



**TUDOR GOLD CORP.**

**(An Exploration Stage Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**(Expressed in Canadian Dollars)**

**(Unaudited – Prepared by Management)**

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Tudor Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**TUDOR GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

	September 30, 2021	March 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 499,227	\$ 1,498,669
Amounts receivable	793,112	1,199,071
Investments (Note 5)	947,245	993,249
Prepays and deposits	146,151	122,219
	<u>2,385,735</u>	<u>3,813,208</u>
<b>Reclamation deposits</b> (Note 4)	226,600	226,600
<b>Exploration and evaluation assets</b> (Note 4)	71,409,180	53,995,717
<b>Exploration advances</b> (Note 4)	474,303	22,573
<b>Property and equipment</b> (Note 6)	598,028	698,898
	<u>574,437</u>	<u>750,878</u>
<b>Total assets</b>	<u>\$ 75,093,846</u>	<u>\$ 58,756,996</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 2,142,604	\$ 344,143
Current portion of lease obligations (Note 9)	-	3,432
	<u>2,142,604</u>	<u>347,575</u>
<b>Deferred income tax liability</b>	3,908,000	2,719,000
<b>Flow-through share premium liabilities</b> (Note 10)	-	108,357
	<u>3,908,000</u>	<u>2,827,357</u>
<b>Total liabilities</b>	<u>6,050,604</u>	<u>3,174,932</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	83,864,168	68,466,731
Equity reserves (Note 7)	15,138,425	10,827,115
Accumulated other comprehensive income	790,995	836,999
Deficit	(30,750,346)	(24,548,781)
	<u>69,043,242</u>	<u>55,582,064</u>
<b>Total shareholders' equity</b>	<u>69,043,242</u>	<u>55,582,064</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 75,093,846</u>	<u>\$ 58,756,996</u>

Nature of operations (Note 1)

Basis of presentation (Note 2)

Contingencies (Note 14)

Subsequent events (Note 15)

On behalf of the Board:

"Walter Storm"  
Director

"Sean Pownall"  
Director

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

**TUDOR GOLD CORP.**

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**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	Three months ended 30-Sep-21	Three months ended 30-Sep-20	Six months ended 30-Sep-21	Six months ended 30-Sep-20
<b>EXPENSES</b>				
Accretion of lease	\$ -	\$ 143	\$ 3	\$ 335
Automobile	4,900	5,026	9,898	9,044
Consulting fees (Note 8)	153,804	115,188	221,108	215,782
Depreciation (Note 6)	49,787	13,436	100,222	26,840
Management fees (Note 8)	18,000	22,000	36,000	40,000
Office and miscellaneous	106,963	27,328	140,187	39,534
Professional fees	252,591	118,072	467,901	194,078
Salaries and wages (Note 8)	78,077	82,684	146,865	161,046
Shareholder information and promotion	127,762	51,220	215,283	102,941
Share-based compensation (Note 7 and 8)	124,170	3,700,900	4,681,486	5,607,667
Transfer agent, listing and filing fees	82,391	38,067	87,930	49,560
Travel	88,681	35,962	127,500	37,133
<b>Loss from operations</b>	(1,087,126)	(4,210,026)	(6,234,383)	(6,483,960)
Foreign exchange	(7,014)	(8,874)	(8,459)	(13,599)
Interest expense	344	-	-	-
Interest income	-	362	79,273	8,838
Recovery of flow-through share premium liabilities (Note 10)	164,382	-	1,147,652	96,539
Gain on disposal of capital assets	3,352	-	3,352	-
<b>Net loss for the period before taxes</b>	(926,062)	(4,218,538)	(5,012,565)	(6,392,182)
Deferred income tax expense	119,000	-	(1,189,000)	-
<b>Net loss for the period</b>	(807,062)	(4,218,538)	(6,201,565)	(6,392,182)
<b>Other comprehensive loss</b>				
Unrealized gain (loss) on investments (Note 5)	183,362	(62,500)	(46,004)	765,625
<b>Comprehensive loss for the period</b>	\$ (623,700)	\$ (4,281,038)	\$ (6,247,569)	\$ (5,626,557)
<b>Basic and diluted loss per common share</b>	\$ (0.00)	\$ (0.03)	\$ (0.04)	\$ (0.04)
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	179,202,291	167,257,314	177,692,445	159,080,052

