
**GOLDEN TAG RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2020
(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, 2020	As at December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,026,077	\$ 1,271,551
Marketable securities (note 6)	156,276	167,625
Sales taxes receivable (note 7)	135,057	136,837
Prepaid expenses	85,199	13,383
Total assets	\$ 9,402,609	\$ 1,589,396
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 179,178	\$ 21,225
Total liabilities	179,178	21,225
Equity		
Share capital (note 9)	21,708,822	15,157,617
Options reserves (note 10)	2,958,896	91,997
Warrant reserves (note 9)	3,424,064	1,369,463
Accumulated other comprehensive income	453,414	459,632
Deficit	(19,321,765)	(15,510,538)
Total equity	9,223,431	1,568,171
Total equity and liabilities	\$ 9,402,609	\$ 1,589,396

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

Nature of operation (note 1)
Related party transactions (note 12)
Contingencies and commitments (note 15)
Subsequent events (note 16)

Golden Tag Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating expenses				
Administrative costs	\$ 5,137	\$ 14,194	\$ 16,245	\$ 24,708
Foreign exchange	18,198	3,283	27,210	2,111
Listing, filing and transfer agency fees	5,077	7,565	18,925	17,498
Management and consulting fees (note 12)	321,528	36,250	569,364	108,750
Mineral property expenses	19,179	17,641	84,517	56,971
Professional fees (note 12)	40,199	8,668	125,722	49,389
Rent	46,020	3,172	52,364	9,518
Shareholder information	6,884	3,715	12,229	5,337
Stock based compensation (note 10)	2,725,819	-	2,900,972	-
Promotion costs	41,643	-	41,643	-
Total operating expenses	3,229,684	94,488	3,849,191	274,282
Finance income	(1,344)	(149)	(5,064)	(154)
Realized loss (gain) on sale of marketable securities	-	2,399	(8)	9,548
Unrealized loss (gain) on change in fair value of marketable securities	16,808	(40,430)	(10,044)	52,370
Net loss for the period	\$ (3,245,148)	\$ (56,308)	\$ (3,834,075)	\$ (336,046)
Other comprehensive loss				
Items that will be reclassified subsequently to income				
Exchange differences on translating foreign operations	\$ (6,218)	\$ -	\$ (6,218)	\$ -
Other comprehensive loss for the period	(6,218)	-	(6,218)	-
Total comprehensive loss for the period	\$ (3,251,366)	\$ (56,308)	\$ (3,840,293)	\$ (336,046)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.00)	\$ (0.03)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	147,372,750	80,905,459	124,524,877	79,806,558

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, 2020	Nine Months Ended September 30, 2019
Operating activities		
Net loss for the period	\$ (3,834,075)	\$ (336,046)
Non-cash items:		
Changes in working capital items (note 11)	87,917	31,822
Realized (gain) loss on sale of marketable securities	(8)	9,548
Unrealized (gain) loss on change in fair value of marketable securities	(10,044)	52,370
Stock based compensation (note 10)	2,900,972	-
Foreign exchange	(6,218)	-
Net cash used in operating activities	(861,456)	(242,306)
Investing activities		
Proceeds on sale of marketable securities	21,401	218,782
Net cash provided by investing activities	21,401	218,782
Financing activities		
Proceeds from private placements (note 9)	8,125,000	1,500,000
Share issue costs	(510,719)	(145,715)
Proceeds from options exercised	50,000	-
Proceeds from warrants exercised	930,300	-
Net cash provided by financing activities	8,594,581	1,354,285
Net change in cash and cash equivalents	7,754,526	1,330,761
Cash and cash equivalents, beginning of period	1,271,551	43,385
Cash and cash equivalents, end of period	\$ 9,026,077	\$ 1,374,146

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 reserve	Warrants reserve	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2018	79,806,558	\$ 14,734,673	\$ 83,455	\$ 440,274	\$ 421,571	\$ (15,040,357)	\$ 639,616
Private placement (note 9(a))	30,000,000	1,500,000	-	-	-	-	1,500,000
Warrants (note 9(a))	-	(923,032)	-	923,032	-	-	-
Share issue costs (note 9(a))	-	(344,016)	-	198,301	-	-	(145,715)
Net loss and comprehensive loss for the period	-	-	-	-	-	(336,046)	(336,046)
Balance, September 30, 2019	109,806,558	\$ 14,967,625	\$ 83,455	\$ 1,561,607	\$ 421,571	\$ (15,376,403)	\$ 1,657,855
Balance, December 31, 2019	109,806,558	\$ 15,157,617	\$ 91,997	\$ 1,369,463	\$ 459,632	\$ (15,510,538)	\$ 1,568,171
Private placement (note 9(a))	45,000,000	8,125,000	-	-	-	-	8,125,000
Warrants (note 9(a))	-	(2,150,207)	-	2,150,207	-	-	-
Share issue costs (note 9(a))	-	(725,762)	-	215,043	-	-	(510,719)
Options exercised	1,000,000	84,073	(34,073)	-	-	-	50,000
Warrants exercised	8,690,000	1,218,101	-	(287,801)	-	-	930,300
Warrants expired	-	-	-	(22,848)	-	22,848	-
Stock based compensation (note 10)	-	-	2,900,972	-	-	-	2,900,972
Net loss and comprehensive loss for the period	-	-	-	-	(6,218)	(3,834,075)	(3,840,293)
Balance, September 30, 2020	164,496,558	\$ 21,708,822	\$ 2,958,896	\$ 3,424,064	\$ 453,414	\$ (19,321,765)	\$ 9,223,431

