OROGEN
ROYALTIES INC.

Condensed Interim Consolidated Financial Statements

For the Nine-Month Periods Ended
September 30, 2022 and 2021

(Unaudited – Expressed in Canadian Dollars)

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Listing

TSX Venture Exchange: OGN
Shares Outstanding: 178,763,442

Orogen Royalties Inc.

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NOTICE TO READER

NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements.

OROGEN ROYALTIES INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note		September 30, 2022		December 31, 2021
Current Assets					
Cash and cash equivalents	5	$	**3,313,963**	$	2,874,867
Short term investments	5		**5,230,027**		5,130,030
Marketable securities	6		**1,349,735**		1,553,024
Amounts receivable	8		**1,358,176**		1,254,745
Prepaid expenses and deposits			**146,151**		110,157
			11,398,052		10,922,823
Non-current Assets					
Mineral property interests	10		**40,192,056**		40,212,387
Property, plant and equipment, net	7		**325,832**		320,959
Reclamation bond			**212,579**		209,371
			40,730,467		40,742,717
Total Assets		$	**52,128,519**	$	51,665,540
Liabilities and Shareholders' Equity					
Liabilities					
Accounts payable and accrued liabilities	11	$	**145,464**	$	181,564
Short term lease liabilites	9		**49,757**		66,903
Joint venture partner deposits			**459,344**		435,013
			654,565		683,480
Non-current Liabilities					
Long term lease liabilities	9		**198,215**		162,393
Deferred income tax liability			**128,696**		128,696
			981,476		974,569
Shareholders' Equity					
Share capital			**72,596,424**		72,303,445
Contributed surplus			**3,854,928**		3,592,742
Accumulated deficit			**(25,304,309)**		(25,205,216)
			51,147,043		50,690,971
Total Liabilities and Shareholders' Equity		$	**52,128,519**	$	51,665,540

Approved and authorized for issue by the Board on November 24, 2022.

Samantha Shorter — ***Director***

Roland Butler — ***Director***

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

OROGEN ROYALTIES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Periods Ended September 30,
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021*	Nine months ended September 30, 2022	Nine months ended September 30, 2021*
Royalties Operations					
Royalties revenue	*10*	$ 1,158,928	$ -	**$ 2,840,095**	$ -
Income from Royalties Operations		**1,158,928**	-	**2,840,095**	-
Prospect Generation Operations					
Project management fees	*10*	**$ 11,716**	$ 12,185	**$ 33,934**	$ 27,415
Gain from JV activities	*10*	**453,385**	-	**631,126**	1,472,500
Impairment of mineral properties		**(262,145)**	-	**(262,145)**	-
Income from Prospect Generation Operations		**202,956**	12,185	**402,915**	**1,499,915**
Other Operations					
Interest income		**$ 16,168**	$ 15,827	**$ 56,549**	$ 45,085
		16,168	15,827	**56,549**	45,085
					-
Accounting and legal		**94,300**	24,061	**231,929**	132,526
Depreciation	*7*	**27,009**	47,313	**108,183**	142,242
Foreign exchange loss		**(10,692)**	(23,668)	**(15,285)**	50,094
General and administrative		**102,049**	85,646	**335,763**	277,686
Investor services		**21,691**	7,959	**70,619**	88,870
Management and professional fees	*15*	**97,986**	77,724	**284,548**	192,494
Marketing services		**9,650**	20,091	**47,417**	57,642
Salaries and support services	*15*	**340,753**	347,975	**1,081,365**	1,189,398
Share-based compensation	*14, 15*	**106,697**	46,969	**361,518**	(48,291)
Travel		**12,706**	4,916	**34,600**	10,360
		802,149	638,986	**2,540,657**	2,093,021
Loss from Other Operations		**(785,981)**	(623,159)	**(2,484,108)**	(2,047,936)
Operating Income (Loss) Before the Following		**$ 575,903**	$ (610,974)	**$ 758,902**	$ (548,021)
Other income (loss)	6	**15,476**	5,031	**17,469**	36,021
Marketable securities fair value adjustment	6	**(467,918)**	(366,351)	**(875,464)**	(285,191)
Net Income (Loss) and Comprehensive Income (Loss) for the Period		**$ 123,461**	$ (972,294)	**$ (99,093)**	$ (797,191)
Basic and Diluted Income (Loss) per Share		**$ 0.001**	$ (0.005)	**$ (0.001)**	$ (0.005)
Basic and Diluted Weighted Average Number of Shares Outstanding		**178,756,739**	177,508,740	**178,490,881**	176,707,926

**See Note 3 - Change in Accounting Policy*

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

OROGEN ROYALTIES INC.

Condensed Interim Consolidated Statements of Cash Flows
Periods Ended September 30,
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021*	Nine months ended September 30, 2022	Nine months ended September 30, 2021*
Cash Flows Used in Operating Activities					
Net income (loss)		**$ 123,461**	(972,294)	**$ (99,093)**	$ (797,191)
Add (deduct) items not involving cash:					-
Depreciation	*7*	**27,009**	47,313	**108,183**	142,242
Loss (gain) on marketable securities	*6*	**467,918**	366,351	**875,464**	285,191
Unrealized foreign exchange gain		**(193,977)**	34,643	**(227,772)**	(3,856)
Gain from JV activities		**(631,126)**	-	**(631,126)**	(1,472,500)
Impairment of mineral properties		**262,145**	-	**262,145**	-
Other loss (income)		**(12,791)**	-	**(12,791)**	-
Share-based compensation	*14*	**106,697**	46,969	**361,518**	(48,291)
		149,336	(477,018)	**636,528**	(1,894,405)
Net change in non-cash working capital balances related to operations:					
Accounts receivables		**(71,311)**	7,331	**(103,432)**	44,632
Prepaid expenses and deposits		**(25,543)**	(11,447)	**(35,994)**	(46,618)
Operating lease obligation	*9*	**(11,516)**	(56,678)	**(75,131)**	(126,077)
Accounts payable and accrued liabilities		**(17,370)**	(177,994)	**(36,100)**	(65,744)
Joint venture partner deposits		**164,914**	(159,967)	**24,331**	(159,967)
Net Cash Flows Used in Operating Activities		**188,510**	(875,773)	**410,202**	(2,248,179)
Cash Flows Provided By (Used In) Investing Activities					
Redemption in short term investments		**-**	2,101,126	**-**	2,081,924
Sale (purchase) in marketable securities		**99,997**	(29,611)	**99,997**	-
Reclamation bond		**-**	349,166	**-**	-
Mineral property interests, net of recoveries	*10*	**(218,935)**	(55,634)	**(434,125)**	(55,634)
Purchase of property, plant and equipment		**(8,637)**	-	**(15,690)**	-
Cash Flows Provided By (Used In) Investing Activities		**(127,575)**	2,365,047	**(349,818)**	2,026,290
Cash Flows Provided By Financing Activities					
Proceeds from exercise of warrants		**-**	-	**35,999**	-
Proceeds from exercise of stock options		**40,399**	64,034	**157,648**	703,348
Net Cash Flow Provided by Financing Activities		**40,399**	64,034	**193,647**	703,348
Effects of foreign currency translation on cash and cash equivalents		**158,612**	(27,246)	**185,065**	4,602
					-
Increase in Cash and Cash Equivalents		**259,946**	1,526,062	**439,096**	486,061
Cash and Cash Equivalents, Beginning of the Period		**3,054,017**	2,577,102	**2,874,867**	3,617,103
Cash and Cash Equivalents, End of the Period		**$ 3,313,963**	$4,103,164	**$ 3,313,963**	$ 4,103,164
Cash and cash equivalents are comprised of:			-		
Cash		**$ 2,813,473**	$3,776,361	**$ 2,813,473**	$ 3,776,361
Cash restricted for exploration		**439,344**	265,657	**439,344**	265,657
Short-term money market instruments		**61,146**	61,146	**61,146**	61,146
		$ 3,313,963	$4,103,164	**$ 3,313,963**	$ 4,103,164
Supplemental Cash Flow Information:			-		
Interest received		**$ 16,168**	$ 15,827	**$ 56,549**	$ 45,085
Net marketable securities received for property option payments		**$ 486,998**	$ -	**$ 741,998**	$ 1,690,826