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

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**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

	<b>Share Capital</b>		<b>Share Subscriptions Received in Advance</b>	<b>Equity Reserves</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>					
<b>Balance, March 31, 2020</b>	<b>146,718,806</b>	<b>\$ 40,759,027</b>	<b>\$ -</b>	<b>\$ 4,059,586</b>	<b>\$ (15,625)</b>	<b>\$ (12,398,609)</b>	<b>\$ 32,404,379</b>
Private placements	6,652,700	9,313,780	-	-	-	-	9,313,780
Exercise of options	950,000	741,778	-	(322,778)	-	-	419,000
Exercise of warrants	12,819,773	7,848,965	-	(486,753)	-	-	7,362,212
Shares for exploration and evaluation assets	1,981,927	2,896,071	-	-	-	-	2,896,071
Share issue costs	-	(241,423)	-	-	-	-	(241,423)
Share subscriptions received in advance	-	-	1,000	-	-	-	1,000
Share-based compensation	-	-	-	5,607,667	-	-	5,607,667
Fair value adjustment on investment	-	-	-	-	765,625	-	765,625
Loss for the period	-	-	-	-	-	(6,392,182)	(6,392,182)
<b>Balance, September 30, 2020</b>	<b>169,123,206</b>	<b>\$ 61,318,198</b>	<b>\$ 1,000</b>	<b>\$ 8,857,722</b>	<b>\$ 750,000</b>	<b>\$ (18,790,791)</b>	<b>\$ 52,136,129</b>
<b>Balance, March 31, 2021</b>	<b>173,489,704</b>	<b>\$ 68,466,731</b>	<b>\$ -</b>	<b>\$10,827,115</b>	<b>\$ 836,999</b>	<b>\$ (24,548,781)</b>	<b>\$ 55,582,064</b>
Private placements	4,626,500	14,735,400	-	-	-	-	14,735,400
Flow-through share premium	-	(1,039,295)	-	-	-	-	(1,039,295)
Exercise of options	750,000	861,513	-	(366,513)	-	-	495,000
Exercise of warrants	435,000	286,628	-	(12,878)	-	-	273,750
Shares for exploration and evaluation assets	250,000	717,500	-	-	-	-	717,500
Share issue costs	-	(164,309)	-	9,215	-	-	(155,094)
Share-based compensation	-	-	-	4,681,486	-	-	4,681,486
Fair value adjustment on investment	-	-	-	-	(46,004)	-	(46,004)
Loss for the period	-	-	-	-	-	(6,201,565)	(6,201,565)
<b>Balance, September 30, 2021</b>	<b>179,551,204</b>	<b>\$ 83,864,168</b>	<b>\$ -</b>	<b>\$15,138,425</b>	<b>\$ 790,995</b>	<b>\$ (30,750,346)</b>	<b>\$ 69,043,242</b>

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

**TUDOR GOLD CORP.**

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**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

Six months ended September 30,	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (6,201,565)	\$ (6,392,182)
Accretion on lease obligations	3	335
Deferred income tax	1,189,000	-
Depreciation	100,222	26,840
Gain on disposal of capital assets	(3,352)	-
Share-based compensation	4,681,486	5,607,667
Recovery of flow-through share premium liabilities	(1,147,652)	(96,539)
Changes in non-cash working capital items:		
Amounts receivable	405,959	(783,744)
Prepays and deposits	(22,132)	(135,881)
Accounts payable and accrued liabilities	244,007	351,385
Net cash used in operating activities	<u>(754,024)</u>	<u>(1,422,119)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Reclamation deposit	-	(81,000)
Exploration and evaluation assets - option payments	(1,050,000)	(250,000)
Exploration and evaluation assets - exploration expenses	(14,069,660)	(11,979,231)
Exploration Advances	(475,379)	(233,000)
Disposition of Capital Asset	4,000	-
Net cash used in investing activities	<u>(15,591,039)</u>	<u>(12,543,231)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance lease payments	(3,435)	(10,304)
Proceeds from private placements, net	14,580,306	9,072,357
Proceeds from exercise of options	495,000	419,000
Proceeds from exercise of warrants	273,750	7,362,212
Share subscriptions received	-	1,000
Net cash provided by financing activities	<u>15,345,621</u>	<u>16,844,265</u>
<b>Change in cash during the period</b>	<b>(999,442)</b>	<b>2,878,915</b>
<b>Cash, beginning of period</b>	<b>1,498,669</b>	<b>6,087,954</b>
<b>Cash, end of period</b>	<b>\$ 499,227</b>	<b>\$ 8,966,869</b>

