
**GOLDEN TAG RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2021
(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, 2021	As at December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,948,803	\$ 8,401,157
Marketable securities (note 5)	52,500	181,508
Sales taxes receivable (note 6)	502,123	185,411
Prepaid expenses	95,018	132,717
Total assets	\$ 7,598,444	\$ 8,900,793
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	\$ 216,976	\$ 778,499
Total liabilities	216,976	778,499
Equity		
Share capital (note 8)	25,423,272	21,896,373
Options reserves (note 9)	3,017,631	3,017,631
Warrant reserves (note 8)	2,320,447	3,387,453
Accumulated other comprehensive income	431,202	448,505
Deficit	(23,811,084)	(20,627,668)
Total equity	7,381,468	8,122,294
Total equity and liabilities	\$ 7,598,444	\$ 8,900,793

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, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Operating expenses				
Administrative costs	\$ 7,626	\$ 5,137	\$ 24,140	\$ 16,245
Foreign exchange	(31,981)	18,198	9,145	27,210
Listing, filing and transfer agency fees (note 12)	9,435	5,077	47,448	18,925
Management, consulting fees and directors' fees (note 12)	286,385	321,528	845,292	569,364
Mineral property expenses	209,713	19,179	1,562,964	84,517
Promotion costs	37,125	41,643	179,783	41,643
Professional fees (note 12)	37,438	40,199	214,363	125,722
Rent	34,515	46,020	103,545	52,364
Salaries	71,946	-	160,401	-
Shareholder information	13,589	6,884	31,761	12,229
Stock based compensation (note 9)	-	2,725,819	-	2,900,972
Total operating expenses	675,791	3,229,684	3,178,842	3,849,191
Finance income	(5,126)	(1,344)	(12,867)	(5,064)
Realized gain on sale of marketable securities	-	-	(44,226)	(8)
Unrealized loss (gain) on change in fair value of marketable securities	14,000	16,808	80,219	(10,044)
Net loss for the period	\$ (684,665)	\$ (3,245,148)	\$ (3,201,968)	\$ (3,834,075)
Other comprehensive loss				
Items that will be reclassified subsequently to loss				
Exchange differences on translating foreign operations	\$ (16,800)	\$ (6,218)	\$ (17,303)	\$ (6,218)
Other comprehensive loss for the period	(16,800)	(6,218)	(17,303)	(6,218)
Total comprehensive loss for the period	\$ (701,465)	\$ (3,251,366)	\$ (3,219,271)	\$ (3,840,293)
Basic and diluted net loss per share (note 10)	\$ (0.00)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	180,190,883	147,372,750	172,654,229	124,524,877

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, 2021	Nine Months Ended September 30, 2020
Operating activities		
Net loss for the period	\$ (3,201,968)	\$ (3,834,075)
Non-cash items:		
Changes in working capital items (note 11)	(840,536)	87,917
Realized gain on sale of marketable securities	(44,226)	(8)
Unrealized loss (gain) on change in fair value of marketable securities	80,219	(10,044)
Stock based compensation (note 9)	-	2,900,972
Foreign exchange	(17,608)	(6,218)
Net cash used in operating activities	(4,024,119)	(861,456)
Investing activities		
Proceeds on sale of marketable securities	93,015	21,401
Net cash provided by investing activities	93,015	21,401
Financing activities		
Proceeds from private placements (note 8)	-	8,125,000
Share issue costs	-	(510,719)
Proceeds from options exercised	-	50,000
Proceeds from warrants exercised	2,478,445	930,300
Net cash provided by financing activities	2,478,445	8,594,581
Net change in cash and cash equivalents	(1,452,659)	7,754,526
Effect of exchange rate	305	-
Cash and cash equivalents, beginning of period	8,401,157	1,271,551
Cash and cash equivalents, end of period	\$ 6,948,803	\$ 9,026,077

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, 2019	109,806,558	\$ 15,157,617	\$ 91,997	\$ 1,369,463	\$ 459,632	\$(15,510,538)	\$ 1,568,171
Private placement (note 8(a))	45,000,000	8,125,000	-	-	-	-	8,125,000
Warrants (note 8(a))	-	(2,150,207)	-	2,150,207	-	-	-
Share issue costs (note 8(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 9)	-	-	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
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

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, 2021

(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 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, 2020.

Approval of financial statements

The Company's Board of Directors approved these unaudited condensed interim consolidated financial statements on November 18, 2021.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(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, 2020.