**See Note 3 - Change in Accounting Policy*

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

OROGEN ROYALTIES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

		Share Capital				
	Note	**Shares**	**Amount**	**Contributed surplus**	**Accumulated deficit**	**Shareholders' Equity**
Balance, December 31, 2020		**174,642,284**	**$ 71,225,199**	**$ 3,475,013**	**$ (22,373,771)**	**$ 52,326,441**
Stock option exercise	***14***	3,278,849	1,019,056	(315,708)	-	703,348
Share-based compensation	***14***	-	-	(48,291)	-	(48,291)
Property acquisition		100,000	35,000	-	-	35,000
Net loss and comprehensive loss		-	-	-	(797,191)	(797,191)
Balance, September 30, 2021		**178,021,133**	**72,279,255**	**3,111,014**	**(23,170,962)**	**52,219,307**
Stock option exercise		59,000	24,190	(9,440)	-	14,750
Share-based compensation		-	-	587,514	-	587,514
Reallocation of forfeited options		-	-	(96,346)	-	(96,346)
Net loss and comprehensive loss		-	-	-	(2,034,254)	(2,034,254)
Balance, December 31, 2021		**178,080,133**	**$ 72,303,445**	**$ 3,592,742**	**$ (25,205,216)**	**$ 50,690,971**
Stock option exercise	***14***	589,949	247,000	(89,352)	-	157,648
Warrant exercise	***14***	93,360	45,979	(9,980)	-	35,999
Share-based compensation	***14***	-	-	361,518	-	361,518
Net loss and comprehensive loss		-	-	-	(99,093)	(99,093)
Balance, September 30, 2022		**178,763,442**	**$ 72,596,424**	**$ 3,854,928**	**$ (25,304,309)**	**$ 51,147,043**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Orogen Royalties Inc. (the "Company" or "Orogen"), is a royalty and mineral exploration company with a diverse portfolio of precious metal royalties and copper, gold and silver exploration projects in Canada, United States and Mexico. The Company has two business segments – mineral royalties and mineral exploration project generation. The Company also owns a geological database covering parts of Mexico, central Asia, South Pacific, western Canada and western United States. Orogen uses the project generator business model and its projects, either acquired from other third parties or discovered through the Company's exploration programs, are advanced through option and/or joint venture agreements with industry partners to provide maximum exposure to exploration success. Mineral royalties and revenue are also generated from these option and/or joint venture arrangements.

The Company was incorporated on May 11, 2005 and is a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario. The shares of the Company commenced trading on the TSX Venture Exchange (the "Exchange") on January 25, 2011. On August 18, 2020, the Company acquired Renaissance Gold Inc. through a Plan of Arrangement under the Business Corporations Act (British Columbia) and was renamed Orogen Royalties Inc. The Company commenced trading on the Exchange under the symbol OGN on August 20, 2020.

The head office, principal registered, and records office of the Company are located at 1015-789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

These condensed interim consolidated financial statements have been prepared on the basis that the Company is a going concern, which assumes that the Company will be able to continue in operations and contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. The Company began generating revenue from royalties at the end of the fiscal year ended December 31, 2021, however, it has experienced recurring losses over the past several fiscal years (2021- $2,831,445 and 2020 - $5,023,973) and has an accumulated deficit as at September 30, 2022 of $25,304,309 (December 31, 2021 - $25,205,216).

The Company's ability to continue as a going concern is dependent on its ability to maintain consistent revenue from its royalties and prospect generation businesses and obtain additional debt or equity financing to successfully advance its business plan. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally. Since COVID-19 vaccination programs began in early 2021, the Company's operations have generally returned to normal and the Company is pleased to report that COVID-19 did not have a significant impact on the Company's core business. As at September 30, 2022, most of

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

the Company's earn-in option agreements with other partners were in good standing and the termination of any earn-in agreements during the period were not due to the impact of COVID-19.

However, the current COVID-19 global health pandemic is still significantly impacting the global economy, commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility and has raised the risk of global recession. It has also resulted in operating, supply chain and project development delays that can adverse affect the operations of third parties in which the Company has an interest. Exploration activities and mining operations in which the Company holds an interest could be suspended for precautionary purposes or as governments declare states of emergency or other actions are taken to combat the spread of COVID-19. If the operation or development of one or more of the properties in which Orogen holds a royalty or other interest and from which it receives or expects to receive significant revenue is suspended, it may have a material adverse impact on Orogen's profitability, results of operations, cash flow, financial condition, and Common Share price.

2. STATEMENT OF COMPLIANCE

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2021.

Except for cash flow information and financial instruments measured at fair value, these condensed interim consolidated financial statements were prepared on a historical cost basis using the accrual basis of accounting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (Evrim Exploration Canada Corp. ("EEC"), 1124798 B.C. Ltd., 1174610 B.C. Ltd., Evrim Resources (Barbados) Ltd., Minera Evrim, S.A. de C.V. ("Minera"), Servicios Mineros Orotac, S.A. de C.V. ("SMO"), Opata Resources, S.A. de C.V. ("Opata"), Minera Inmet Mexico S.A. de C.V. ("Inmet"), Evrim Resources USA Inc. ("Evrim US"), Renaissance Gold Inc., Renaissance Exploration Inc., and Kinetic Gold Corp. The financial statements of subsidiaries are included in these condensed interim consolidated financial statements from the date that control

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (Continued)

commenced until the date that control ceases. Control is based on whether an investor has power over the investee and the ability to use its power over the investee to affect the value of returns. All significant intercompany transactions and balances have been eliminated.

	Place of incorporation	Proportion of ownership interest September 30, 2022	Proportion of ownership interest December 31, 2021	Principal activity
Evrim Exploration Canada Corp.	British Columbia	100%	100%	Mineral exploration
1124798 B.C. Ltd.	British Columbia	100%	100%	Mineral exploration
1174610 B.C. Ltd.	British Columbia	100%	100%	Holding company
Evrim Resources (Barbados) Ltd.	Barbados	100%	100%	Holding company
Minera Evrim, S.A. de C.V.	Sonora, Mexico	100%	100%	Mineral exploration
Servicios Mineros Orotac, S.A. de C.V.	Sonora, Mexico	100%	100%	Service company
Opata Resources, S.A. de C.V.	Sonora, Mexico	100%	100%	Mineral exploration
Minera Inmet Mexico S.A. de C.V.	Sonora, Mexico	100%	100%	Holding company
Evrim Resources USA Inc.	Nevada, USA	100%	100%	Mineral exploration
Renaissance Gold Inc.	British Columbia	100%	100%	Mineral exploration
Renaissance Exploration Inc.	Nevada, USA	100%	100%	Mineral exploration
Kinetic Gold Corp.	British Columbia	100%	100%	Holding company

(b) Use of estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) Share-based compensation

The fair value of share-based compensation is subject to the limitations of the

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Use of estimates (Continued)

Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, for which changes in subjective input assumptions can materially affect the fair value estimate.