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, 2020

(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. The Company's shares are listed on the TSX Venture Exchange ("TSXV"), trading under the 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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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 ("IAS") 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, 2019.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on November 30, 2020.

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.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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, 2019, except for the changes in accounting policies resulting from the adoption of new standards as described below.

IAS 1 - Presentation of Financial Statements

IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows. IAS 1 has been revised to incorporate a new definition of "material" and IAS 8 has been revised to refer to this new definition in IAS 1.

The adoption of the standard did not impact the unaudited condensed interim consolidated financial statements.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

The adoption of the standard did not impact the unaudited condensed interim consolidated financial statements.

4. Critical accounting estimates, judgments and assumptions

When preparing the unaudited condensed interim consolidated 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, 2019.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

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	2020	Canada	Mexico	2019
Operating expenses	\$ 3,729,995	\$ 119,196	\$ 3,849,191	\$ 209,488	\$ 64,794	\$ 274,282

6. Marketable securities

	September 30, 2020	December 31, 2019
Balance as at January 1,	\$ 167,625	\$ 470,400
<u>Additions (disposals) in the period:</u>		
Battle North Gold Corp. ⁽¹⁾ - 19,900 shares (225,000 shares in 2019)	(21,393)	(312,750)
	146,232	157,650
Unrealized gain on change in fair value of marketable securities	10,044	9,975
Balance as at September 30, 2020 and December 31, 2019	\$ 156,276	\$ 167,625

Marketable securities include the following components at fair value:

	September 30, 2020	December 31, 2019
Sirios Resources Inc. - 700,000 shares (700,000 shares 2019)	\$ 94,500	\$ 108,500
Battle North Gold Corp. ⁽¹⁾ - 35,100 shares (55,000 shares 2019)	61,776	59,125
Total	\$ 156,276	\$ 167,625

⁽¹⁾ During the nine months ended September 30, 2020, Rubicon Minerals Corporation changed its name to Battle North Gold Corp.

7. Sales taxes receivable

	September 30, 2020	December 31, 2019
Aging analysis		
Current ⁽¹⁾	\$ 66,303	\$ 11,782
30-90 days ⁽¹⁾	40,826	2,800
Over 90 days (past due) ⁽²⁾	27,928	122,255
Total	\$ 135,057	\$ 136,837

⁽¹⁾ The balance consists of Canadian sales taxes receivable. The balance is in good standing.

⁽²⁾ The balance consists of VAT receivable.

8. Mineral properties

Mexico San Diego Property

The Company held a 100% interest in the San Diego Property, Durango State, Mexico. Golden Minerals Company will retain 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, 2020 and December 31, 2019.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

9. Equity

(a) Share capital

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

- Common shares, voting, without par 164,496,558.
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued 2020

(i) During the three months ended June 30, 2020, the Company closed a private placement pursuant to which it issued 20,000,000 units at a price of \$0.05625 per unit for gross proceeds for \$1,125,000. Each unit consists of one common share in capital of the Company and one-half share purchase warrant entitling the purchase of one common share at a price per share of \$0.075. The fair value of the 10,000,000 warrants was estimated at \$0.0297 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 116%, a risk-free interest rate of 0.35%, an expected unit life of 2 years, no expected dividend yield and an expected price at date of grant of \$0.05625.

In connection with the private placement, fees were provided consisting of a cash payment of \$24,350 and the issuance of 392,005 broker warrants. Each whole broker warrant entitles the holder to acquire one unit for \$0.05625 for a period of two years from the date of issuance. Refer to note 9(b).

All securities issued are subject to a four-month hold period.

(ii) During the three months ended September 30, 2020, the Company closed a private placement pursuant to which it issued 25,000,000 units at a price of \$0.28 per unit for gross proceeds for \$7,000,000. Each unit consists of one common share in capital of the Company and one-half share purchase warrant entitling the purchase of one common share at a price per share of \$0.40. 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 12,500,000 warrants was estimated at \$0.1483 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 119%, a risk-free interest rate of 0.30%, an expected unit life of 2 years, no expected dividend yield and an expected price at date of grant of \$0.28.