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, 2021			Nine Months Ended September 30, 2020		
	Canada	Mexico		Canada	Mexico	
Operating expenses	\$ 2,127,725	\$ 1,051,117	\$ 3,178,842	\$ 3,729,995	\$ 119,196	\$ 3,849,191
Net loss for the period	\$ 2,150,851	\$ 1,051,117	\$ 3,201,968	\$ 3,714,879	\$ 119,196	\$ 3,834,075

	As at September 30, 2021			As at December 31, 2020		
	Canada	Mexico		Canada	Mexico	
Total assets	\$ 7,203,514	\$ 394,930	\$ 7,598,444	\$ 8,598,663	\$ 302,130	\$ 8,900,793
Total liabilities	\$ 207,595	\$ 9,381	\$ 216,976	\$ 777,277	\$ 1,222	\$ 778,499

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
Three and Nine Months Ended September 30, 2021
(Expressed in Canadian Dollars)
(Unaudited)

5. Marketable securities

	2021	2020
Balance as at January 1,	\$ 181,508	\$ 167,625
<u>Additions (disposals) in the year:</u>		
Battle North Gold Corp. - 35,100 shares (19,900 shares in 2020)	(48,789)	(21,393)
	132,719	146,232
Unrealized (loss) gain on change in fair value of marketable securities	(80,219)	35,276
Balance as at September 30, 2021 and December 31, 2020	\$ 52,500	\$ 181,508

Marketable securities include the following components at fair value:

	September 30, 2021	December 31, 2020
Sirios Resources Inc. - 700,000 shares (700,000 shares 2020)	\$ 52,500	\$ 108,500
Battle North Gold Corp. - nil share (35,100 shares 2020)	-	73,008
Total	\$ 52,500	\$ 181,508

6. Sales taxes receivable

	September 30, 2021	December 31, 2020
Aging analysis		
Current	\$ 19,559	\$ 15,544
30-90 days	41,775	34,810
Over 90 days (past due)	440,789	135,057
Total	\$ 502,123	\$ 185,411

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, 2021 and December 31, 2020.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(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 194,245,157.
- Preferred shares, non-voting, redeemable for the amount paid thereon, all rights and privileges to be determined by the Board of Directors.

Issued during 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 a 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 8(b).

(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 8(b).

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements
 Three and Nine Months Ended September 30, 2021
 (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:

	2021		2020	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	50,380,135	0.17	35,980,000	0.05-0.12
Issued (note 8(b))	1,050,000	0.07	22,500,000	0.26
Issued broker warrants (note 8(b))	-	-	1,590,135	0.22
Exercised warrants	(28,048,599)	0.08	(8,690,000)	0.11
Expired warrants	(800,000)	0.12	(880,000)	0.12
Balance as at September 30, 2021 and September 30, 2020	22,581,536	0.27	50,500,135	0.17

2021

During the three months ended September 30, 2021, 2,100,000 broker warrants were exercised for \$0.07 per broker unit. Each broker warrant entitled the holder to one common share and one-half warrant at a price of \$0.05. The fair value of the 1,050,000 additional warrants issued was estimated at \$0.0000 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.

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.

At September 30, 2021, the following exercisable warrants were outstanding:

Number of warrants	Price (\$)	Expiry date
8,491,401	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
22,581,536	0.27	

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(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:

	2021		2020	
	#	Weighted average exercise price \$	#	Weighted average exercise price \$
Balance as at January 1,	13,600,000	0.26	2,700,000	0.05
Issued	-	-	12,400,000	0.28
Exercised	-	-	(1,000,000)	0.05
Balance as at September 30, 2021 and September 30, 2020	13,600,000	0.26	14,100,000	0.25

As at September 30, 2021, 13,600,000 (September 30, 2020 - 14,100,000) 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.

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.

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.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(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 September 30, 2021 and September 30, 2020. 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 nine months ended September 30, 2021 and September 30, 2020 respectively.

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Loss for the period	\$ (684,665)	\$ (3,245,148)	\$ (3,201,968)	\$ (3,834,075)
Weighted average number of shares in circulation	180,190,883	147,372,750	172,654,229	124,524,877
Basic and diluted loss per share	\$ (0.00)	\$ (0.02)	\$ (0.02)	\$ (0.03)

11. Additional cash flow information

The changes in working capital items are as follows:

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Sales taxes receivable	\$ (316,712)	\$ 1,780
Prepaid expenses	37,699	(71,816)
Trade payables	(561,523)	157,953
	\$ (840,536)	\$ 87,917

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(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, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Management and administration fees paid to private companies controlled by directors and officers	\$ 127,385	\$ 269,718	\$ 456,155	\$ 505,179
Mineral properties expenditures paid to private companies controlled by directors	-	10,925	-	30,311
Professional fees paid to private companies controlled by directors and officers	10,779	47,696	75,239	58,324
Listing, filing and transfer agency fees paid to private companies controlled by officers	2,357	-	7,260	-
Director fees	146,000	2,725,819	292,000	2,900,972
	\$ 286,521	\$ 3,054,158	\$ 830,654	\$ 3,494,786

Included in management and administration fees paid to private companies controlled by directors and officers for the three and nine months ended September 30, 2021 is \$nil (three and nine months ended September 30, 2020 - \$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 \$49,915 and to directors of \$90,000 (December 31, 2020 - \$569,744 and \$23,006).

Of the 20,000,000 units issued during 2020 as part of the private placement (note 8(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 8(a)(ii)), Eric Sprott, through 2176423 Ontario Ltd., a corporation beneficially controlled by him, subscribed for 10,700,550 units.

Golden Tag Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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.