(ii) *Valuation of deferred tax assets* and liabilities

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

(iii) *Provision for environmental rehabilitation*

Under IFRS, provisions should be adjusted for changes in the discount rate. The Company has chosen not to discount the provision for environmental rehabilitation, as the amounts are not significant.

(iv) *Leases*

Management uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency and geographic location. Future lease payments can arise from a change in an index or borrowing rate, if there is a change in the Company's estimate of the expected payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use (“ROU”) asset or is recorded to the statement of loss if the carrying amount of the ROU asset has been reduced to zero.

(v) *Impairment*

After ownership of mineral property interests and royalty assets are established, acquisition, geological, exploration, and early-stage project generation costs incurred directly by the Company are capitalized on a property-by-property basis until the property is placed into production, sold, allowed to lapse or abandoned. The Company conducts impairment tests at the end of each reporting period to determine the future economic and commercial benefit of the project. Where an indicator of impairment exists, the carrying costs is reduced to the recoverable amount and an impairment expense is recognized in profit or loss. Since the Company’s mineral property interests are generally early stage, unless fair value can be established, recoverable amount is generally Nil and impairment expense, when recognized, is the carrying costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Critical Accounting Judgements

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

(i) Determination of functional currency

Several factors were considered in making the judgment that the primary economic environment for the Company and all subsidiaries is the Canadian dollar ("CAD"). The Mexican and US subsidiaries are not self-sustaining and require significant resources provided by Orogen. Orogen raises these funds by issuing shares in Canadian dollars. In addition, majority of the option or joint venture agreements are denominated in either Canadian or US dollars.

(ii) Future taxable profits

Determination of the likelihood of future taxable profits to enable use of deferred tax assets requires consideration of current corporate strategies and likely outcomes with respect to taxable income. Present factors do not support the probability of deferred tax assets being recovered.

(iii) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including the expectation of future events that are believed to be reasonable under the circumstances. Management takes in to account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern exist.

(iv) Right of use assets and lease liability

The Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset and the lease term and if liability exist at the time of the inception of the contract. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option as well as determining when the liability on a contract exists.

(v) Recoverability of accounts receivables

The Company records an allowance for bad debts related to accounts receivable considered to be uncollectable. The allowance is based on the Company's knowledge of the financial condition of its royalty asset operators, joint venture

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Critical Accounting Judgements (Continued)

partners, the aging of the receivables, the current business environment and historical experience. A change to those factors could impact the estimated allowance for bad debts.

(vi) Capitalization of eligible mineral property interests costs

After obtaining ownership, all acquisition, geological, and exploration costs incurred directly by the Company are capitalized on a property-by-property basis. When a property interest is acquired under an option agreement, where payments are made at the sole discretion of the Company, the acquisition cost is capitalized at the time of payment. Acquisition cost may include cash consideration and/or deemed value of common shares, issued for property interests pursuant to the terms of the agreement.

Option payments received from earn-in agreements, including cash and common shares, cash reimbursements received from partners, and other recoveries on joint venture projects and alliances are treated as a reduction of the carrying value of the related the mineral property until the payments are in excess of carrying value, at which time they are then credited to profit or loss.

Government grants are recognized when received/receivable. When the Company is entitled to refundable mineral exploration tax credits or incentive grants, these amounts are recorded as a reduction to carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, a deferred income tax benefit is recognized if it is probable that they can be used to reduce future taxable income.

(vii) Impairment of mineral properties

The Company conducts impairment tests at the end of each reporting period to determine the future economic and commercial benefit of its mineral resource properties and royalty assets. Changes in conditions may give rise to significant impairment charges or reversals of impairment in a particular year. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use. Determining the value in use requires the use of estimates and assumptions including commodity price forecasts, initial and sustaining capital requirements, future operating performance, and discount rate. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. If the recoverable amount of the mineral property is less than its carrying value, the carrying value is reduced to the recoverable amount and an impairment expense is recognized in profit or loss.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Change in accounting policy

Effective January 1, 2021, the Company changed its accounting policy related to acquisition and exploration costs of its mineral property interests. Previously, the Company accounts for its mineral property interests by charging all acquisition and exploration costs to operations as incurred and crediting all property sales and option proceeds to operations. When the existence of a mineral reserve on a property has been established, future acquisition, exploration and development costs will be capitalized for that property, then amortized using the unit-of-production method following commencement of production.

The Company will continue to expense early-stage acquisition and project generation costs incurred through the Company's prospect generation operations prior to obtaining ownership, however, after obtaining ownership, all acquisition, geological, and exploration costs incurred directly by the Company are capitalized on a property-by-property basis.

The change in policy has been made to more appropriately disclose the operations of the Company and the value of its mineral properties. The impact of the change in policy has been applied retrospectively in these financial statements and the summary of the impact of these changes is disclosed below:

Summary of Impact on Pior Year Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Nine Months Period Ended September 30, 2021	Note		As Reported		Adjustments		As Restated
Option proceeds	(i)	$	1,869,012	$	(1,869,012)	$	-
Gain from JV activities	(ii)		-	$	1,472,500	$	1,472,500
Acquisition expenditures	(i)		(363,061)		363,061	$	-
Exploration expenditures	(i)		(1,474,070)		1,474,070	$	-
Exploration reimbursements	(i)		1,568,311		(1,568,311)	$	-
Net Gain (Loss) and Comprehensive Gain (Loss) for the Period		$	(669,499)	$	(127,692)	$	(797,191)
Basic and Diluted Gain (Loss) per Share		$	(0.004)	$	(0.001)	$	(0.005)
Basic and Diluted Weighted Average Number of Shares Outstanding			176,707,926		176,707,926		176,707,926

Summary of Impact on Prior Year Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Period Ended September 30, 2021			As Reported		Adjustments		As Restated
Net Cash Flows Used in Operating Activities	(iii)	$	(2,303,813)	$	55,634	$	(2,248,179)
Cash Flows Used In Investing Activities	(iii)		2,081,924		(55,634)		2,026,290
Increase in Cash and Cash Equivalents		$	486,061	$	-	$	486,061
Cash and Cash Equivalents, Beginning of the Period		$	3,617,103	$	-	$	3,617,103
Cash and Cash Equivalents, End of the Period		**$**	**4,103,164**	**$**	**-**	**$**	**4,103,164**

(i) *Capitalized a net recovery of $127,692 to mineral properties, for acquisition and exploration expenditures less proceeds received from option payments, proceeds from sale of projects, and reimbursements from partners on JV projects where the Company was the operator.*

(ii) *Gain reclassed from Option proceeds to gain from JV activities related to the sale of the Axe project to Kodiak Copper Corp. on April 16, 2021.*

(iii) *Recognized a net cash impact of $Nil from a reclass of $55,634 from cash used in operating activities to investing activities as a result of capitalization of $55,634 to mineral properties as discussed in note (i).*

4. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders comprising share capital, contributed surplus and accumulated deficit. The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern and enable it to provide shareholder returns and benefits for all stakeholders in the development of its mineral property interests. These objectives remain unchanged from previous years.

The Company manages and adjusts its capital structure in response to changes in the risk characteristics of its underlying assets and/or changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or other equity instruments. The Company is not subject to externally imposed capital requirements.

5. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents include $2,813,473 (December 31, 2021 - $2,813,721) in the operating bank accounts and $61,146 (December 31, 2021 - $61,146) of short term guaranteed investment certificates ("GICs") that are cashable within six months. As of September 30, 2022, $439,344 of cash and cash equivalents were restricted for exploration expenditures (December 31, 2021 - $435,013).