In connection with the private placement, fees were provided consisting of a cash payment of \$345,756 and the issuance of 1,198,130 broker warrants. Each whole broker warrant entitles the holder to acquire one unit for \$0.28 for a period of two years from the date of issuance, subject to the Acceleration Provision. Refer to note 9(b).

All securities issued are subject to a four-month hold period.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

9. Equity (continued)

(a) Share capital (continued)

Issued 2019

During the year, the Company closed a private placement pursuant to which it has issued 30,000,000 units at a price of \$0.05 per unit for gross proceeds for \$1,500,000. Each unit consists of one common share in capital of the Company and one-half share purchase warrant entitling the purchase of one common share at a price per share of \$0.07. The fair value of the 15,000,000 warrants was estimated at \$0.0615 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 128%, a risk-free interest rate of 1.57%, an expected unit life of 2 years, no expected dividend yield and an expected price at date of grant of \$0.09.

(b) Share purchase warrants

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

	2020		2019	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	35,980,000	0.05-0.12	18,880,000	0.07-0.12
Issued (note 9(a))	22,500,000	0.25	15,000,000	0.07
Issued broker warrants (note 9(b))	1,590,135	0.22	2,100,000	0.05
Exercised warrants	(8,690,000)	0.11	-	-
Expired warrants	(880,000)	0.12	-	-
Balance as at September 30, 2020 and December 31, 2019	50,500,135	0.17	35,980,000	0.05-0.12

2020

During the three months ended June 30, 2020, in relation to the private placement, 392,005 broker warrants were issued entitling the holder to purchase of one common share at a price of \$0.05625 and one-half warrant (unit) at a unit price of \$0.05. The warrants included in the units entitle the holder to purchase one common share at a share price of \$0.075. The fair value of the 392,005 broker warrants was estimated at \$0.0331 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 116%, a risk free interest rate of 0.35%, an expected unit life of 2 years, no expected dividend yield and an expected unit value at date of grant of \$0.05625.

During the three months ended September 30, 2020, in relation to the private placement, 1,198,130 broker warrants were issued entitling the holder to purchase of one common share at a price of \$0.28. The fair value of the 1,198,130 broker warrants was estimated at \$0.1687 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 119%, a risk free interest rate of 0.30%, an expected unit life of 2 years, no expected dividend yield and an expected unit value at date of grant of \$0.28.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2020
(Expressed in Canadian Dollars)
(Unaudited)

9. Equity (continued)

(b) Share purchase warrants (continued)

2019

During the year, in relation to the private placement, 2,100,000 broker warrants were issued entitling the holder to purchase of one common share at a price of \$0.07 and one-half warrant (unit) at a unit price of \$0.05. The warrants included in the units entitle the holder to purchase one common share at a share price of \$0.07. The fair value of the 2,100,000 warrants was estimated at 0.0944 using the Black-Scholes option valuation model with the following assumptions: an expected volatility of 128%, a risk free interest rate of 1.57%, an expected unit life of 2 years, no expected dividend yield and an expected unit value at date of grant of \$0.12.

At September 30, 2020, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
2,100,000	0.05	19-Sep-21
12,750,000	0.07	19-Sep-21
11,560,000	0.12	27-Jun-21
10,000,000	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
50,500,135	0.17	

10. Stock options

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 a maximum of 10% of the common shares issued and outstanding at the time of any grant 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 ten years and unexercised options are cancelled 90 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.

	2020		2019	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	2,700,000	0.05	3,200,000	0.05
Issued	12,400,000	0.28	-	-
Cancelled	-	-	(500,000)	0.05
Exercised	(1,000,000)	0.05	-	-
Balance as at September 30, 2020 and December 31, 2019	14,100,000	0.25	2,700,000	0.05

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

10. Stock options (continued)

As at September 30, 2020 14,100,000 (December 31, 2019 - 2,700,000) options are exercisable.

2020

On May 28, 2020, 1,500,000 stock options were granted to officers of the Company to purchase common shares at a price of \$0.08 per share until May 28, 2025. The options vested immediately. The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; volatility - 127%; risk-free interest rate - 0.41% and an expected life of 5 years. The fair value attributed to these options was \$69,009 and was expensed in the unaudited condensed interim consolidated statements of loss and credited to options reserves. During the three and nine months ended September 30, 2020, included in stock based compensation is \$nil and \$69,009, respectively (three and nine months ended September 30, 2019 - \$nil) related to the vested portion of these options.

