 19, 2021. These warrants were valued using the Black Scholes Valuation model with the following assumptions: life of 2 years, volatility of 128%, risk free interest rate of 1.57% and dividends yield of 0%. Volatility is calculated based on the company's historical data. In connection with the private placement, the Company paid a 7% cash finder's fee and finder warrants equal to 7% of the units issued. Each finder warrant entitles the holder to acquire one unit for \$0.05 until September 19, 2021. These finder warrants were valued using the Black Scholes Valuation model with the following assumptions: life of 2 years, volatility of 128%, risk free interest rate of 1.57% and dividends yield of 0%.

Share purchase warrants

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

	2019		2018	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	18,880,000	0.07-0.12	18,880,000	0.07-0.12
Issued – warrants	15,000,000	0.07	880,000	0.07-0.12
Issued – broker warrants	2,100,000	0.05	-	-
Exercised – broker warrants	-	-	(880,000)	0.05
Balance as at December 31, 2018 and September 30, 2019	35,980,000	0.05-0.12	18,880,000	0.07-0.12

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

9. Equity (Continued from previous page)

At September 30, 2019, the following exercisable warrants excluding broker warrants were outstanding:

Warrants	Price	Expiry
18,000,000	0.07 – 0.12	June 27, 2021
880,000	0.07 – 0.12	July 24, 2020
17,100,000	0.05 – 0.07	September 19, 2021
35,980,000	0.05 – 0.12	

10. Share-based payments

The Company has adopted share-based payment plans under which members of the Board of Directors may award options for ordinary shares to directors, officers, employees and consultants. The maximum number of shares issuable under the plans is 7,834,191 and the maximum number of shares which may be reserved for issuance to any one optionee may not exceed 5% of the common shares outstanding at the time of the grant. The exercise price of each option is determined by the Board of Directors and cannot be less than the market value of the ordinary shares on the day prior to the award date, and the term of the options cannot exceed five years and unexercised options are cancelled 30 days after termination of employment or directorship. The option's exercise price and vesting period is established by the Board of Directors at the time of grant. All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options.

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

	2019		2018	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1	3,200,000	0.05	3,200,000	0.05
Issued	-	-	-	-
Cancelled	500,000	-	-	-
Balance as at December 31, 2018 and September 30, 2019	2,700,000	0.05	3,200,000	0.05

All options are fully vested as at September 30, 2019.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

11. Loss per share

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. 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, 2019 and 2018. Details of share options and warrants issued that could potentially dilute loss per share in the future are given in Note 9 and Note 10.

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.

	September 30, 2019	September 30, 2018
	\$	\$
Loss for the period	336,046	484,276
Weighted average number of shares in circulation	80,905,459	79,806,558
Basic and diluted loss per share	0.004	0.006

12. Additional cash flow information

The changes in working capital items are as follows:

	September 30, 2019	September 30, 2018
	\$	\$
Sales taxes receivables	(9,394)	(13,869)
Prepaid expenses and deposits	12,752	3,641
Trade Payables	(28,464)	(14,179)
	(31,822)	(24,407)

13. 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:

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

13. Related party transactions (*Continued from previous page*)

	Nine Months ended September 30, 2019 \$	Nine Months ended September 30, 2018 \$
Management and administration fees paid to private companies controlled by directors	108,750	108,750
Mineral properties expenditures paid to private companies controlled by directors	27,024	34,091

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$Nil and to directors of \$ Nil (September 2018 - \$2,186)

A private company controlled by one of the Company's directors, waived its right to \$55,000 of management fees it is entitled to for the year ended December 31, 2017, under an executive services agreement (note 17), until such time that the private company resigns, the management fee agreement is not renewed or there is a merger or takeover of the Company, at which time the amount would become due and payable.

14. Capital management policies and procedures

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Company's capital items are cash, marketable securities and common shares. Management adjusts the capital structure as necessary 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 team to sustain the future development of the business.

The property in which the Company currently has an interest is in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts 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 potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the period ended September 30, 2019. The Company is not subject to externally imposed capital requirements.

15. Financial instruments risks

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in Note 3. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Company's short- to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and market risk on the marketable securities. No changes were made in the objectives, policies and processes during the reporting periods.

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

15. Financial instruments risks *(Continued from previous page)*

Foreign currency risk

Most of the Company's transactions are carried out in Canadian dollars. Exposures to currency exchange rates arise from the Company's expenses in foreign currency, which are primarily denominated in US dollars and Mexican Pesos since a portion of the Company's expenditures related to exploration and evaluation activities are incurred in US dollars and Mexican Pesos. The Company does not enter into arrangements to hedge its foreign exchange risk.

Financial instruments denominated in foreign currency are as follows:

Short-term exposure	September 30, 2019	December 31, 2018
	\$	\$
<i>US dollars</i>		
Cash	5,635	3,541
Trade payables	(8,628)	(8,616)
Total short-term exposure	(2,993)	(5,075)

Short-term exposure	September 30, 2019	December 31, 2018
	\$	\$
<i>Mexican Pesos</i>		
Cash	27,906	24,414
Trade payables	(57,186)	(49,877)
Total short-term exposure	(29,280)	(25,461)

At September 30, 2019, with other variables unchanged, a 10% change in the US/CDN and Peso/CDN exchange rate would impact pre-tax income by approximately \$300 and \$203 respectively (2018 - \$508 and \$177). Exposure to foreign exchange rates varies during the year depending on the volume of foreign transaction

Credit risk

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets. The credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

The Company's liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	September 30, 2019	December 31, 2018
	\$	\$
Trade payables	54,978	26,514

Golden Tag Resources Ltd.
Notes to Condensed Consolidated Interim Financial Statements
For the three and nine months ended September 30, 2019 and 2018

15. Financial instruments risks (Continued from previous page)

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

16. 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.

The Company has an executive services agreement in place, with a private company controlled by one of its directors, dated October 1, 2013 for five years, which was renewed during the year for an additional two years, whereby a sum equivalent to both the Base Fees of \$65,000 and the Conditional Fees of \$80,000 for the next two-year period, irrespective of the Company's financial condition, is to be made should the director die or become permanently incapacitated in a manner that prevents his private company from properly performing the services. In the last two years of this contract, the foregoing amounts shall be reduced to one year future fees from two years.

The Company has an operating lease expiring December 2019 for which the minimum payments in the current year total approximately \$3,000.