Short-term investments include $5,230,027 (December 31, 2021 - $5,130,030) of GICs with maturities ranging from three to eighteen months earning interest from 1.50% to 2.03% (December 31, 2021 – 1.50% to 2.03%).

(Expressed in Canadian Dollars)

6. MARKETABLE SECURITIES

During the period ended September 30, 2022, the Company received:

(i) 750,000 common shares of Pacific Ridge Exploration Ltd. with a deemed value of $255,000 from the sale of 100% interest in the Onjo project on February 3, 2022;
(ii) 100,000 common shares of Eminent Gold Corp. with a deemed value of $43,500 for the second anniversary payment on the Gilbert South project;
(iii) 18,298 common shares of Stampede Metals Corp. with a deemed value of $18,298 from for the Manhattan Gap option agreement;
(iv) 1,000,000 common shares of Green Light Metals Inc. with a deemed value of $400,000 from the sale of 100% interest in the Kalium Canyon gold project on September 26, 2022; and
(v) 120,000 common shares of Rackla Metals Inc. with a deemed value of $25,200 from the option agreement that was entered into on September 20, 2022.

Details of the above transactions can be found on Note 10 or refer to the Management's Discussion and Analysis for the period ended September 30, 2022 for a complete disclosure of the Company's properties. During the period, the Company received $99,997 from the sale of securities and recorded a gain of $12,791.

During the period ended September 30, 2021, the Company returned 149,573 common shares to Golden Ridge with deemed fair value of $22,436 upon the cancellation of the Ball Creek option agreement. The Company also received common shares with a total fair value of $1,713,262 in from Kodiak Copper Corp., Eminent Gold Corp., and Stampede Metals Corp. from mineral properties sold and receivables of anniversary payments on active option agreements.

Fair value as at December, 31, 2020	$ 53,664
Shares returned to Golden Ridge Resources Ltd.	(22,436)
Shares received- Kodiak Copper Corp.	1,472,500
Shares received- Eminent Gold Corp.	45,000
Shares received- Stampede Metals Corp.	195,762
Fair value adjustment	(194,521)
Foreign exchange gain (loss)	3,055
Fair value as at December 31, 2021	$ 1,553,024
Shares received- Pacific Ridge Exploration Ltd.	255,000
Shares received- Eminent Gold Corp.	43,500
Shares received- Stampede Metals Corp.	18,298
Shares received- Green Light Metals Inc.	400,000
Shares received- Rackla Metals Inc.	25,200
Shares sold	(89,691)
Fair value adjustment	(875,464)
Foreign exchange gain (loss)	19,868
Fair value as at September 30, 2022	**$ 1,349,735**

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment and Software	Field Equipment	Leasehold Improvements	Mobile Equipment	Office Equipment and Furniture	Right of Use Assets	Total
Balance as at December 31, 2020	$ 408,787	$ 130,432	$ 16,995	$ 33,384	$ 103,758	$ 572,707	$ 1,266,063
Acquisitions (Dispositions)	(1,609)	(96,857)	-	-	(41,733)	54,365	(85,834)
Balance as at December 31, 2021	$ 407,178	$ 33,575	$ 16,995	$ 33,384	$ 62,025	$ 627,072	$ 1,180,229
Acquisitions (Dispositions)	15,690	-	-	-	-	97,365	113,055
Balance as at September 30, 2022	**$ 422,868**	**$ 33,575**	**$ 16,995**	**$ 33,384**	**$ 62,025**	**$ 724,437**	**$ 1,293,284**
Accumulated depreciation							
Balance as at December 31, 2020	$ (206,484)	$ (119,856)	$ (16,995)	$ (12,497)	$ (75,533)	$ (256,061)	$ (836,170)
Disposition	33,383	89,039	-	-	41,477	-	163,899
Depreciation	(24,116)	(2,758)	-	(7,632)	(4,516)	(147,977)	(186,999)
Balance as at December 31, 2021	$ (197,217)	$ (33,575)	$ (16,995)	$ (20,129)	$ (38,572)	$ (404,038)	$ (859,270)
Disposition							
Depreciation	(22,866)	-	-	(3,471)	(2,662)	(79,183)	(108,183)
Balance as at September 30, 2022	**$ (220,083)**	**$ (33,575)**	**$ (16,995)**	**$ (23,600)**	**$ (41,234)**	**$ (483,221)**	**$ (967,453)**
Carrying amounts							
December 31, 2020	$ 202,303	$ 10,576	$ -	$ 20,887	$ 28,225	$ 316,646	$ 429,893
December 31, 2021	$ 209,961	$ -	$ -	$ 13,255	$ 23,453	$ 223,034	$ 320,959
September 30, 2022	**$ 202,784**	**$ -**	**$ -**	**$ 9,784**	**$ 20,791**	**$ 241,216**	**$ 325,832**

(Expressed in Canadian Dollars)

8. AMOUNTS RECEIVABLE

	September 30, 2022	December 31, 2021
Trade receivables	**$ 1,216,316**	$ 904,771
Current tax receivables	**141,860**	349,974
	$ 1,358,176	$ 1,254,745

All receivables are current (less than 30 days) except for the current tax receivable of which $141,860 (December 31, 2021 - $349,974) is between 90 to 180 days.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company has lease agreements (Note 13) which qualifies for reporting under IFRS 16 *Leases*. The continuity of the ROU assets and lease liabilities for the period ended September 30, 2022 is as is as follows:

Right of Use Assets	
Value of Right of Use Assets, December 31, 2020	$ 316,646
Addition	54,365
Depreciation	(147,977)
Value of Right of Use Assets, December 31, 2021	$ 223,034
Addition	97,365
Depreciation	(79,183)
Value of Right of Use Assets, September 30, 2022	**$ 241,216**

Lease Liabilities	
Lease Liabilities, December 31, 2020	$ 333,135
Addition	173,087
Disposition	(130,790)
Lease payments	(146,136)
Lease Liabilities, December 31, 2021	**$ 229,296**
Addition	93,807
Disposition	-
Lease payments	(75,131)
Lease Liabilities, September 30, 2022	**$ 247,972**

Lease Liabilities	**September 30, 2022**	December 31, 2021
Current portion	**$ 49,757**	$ 66,903
Long-term portion	**198,215**	162,393
	$ 247,972	$ 229,296

10. MINERAL PROPERTY INTERESTS

Exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable operations. Many of the Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements. These risks are not unique to foreign jurisdictions and apply equally to the Company's property interests in Canada.

The Company reports the following property updates and changes that took place during the period ended September 30, 2022. Refer to the Management's Discussion and Analysis for the period ended September 30, 2022 for a complete disclosure of the Company's properties.

Mexico

I. **Ermitaño**: the project is located in Sonora, Mexico.

(a) *Sale Agreement:* In September 2018, the Company transferred 100% of its interest in the property to First Majestic Silver Corp. ("First Majestic") for US$1,000,000 subject to a 2.0% NSR royalty.

(b) *Royalty Revenue:* For the nine-month period ended September 30, 2022, the Company recognized $2,840,095 (2021 - $Nil) in royalty revenue generated from the Ermitaño mine that commenced production in November 2021. This represents a gold equivalent of 1,164 ounces based on an average price of US$1,815 per ounce.

II. **Llano del Nogal and Suanse:** the Llano del Nogal project is located in Sonora, Mexico and is a 98 square kilometre concession covering 25 square kilometres of altered volcanic and intrusive rocks on the prolific Nacozari porphyry copper trend in northern Mexico.

The Suanse project is located in Sonora, Mexico and covers 1,115 hectares of ground north of the Company's porphyry target on the Llano del Nogal project.