On June 30, 2020, 1,000,000 stock options were granted to directors of the Company to purchase common shares at a price of \$0.125 per share until June 30, 2025. The options vested immediately. The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; volatility - 128%; risk-free interest rate - 0.36% and an expected life of 5 years. The fair value attributed to these options was \$106,144 and was expensed in the unaudited condensed interim consolidated statements of loss and credited to options reserves. During the three and nine months ended September 30, 2020, included in stock based compensation is \$nil and \$106,144, respectively (three and nine months ended September 30, 2019 - \$nil) related to the vested portion of these options.

On August 31, 2020, 9,900,000 stock options were granted to management and directors of the Company to purchase common shares at a price of \$0.33 per share until August 30, 2025. The options vested immediately. The fair value of the options was estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield - 0%; volatility - 128%; risk-free interest rate - 0.40% and an expected life of 5 years. The fair value attributed to these options was \$2,725,819 and was expensed in the unaudited condensed interim consolidated statements of loss and credited to options reserves. During the three and nine months ended September 30, 2020, included in stock based compensation is \$2,725,819 (three and nine months ended September 30, 2019 - \$nil) related to the vested portion of these options.

11. Additional cash flow information

The changes in working capital items are as follows:

	September 30, 2020	September 30, 2019
Sales taxes receivable	\$ 1,780	\$ (9,394)
Prepaid expenses	(71,816)	12,752
Trade payables	157,953	28,464
	\$ 87,917	\$ 31,822

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(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, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Management and administration fees paid to private companies controlled by directors and officers	\$ 269,718	\$ 36,250	\$ 505,179	\$ 108,750
Mineral properties expenditures paid to private companies controlled by directors	10,925	10,500	30,311	27,024
Professional fees paid to private companies controlled by directors and officers	47,696	-	58,324	-
Stock based compensation	2,725,819	-	2,900,972	-
	\$ 3,054,158	\$ 46,750	\$ 3,494,786	\$ 135,774

Included in management and administration fees paid to private companies controlled by directors and officers for the three and nine months ended September 30, 2020 is \$nil and \$145,000, respectively paid to a private company controlled by the former Chief Financial Officer according to the executive services agreement as a severance payment. This is a non-recurrent payment.

Included in trade payables are amounts due to companies owned and controlled by key management personnel of \$17,146 and to directors of \$4,550 (2019 - \$819 and \$60).

Of the 20,000,000 units issued during 2020 as part of the private placement (note 9(a)(i)), members of management subscribed for an aggregate of 6,333,500 units.

Of the 25,000,000 units issued during 2020 as part of the private placement (note 9(a)(ii)), Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 10,700,550 units.

Of the 30,000,000 units issued during 2019 as part of the private placement, members of management and the Board of Directors subscribed for an aggregate of 2,800,000 units.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

13. 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 and cash equivalents, marketable securities and share capital. 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, 2020. The Company is not subject to externally imposed capital requirements.

14. 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 in the Company's annual audited consolidated financial statements for the year ended December 31, 2019. 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.

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.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

14. Financial instruments risks (continued)

Financial instruments denominated in foreign currency are as follows:

	September 30, 2020	December 31, 2019
Short term exposure		
<i>US Dollars</i>		
Cash and cash equivalents	\$ 521,285	\$ 7,559
Trade payables	(13,774)	(8,628)
Total short term exposure	\$ 507,511	\$ (1,069)
	September 30, 2020	December 31, 2019
Short term exposure		
<i>Mexican Pesos</i>		
Cash and cash equivalents	\$ 148,215	\$ 12,034
Trade payables	-	(82,667)
Total short term exposure	\$ 148,215	\$ (70,633)

At September 30, 2020, with other variables unchanged, a 10% change in the US/CDN and Peso/CDN exchange rate would impact pre-tax income by approximately \$65,448 and \$68,589, respectively (2019 - \$300 and \$203, respectively). Exposure to foreign exchange rates varies during the period 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 cash equivalents 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 as summarized below:

	September 30, 2020	December 31, 2019
Trade payables	\$ 179,178	\$ 21,225

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.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

15. 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.

16. Subsequent events

(i) On October 15, 2020, the Company added Rafael Puente as Exploration Manager, Mexico to the technical team. The Company issued to Rafael Puente 200,000 stock options, each of which may be exercised to purchase one common share of the Company at an exercise price of \$0.36.

(ii) On October 19, 2020, 150,000 warrants with an exercise price of \$0.12 and expiry date of June 27, 2021 were exercised for gross proceeds of \$18,000.

(iii) On October 30, 2020, 250,000 warrants with an exercise price of \$0.07 and expiry date of September 19, 2021 were exercised for gross proceeds of \$35,000.

(iv) On November 2, 2020, 500,000 stock options with an exercise price of \$0.05 and expiry date of December 1, 2022 were exercised for gross proceeds of \$25,000.

(v) 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 will remain listed on the TSXV under the ticker symbol "GOG".

(vi) On November 15, 2020, the Company commenced drilling at the San Diego Project.