(a) *Llano del Nogal Alliance Agreement*: On December 18, 2012, the Company signed an agreement with Altius Minerals Corp. ("Altius") for a four-year, $1.5 million, regional exploration alliance. Altius has the right of first offer on the sale of any alliance Project royalties owned by the Company.

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (continued)

Pursuant to the alliance agreement with Altius, encumbrances on the Llano del Nogal project include:

- Llano del Nogal Claims - 1.0% NSR royalty on base metals and 1.5% NSR royalty on precious metals payable to the vendor; and
- Coyotes Claims - 1.5% NSR royalty payable to Altius and the 1.5% NSR royalty can be repurchased for US$1.5 million.

(b) *Suanse Acquisition Agreement:* On November 21, 2019, the Company entered into an agreement with San Marco Resources Inc. ("San Marco") to acquire 100% interest in Suanse project for US$75,000 per the following schedule:

	Cash payment (US$)	**Status**
Signing	$25,000	*Paid*
Completion of 1,000 metres of drilling	$25,000	
Entering into a future option agreement	$25,000	
Total	**$75,000**	

San Marco holds a 1.0% NSR royalty and the Company has a buyback right to acquire the 1.0% NSR royalty by paying $1.0 million.

(c) *Option Agreement:* On May 3, 2022, the Company signed an option agreement with Riverside Resources Inc. ("Riverside") for the Llano de Nogal whereby Riverside can earn 100% interest in the property by making cash payments totaling US$2.48 million and incur exploration expenditures of US$5.0 million over a six-year period per the following schedule:

	Cash payment (US$)	**Cumulative Exploration Expenditures ($US)**	**Status**
Closing of Transaction	$30,000	-	*Received*
May 3, 2023 (1st anniversary)	$50,000	*$500,000*	
May 3, 2024 (2nd anniversary)	$50,000	*$1,300,000*	
May 3, 2025 (3rd anniversary)	$100,000	*$2,000,000*	
May 3, 2026 (4th anniversary)	$200,000	$3,000,000	
May 3, 2027 (5th anniversary)	$300,000	$4,000,000	
May 3, 2028 (6th anniversary)	$1,750,000	$5,000,000	
Total	**$2,480,000**		

Orogen will retain a 1.0% production royalty and Riverside will retain a 10 year buy-down right whereby 0.5% can be purchased for US$10.0 million. In addition, during the option period, Orogen and Riverside will jointly retain the right to exercise and retain any NSR royalty buydown rights with respect to the Suanse claims (0.5% NSR royalty for $1.0 million) and the Coyotes claim (1.5% NSR royalty for US$1.5 million).

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (CONTINUED)

Canada

I. ***Onjo:*** is a copper-gold porphyry project located in north central British Columbia in the Quesnellia arc and on a magnetic trend hosting the Mount Milligan mine and the Kwanika and Chuchi copper-gold deposits. It is also within ten kilometres from Centerra Gold's Mt. Milligan Mine. Onjo was generated and staked by the Company in 2021.

(a) *Sale Agreement*: On February 3, 2022, the Company completed a purchase and sales agreement with Pacific Ridge Exploration Ltd. ("Pacific Ridge") to sell 100% interest in the Onjo project for $50,000 cash, 750,000 common shares of Pacific Ridge with a deemed fair value of $255,000, and retaining a 2.0% NSR royalty, of which 0.5% can be purchased for US$1.5 million.

II. ***Astro:*** is a gold project located in the Northwest Territories along the Yukon border close to the Canol Road. On September 1, 2022, the Company entered into an option agreement with Rackla Metals Inc. ("Rackla") for the Astro project. Under the terms of the option agreement, Rackla can earn a 100% interest in the project by meeting the following obligations:

	Cash payments	**Common Share issuance**	**Minimum qualified expenditures**	**Status**
On signing (3-days after regulatory approval)	-	120,000- deemed value of $25,200	-	*Received*
September 1, 2023 (12 months following regulatory approval date)	$382,000*	-	$250,000	
Total	**$382,000**	**120,000**	$250,000	

*Payable in common shares of Rackla, or a combination of common shares and cash at the discretion of Rackla. However, the amount of cash portion may not exceed $191,000 and the number of common shares issued will be calculated based on a 30-day VWAP of Rackla's shares immediately preceding the date of issuance of common shares.

In addition to the above, Rackla is also replacing the $40,000 bond that was placed by the Company on the project.

Once Rackla has exercised its option to acquire the Astro project, the Company will retain a 2.5% NSR royalty.

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (CONTINUED)

United States

I. **Si2:** the Company holds 100% interest in the four-square kilometre Si2 project is located 60 kilometres northwest of Tonopah in Esmeralda County, Nevada. The project was generated using the same methodology used by the Company when it staked the Silicon project in 2015. Si2 consists of a large steam heated alteration cell coincident with highly anomalous mercury and no gold or trace elements on surface. This property has the potential to host a buried low-sulphidation epithermal gold deposit.

(a) *Option Agreement:* On January 18, 2022, the Company entered into an option agreement with K2 Gold Corporation ("K2") to earn 100% interest in the Si2 project subject to the following obligations:

	Cash payments (US$)	Status	Minimum cumulative work requirements (US$)	Status
On signing	$50,000	*Received*	-	-
January 18, 2023 (1st anniversary)	$100,000		$150,000	
January 18, 2024 (2nd anniversary)	$100,000		$650,000	
January 18, 2025 (3rd anniversary)	$250,000		$1,250,000	
January 18, 2026 (4th anniversary)	$500,000		$1,750,000	
January 18, 2027 (5th anniversary)	$1,500,000		$2,500,000	
Total	***$2,500,000***			

The Company retains 2.0% NSR royalty once the obligations are completed and the earn-in option is exercised.

II. **Nevada Generative Alliance:** on September 12, 2022, the Company announced a generative exploration alliance (the "Alliance") with a subsidiary of Altius Minerals Corporation ("Altius"). The Alliance will focus on generating gold and silver targets considered geologically similar to the Silicon deposit in the Walker Lane trend in Nevada, US. The initial annual budget of US$300,000 is fully funded by Altius while the Company provides the technical expertise and extensive technical database. Once a project is designated, ongoing expenses and recoveries are shared equally between the Company and Altius.

III. **Kalium Canyon**: covers 135 claims in the Walker Lane trend in Nevada, US. The Company completed a purchase and sale agreement with Green Light Metals Inc. ("Green Light") to sell 100% title and interest in Kalium Canyon gold project on September 14, 2022 for total cash consideration of $30,000 and 1,000,000 common shares of Green Light for a deemed value of $400,000. The common shares are subject to certain provisions upon listing on a recognized Canadian stock exchange. The Company retains a 3.0% NSR royalty and a one-time pre-production payment on certain claims up to US$5.0 million should the property advance to commercial production.

10. MINERAL PROPERTY INTERESTS (CONTINUED)

Kenya

I. **Lake Victoria Gold Fields:** On July 25, 2022, the Company acquired 3.0% net smelter royalty on three prospective mineral licenses in Lake Victoria Gold Fields in western Kenya from Advanced Lithium Corp. ("Advance"). As consideration, the Company paid US$120,000 and the transferred of 100% of its title and interest in the Sarape gold-silver project, located in Sonora, Mexico, to Advance. The Company retains 1.5% NSR royalty on the Sarape project.

Prospect Generation Operations

During the nine months period ended September 30, 2022, the Company recognized $33,934 (2021 - $27,415) in management fees from joint venture projects or alliances where it was the operator. The Company recognized a gain of $631,126 (2021 - $1,472,500) from the sale of the Onjo and Kalium Canyon projects whereby proceeds from sale were greater than carrying value. In addition, the Company also recognized gains from the Nevada Alliance, Callaghan, Raven, Yamana Alliance, Llano del Nogal and other projects whereby recoveries were greater than the projects' carrying values.

During the current period, the Company capitalized $1,661,928 in acquisition and exploration expenditures to mineral property interests and recognized $2,067,311 in recoveries from expense reimbursements and payments from partners on active earn-in agreements, joint ventures or alliances. The Company also recognized an impairment of $262,145 for projects that have been dropped during the period and these include Buffalo Canyon, Cina Mine, Diamond Point, Rambler, Badesi, and Yanira. The impairment of these projects was due to lack of technical merit or interest that has prevented the Company from advancing them and as a result, the titles of these mineral claims were not renewed.

Reclamation Bonds

As at September 30, 2022, the Company holds $212,579 (December 31, 2020 - $209,341) of reclamation bonds. Of this amount, $94,371 (December 31, 2021- $94,371) relates to properties that had no updates or changes during the period. Refer to the Management's Discussion and Analysis for the period ended September 30, 2022 for a complete disclosure of the Company's properties.

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (CONTINUED)

Exploration Expenditures

The following table summarizes the movement in the Company's mineral properties during the period ended September 30, 2022:

Mineral Property Interests	Location	Status	Operator	December 31, 2021	Additions	Recoveries	Gain (loss)	Impairment	Translation	September 30, 2022
Astro	Canada	Optioned	Rackla Metals Inc.	$ 1,125	$ -	$ (25,200)	$ 24,075	$ -	$ -	**$ -**
Ball Creek	Canada	Available		383,011	232,077	-	-	-	-	**615,088**
Lemon Lake	Canada	Optioned	Acme Company Limited	111,108	6,375	(7,500)	-	-	-	**109,983**
Onjo	Canada	Royalty	Pacific Ridge Exploration Ltd.	119,759	7,500	(305,000)	177,741	-	-	**-**
Nechako	Canada	Available		99,732	68,791	-	-	-	-	**168,523**
Trek 31	Canada	Optioned	Pacific Imperial Mines Inc.	170,494	163	(15,000)	-	-	-	**155,657**
Generative	Canada	PG		-	22,162	-	-	-	-	**22,162**
Nevada Alliance	U.S.	Alliance	Orogen and Atlius Minerals Corporation	-	278,565	(281,690)	3,125	-	-	**-**
Tabor	U.S.	Optioned	i-80 Gold Corp.	86,771	-	-	-	-	359	**87,130**
Buffalo Canyon	U.S.	Impaired		-	60	-	-	(60)	-	**-**
Callaghan	U.S.	Optioned	Orogen on behalf of Yamana Gold Inc.	98,569	153,876	(202,104)	-	-	8,000	**58,341**
Cina Mine	U.S.	Impaired		74,953	2,937	-	-	(83,973)	6,083	**-**
Cuprite	U.S.	Available		-	101,111	(50,555)	-	-	-	**50,556**
Diamond Point	U.S.	Impaired		93,002	-	-	-	(94,692)	1,690	**-**
Ecru	U.S.	Optioned	Moneghetti Minerals Limited	84,734	178	(68,535)	-	-	(1,794)	**14,583**
Generative	U.S.	PG		-	24,135		-	-	-	**24,135**
Si2	U.S.	Optioned	K2 Gold Corporation Inc.	60,783	1,076	(68,535)	5,139	-	1,537	**-**
Ghost Ranch	U.S.	Optioned	Ivy Minerals Inc.	293,773	420		-	-	515	**294,708**
Gilbert South	U.S.	Optioned	Eminent Gold Corp.	242,085	7,212	(114,575)	-	-	(4,067)	**130,655**
Jake Creek	U.S.	Available		-	24,327	-	-	-	-	**24,327**
Kalium Canyon	U.S.	Royalty	Green Light Metals Inc.	49,011	300	(447,576)	394,370	-	3,895	**-**
Maggie Creek	U.S.	Optioned	Nevada Gold Mines LLC	114,952	183	-	-	-	138	**115,273**
Manhattan Gap	U.S.	Optioned	Stampede Metals Corp.	5,981	570	(19,464)	25,421	-	(12,508)	**-**
Rambler	U.S.	Impaired		-	617		-	(617)	-	**-**
Raven	U.S.	Optioned	Orogen on behalf of Yamana Gold Inc.	678,570	142,122	(176,718)	-	-	(242)	**643,732**
Silicon	U.S.	Royalty	AngloGold Ashanti NA	36,602,063	-	-	-	-	-	**36,602,063**
Spring Peak	U.S.	Optioned	Acme Company Limited	246,253	180	-	-	-	(755)	**245,678**
Pearl String	U.S.	Optioned	Barrick Gold Corporation	-	52,303	-	-	-	-	**52,303**
Yamana Alliance	U.S.	Alliance	Orogen on behalf of Yamana Gold Inc.	1,579	114,289	(117,251)	1,255	-	128	**-**
Badesi	Mexico	Impaired		54,818	1,884	-	-	(58,961)	2,259	**-**
Generative	Mexico	PG		-	45,785	-	-	-	-	**45,785**
Llan del Nogal	Mexico	Optioned	Riverside Resources Inc.	505,895	127,638	(167,608)	-	-	10,268	**476,193**
Yanira	Mexico	Impaired		1,833	21,836	-	-	(23,842)	173	**-**
La Joya	Mexico	Available		31,533	24,787	-	-	-	392	**56,712**
Agua Zarca	Mexico	Available		-	28,119	-	-	-	-	**28,119**
Lake Victoria Fields	Kenya	Royalty	Shanta Gold Limited	-	170,350	-	-	-	-	**170,350**
Total				**$ 40,212,387**	**$ 1,661,928**	**$ (2,067,311)**	**$ 631,126**	**$ (262,145)**	**$ 16,073**	**$ 40,192,056**

(Expressed in Canadian Dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2022	December 31, 2021
Trade payables	**$ 104,218**	$ 121,906
Accrued liabilites	**41,246**	59,658
	$ 145,464	$ 181,564

The average credit period of purchases is one month. The Company has financial risk management policies in place to ensure that all payables are paid within the agreed-upon credit terms.

12. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Company's exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. Management's current estimate of reclamation and other future site restoration costs to be incurred for existing mineral property interests has been included in these consolidated financial statements as a provision for environmental rehabilitation. The undiscounted amount of the estimated cash flows required to settle the obligations as at September 30, 2022 is $Nil (December 31, 2021 - $Nil).

Environmental Rehabilitation	
Balance, December 31, 2020	$ -
Balance, December 31, 2021	$ -
Balance, September 30, 2022	**$ -**

13. COMMITMENTS AND CONTINGENCIES

During the nine months period ended September 30, 2022, the Company entered into 36-month office lease agreement for its Nevada operations commencing on April 1, 2022 expiring on March 31, 2025 for a total commitment of $90,584. Commitments outstanding within the next twelve months is $57,389 for lease and operating costs, and the estimate for remaining life of the lease is $64,900. See Note 9 on addition to right of use assets and lease liabilities.

During the year ended December 31, 2021, the Company entered into a new office lease agreement for its Vancouver office commencing May 1, 2022 until April 30, 2028. Commitments outstanding for within the next twelve months is $39,997 for lease and operating costs, and the estimate for the remaining life of the lease is $213,237.

	Less than one year	**One to four years**	**Total**
Canada			
Office Lease	$ 40,352	$ 202,942	$ 243,293
Other	1,290	-	1,290
US			
Office Lease	34,226	53,741	87,967
	$ 75,868	**$ 256,683**	**$ 332,550**

14. SHARE CAPITAL

(a) Authorized and issued

The Company's authorized share capital is an unlimited number of common shares without par value and as at September 30, 2022, the Company had 178,763,442 common shares outstanding.

Issuance of common shares

No common shares were issued for the period ended September 30, 2022 (2021 – Nil).

Warrant exercise

During the nine months period ended September 30, 2022, 93,360 (2021 – Nil) common share purchase warrants were exercised at $0.3856 per share for gross proceeds of $35,999 and $9,980 was reclassed from contributed surplus to capital stock.

Stock options exercise

During the nine months period ended September 30, 2022, 589,949 stock options were exercised at a weighted average exercise price of $0.27 per share for gross proceeds of $157,648 and $89,352 was reclassed from contributed surplus to capital stock.

During the period ended September 30, 2021, 3,278,849 stock options were exercised with a weighted average exercise price of $0.21 per share for gross proceeds of $703,348 and $315,708 was reclassed from contributed surplus to capital stock.

(b) Incentive stock options

At the Annual General and Special Meeting on October 27, 2022, the Company has adopted an Omnibus Equity Compensation Plan (the "Plan") that allows the Board of Directors of the Company to grant Stock Options, Restricted Share Units, Deferred Share Units and Performance Share Units to senior officers, employees, consultants and Directors through the acquisition of common shares of the Company. The Plan is a "rolling up to 10%" as defined by Policy 4.4- Security Based Compensation of the TSX Venture Exchange. Pursuant to the plan, the number of shares that are issuable pursuant to the exercise of awards granted shall not exceed 10% of the issued shares of the Company as at the date of any award grant. Shareholders are required to adopt the Plan and re-approve it on a yearly basis thereafter.

Stock options were not granted during the nine months period ended September 30, 2022.

On March 25, 2021, the Company granted 500,000 stock options to a director with an exercise price of $0.33 that expires on March 25, 2026.

On August 3, 2021, the Company granted 500,000 stock options to a director with an exercise price of $0.37 that expires on August 3, 2026.

(Expressed in Canadian Dollars)

14. SHARE CAPITAL (CONTINUED)

(b) Incentive stock options (Continued)

Changes in share purchase options during the period:

	September 30, 2022			September 30, 2021		
	Number of Shares		**Weighted Average Excerise Price**	Number of Shares		Weighted Average Excerise Price
Outstanding, beginning balance	**7,471,624**	**$**	**0.31**	8,304,481	$	0.26
Granted	**-**	**$**	**-**	1,000,000	$	0.35
Exercised	**(589,949)**	**$**	**0.27**	(3,278,849)	$	0.24
Forfeited/Expired	**(46,667)**	**$**	**0.33**	(1,595,008)	$	0.33
Outstanding, ending balance	**6,835,008**	**$**	**0.31**	4,430,624	$	0.27
Options exerciseable	**4,015,009**	**$**	**0.28**	3,113,958	$	0.27

The following share purchase options were outstanding at September 30, 2022:

Expiry Date	**Options Outstanding (number of shares)**	**Options Exerciseable (number of shares)**		**Exercise Price**	**Weighted Average Remaining Life**
2022-11-09	1,150,000	1,150,000	$	0.25	0.11
2023-08-14	373,440	373,440	$	0.16	0.87
2024-07-17	821,568	821,568	$	0.23	1.80
2025-11-23	500,000	200,000	$	0.33	3.15
2026-03-25	500,000	250,000	$	0.33	3.48
2026-08-03	500,000	250,000	$	0.37	3.84
2026-10-26	2,990,000	970,000	$	0.36	4.07
	6,835,008	**4,015,009**	**$**	**0.31**	**2.83**

(Expressed in Canadian Dollars)

14. SHARE CAPITAL (CONTINUED)

(b) Incentive stock options (Continued)

The Company determines the fair value of options using the Black-Scholes option pricing model and used the following assumptions:

Grant Date	**September 30, 2022**	August 5, 2021	March 25, 2021
Volatility	**-**	89.84%	93.07%
Risk Free Interest Rate	**-**	1.27%	0.93%
Expected Life	**-**	5 years	5 years
Dividend Yield	**-**	0.00%	0.00%

The option pricing model requires the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the TSX-V. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model.

The total share-based compensation expense charged against operations for the nine months period ended September 30, 2022 was $361,518 (2021 –recovery $48,291).

(c) Warrants

Share purchase warrants outstanding at September 30, 2022 and 2021 are as follows:

	September 30, 2022			September 30, 2021		
	Number of Shares		**Weighted Average Excerise Price**	Number of Shares		Weighted Average Excerise Price
Outstanding, beginning balance	**23,010,776**	**$**	**0.39**	23,010,776	$	0.39
Issued	**-**	**$**	**-**	-	$	-
Exercised	**(93,360)**	**$**	**0.39**	-	$	-
Expired	**-**	**$**	**-**	-	$	-
Outstanding, ending balance	**22,917,416**	**$**	**0.39**	23,010,776	$	0.39

Expiry Date	**Warrants Outstanding (number of shares)**		**Exercise Price**	**Weighted Average Remaining Life**
May 16, 2023	15,801,871	$	0.39	0.62
April 30, 2024	7,115,545	$	0.40	1.58
	22,917,416	**$**	**0.39**	**0.92**

(Expressed in Canadian Dollars)

15. RELATED PARTY TRANSACTIONS

Transactions between the Company and related parties are disclosed below.

(a) Due to related parties

Included in accounts payable and accrued liabilities at September 30, 2022 was $Nil (December 31, 2021 - $332).

(b) Compensation of key management personnel

The remuneration paid to directors and other key management personnel during the nine-month periods ended September 30, 2022 and 2021 were as follows:

	September 30, 2022	September 30, 2021
Salaries of senior executives (i)	**$ 474,854**	$ 432,702
Short-term employee benefits	**25,982**	8,167
Non-executive directors' fees	**153,472**	115,790
Share-based compensation	**250,197**	92,203
	$ 904,505	$ 648,862

(i) Senior executives include the Chief Executive Officer, Chief Financial Officer, Vice President-Corporate Development.

16. SEGMENTED INFORMATION

During the nine-month periods ended September 30, 2022 and 2021, the Company operated in one industry segment: mineral exploration; within three geographic segments: Canada, United States and Mexico. The Company's non-current assets by geographic areas for the nine-month periods ended September 30, 2022 and 2021 are as follows:

September 30, 2022	**Canada**	**United States**	**Mexico**	**Kenya**	**Total**
Non-Current Assets:					
Mineral properties interest	**$ 1,071,413**	**$ 38,343,484**	**$ 606,809**	**$ 170,350**	**$ 40,192,056**
Property, plant and equipment	**231,260**	**7,239**	**87,333**	**-**	**325,832**
Reclamation bond	**169,834**	**42,745**	**-**	**-**	**212,579**
	$ 1,472,507	**$ 38,393,468**	**$ 694,142**	**$ 170,350**	**$ 40,730,467**

December 31, 2021	Canada	United States	Mexico	Kenya	Total
Non-Current Assets:					
Mineral properties interest	$ 885,229	$ 38,733,079	$ 594,079	$ -	$ 40,212,387
Equipment	253,497	59,021	8,441	-	320,959
Reclamation bond	169,834	39,537	-	-	209,371
	$ 1,308,560	$ 38,831,637	$ 602,520	$ -	$ 40,742,717

(Expressed in Canadian Dollars)

16. SEGMENTED INFORMATION (CONTINUED)

The Company's mineral property revenues by geographic areas for the nine-month periods ended September 30, 2022 and 2021 are as follows:

September 30, 2022	**Canada**	**United States**	**Mexico**	**Total**
Revenues:				
Royalties revenue	**$ -**	**$ -**	**$ 2,840,095**	**$ 2,840,095**
Gain from JV activities	**201,816**	**429,310**	**-**	**631,126**
Project management fees	**-**	**33,934**	**-**	**33,934**
	$ 201,816	**$ 463,244**	**$ 2,840,095**	**$ 3,505,155**

September 30, 2021	Canada	United States	Mexico	Total
Revenues:				
Royalties revenue	$ -	$ -	$ -	$ -
Gain from JV activities	1,472,500	-	-	1,472,500
Project management fees	-	-	27,415	27,415
	$ 1,472,500	$ -	$ 27,415	$ 1,499,915

17. FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

The fair values of cash and cash equivalents, short term investments, amounts receivable, accounts payable and accrued liabilities, and joint venture partner deposits approximate their carrying values due to the short-term to maturities of these financial instruments. The carrying value of marketable securities have been based on quoted market prices, a Level 1 measurement according to the fair value hierarchy. The carrying value of lease liabilities approximates fair value as the interest rates approximate market rates.

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Categories of financial instruments

		September 30, 2022		December 31, 2021
Financial Assets				
FVTPL				
Cash and cash equivalents	**$**	**3,313,963**	$	2,874,867
Short term investments		**5,230,027**		5,130,030
Marketable securities		**1,349,735**		1,553,024
Loans and Receivables				
Trade receivable		**1,216,316**		904,771
	$	**11,110,041**	$	10,462,692
Financial Liabilities				
Other Financial Liabilities				
Accounts payable and accrued liabilities	**$**	**145,464**	$	181,564
Short term lease liabilites		**49,757**		66,903
Joint venture partner deposit		**459,344**		435,013
Long tream lease liabilities		**198,215**		162,393
	$	**852,780**	$	845,873

The Company's financial instruments are exposed to certain financial risks, which include foreign currency risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

(c) Foreign currency risk

The Company incurs certain expenses in currencies other than the Canadian dollar. The Company is subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in US dollars and Mexican pesos ("MXN") to pay these foreign currency expenses as they arise. Receipts in foreign currencies are maintained in those currencies. The Company does not undertake currency hedging activities. The Company also does not attempt to hedge the net investment and equity of integrated foreign operations.

(Expressed in Canadian Dollars)

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Foreign currency risk (Continued)

The carrying amount of the Company's foreign currency denominated monetary assets are as follows:

	September 30, 2022		December 31, 2021	
	US(*)	**MXN(*)**	US(*)	MXN(*)
Cash and cash equivalents	**$ 955,887**	**$ 11,875**	$ 515,446	$ 25,202
Amounts receivable	**1,099,280**	**141,860**	273,813	959,262
Accounts payable and accrued liabilities	**(48,352)**	**(15,747)**	(41,514)	(9,376)
Joint venture partner deposits	**(439,344)**	**-**	(415,013)	-
Net assets denominted in foreign currency	**$ 1,567,471**	**$ 137,988**	$ 332,732	$ 975,088

*Figures in this table are Canadian dollars, converted from the foreign currency, at the closing exchange rate for that date.

The Company uses a sensitivity analysis to measure the effect on total assets of reasonably foreseen changes in foreign exchange rates. The analysis is used to determine if these risks are material to the financial position of the Company. On the basis of current market conditions, the Company has determined that a 10% change in foreign exchange rates would affect the fair value of total assets by -4.19% (December 31, 2021 – -3.74%).

The sensitivity of the Company's loss and comprehensive loss due to changes in the exchange rate between the Mexican peso and the Canadian dollar, and between the US dollar and the Canadian dollar are approximated in the tables below. The change, due to the effect of the exchange rate on financial instruments, is reported in the consolidated statements of loss and comprehensive loss as foreign exchange gains (losses).

	September 30, 2022		September 30, 2021	
	10% Increase in MNX: CAD Rate	**10% Increase in USD: CAD Rate**	10% Increase in MNX: CAD Rate	10% Increase in USD: CAD Rate
Change in net loss and comprehensive loss	**$ (56,784)**	**$ (40,854)**	$ 144,384	$ 177,970

(d) Interest rate risk

The Company's cash and cash equivalents consist of cash held in bank accounts and GICs that earn interest at a fixed interest rate. Future cash flows from interest income on cash and cash equivalents will be affected by declining cash balances. The Company manages interest rate risk by investing in short-term fixed interest financial instruments with varying maturity periods when feasible to provide access to funds as required. A 25-basis point change in interest rate would have an immaterial impact on comprehensive loss based on the cash and cash equivalents at the end of the year.

(Expressed in Canadian Dollars)

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Interest rate risk (Continued)

Actual financial results for the coming year will vary since the balances of financial assets are expected to decline as funds are used for Company expenses.

(e) Credit risk

Credit risk is the risk of an unexpected loss if an exploration partner, counterparty or third party to a financial instrument fails to meet its contractual obligations. To reduce credit risk, cash and cash equivalents and short-term investments are on deposit at major financial institutions. The Company is not aware of any counterparty risk that could have an impact on the fair value of such investments. The carrying value of the financial assets represents the maximum credit exposure.

The Company minimizes credit risk by reviewing the credit risk of the counterparties to its arrangements on a periodic basis. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	September 30, 2022	December 31, 2021
Short-term money market instruments	**$ 61,146**	$ 61,146
Cash bank accounts	**3,252,817**	2,813,721
Short term investments	**5,230,027**	5,130,030
Marketable securities	**1,349,735**	1,553,024
Trade receivable	**1,216,316**	904,771
	$ 11,110,041	$ 9,620,513

At September 30, 2022, the Company's short-term money market instruments were invested in GICs earning annual interest rates of 1.50% to 2.03% (December 31, 2021 – 1.50 to 2.03%).

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, including exploration plans. The Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations, holdings of cash and cash equivalents and short-term investments.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments. The Company staggers the maturity dates of its investments over different time periods when feasible to maximize interest earned. The Company has invested part of the excess cash flow through a financial institution.

(Expressed in Canadian Dollars)

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Liquidity risk (Continued)

The following table summarizes the Company's significant liabilities and corresponding maturities.

Due Date		**September 30, 2022**		December 31, 2021
0-90 days	**$**	**145,464**	$	181,564
91-365 days		**509,101**		501,916
365+ days		**326,911**		291,089
	$	**981,476**	$	974,569

(g) Commodity price risk

The Company's royalty revenues are derived from a royalty interest and are based on the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered. Consequently, the economic viability of the Company's royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

(h) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk and foreign currency risk. The Company is not exposed to significant equity price risk related to its marketable securities.

18. SUBSEQUENT EVENTS

(a) The Company held an Annual General and Special Meeting on October 27, 2022 (the "Meeting") and all resolutions were passed including the elections of directors, appointment of auditor and the Omnibus Equity Incentive Compensation Plan. The Company welcomed Samantha Shorter to the Board. Bob Felder, a former director of the Company, did not stand for re-election at the Meeting and has been appointed as the Company's Technical Advisor.

(b) On November 9, 2022, 1,150,000 stock options with an exercise price of $0.25 were exercised on a net exercise basis at a five-day volume weighted average of $0.40 per share. The Company issued 437,353 common shares resulting in 179,200,795 common shares and 5,685,008 stock options outstanding with a weighted average exercise price of $0.32 per share.