**Supplemental disclosures with respect to cash flows (Note 13)**

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

## **TUDOR GOLD CORP.**

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### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

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#### **1. NATURE OF OPERATIONS**

Tudor Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on January 20, 2010. On April 28, 2016, the Company was continued from the Province of Alberta to the Province of British Columbia. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “TUD”. The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

The head office and principal business address of the Company is Suite 205 – 837 West Hastings St., Vancouver, BC, V6C 3N6.

As at September 30, 2021, the Company had working capital of \$243,131. The Company has no source of operating cash flows and as such the Company’s ability to continue as a going concern is contingent on its ability to monetize assets or obtain additional financing. There can be no assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favourable. These factors represent a material uncertainty that may cast a significant doubt on the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements have been prepared on a going concern basis.

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, potentially leading to an economic downturn. It is not possible for the Company at this time to predict the duration or magnitude of the impact of the pandemic towards the Company’s business or results from its operations.

#### **2. BASIS OF PRESENTATION**

##### Statement of Compliance

These condensed consolidated interim financial statements, including comparatives have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these condensed consolidated interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. These condensed consolidated interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2021.

These condensed consolidated interim statements were authorized for issue by the Audit Committee and Board of Directors on November 24, 2021.

##### Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments as described in Note 11, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company and its subsidiary’s functional currency.

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### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

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## **2. BASIS OF PRESENTATION (continued)**

### Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, Goldstorm Metals Corp., which is incorporated in British Columbia on August 5, 2020. All significant intercompany balances and transactions have been eliminated upon consolidation.

### Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **Use of estimates and measurement uncertainties**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these condensed consolidated interim financial statements. Significant estimates made by management include the following:

### Valuation of stock options and share purchase warrants

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

### Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

### Economic recoverability of exploration and evaluation assets

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS**

For the six months ended September 30, 2021:

	Treaty Creek	Eskay North	Crown	Total
<b>ACQUISITION</b>				
<b>Balance, March 31, 2021</b>	<b>\$ 1,877,400</b>	<b>\$ 619,170</b>	<b>\$ 9,943,410</b>	<b>\$ 12,439,980</b>
Share option payments	-	-	717,500	717,500
Cash option payments	-	-	1,050,000	1,050,000
<b>Balance, September 30, 2021</b>	<b>\$ 1,877,400</b>	<b>\$ 619,170</b>	<b>\$ 11,710,910</b>	<b>\$ 14,207,480</b>
<b>EXPLORATION</b>				
<b>Balance, March 31, 2021</b>	<b>\$ 40,323,986</b>	<b>\$ 7,136</b>	<b>\$ 1,224,615</b>	<b>\$ 41,555,737</b>
<b>Additions:</b>				
Accommodation	302,391	-	-	302,391
Assaying	830,200	18,075	27,150	875,425
Consulting fees	295,940	406	7,850	304,196
Drilling	5,196,061	-	-	5,196,061
Environmental studies	171,478	-	-	171,478
Field costs	5,175,399	12,565	18,234	5,206,198
First Nation	40,000	-	-	40,000
Geology	1,001,694	1,861	11,264	1,014,819
Travel and helicopter	3,973,150	21,289	28,281	4,022,720
<b>Total additions for the year</b>	<b>16,986,313</b>	<b>54,196</b>	<b>92,779</b>	<b>17,133,288</b>
Cost recoveries	(1,300,190)	-	(187,135)	(1,487,325)
<b>Balance, September 30, 2021</b>	<b>\$ 56,010,109</b>	<b>\$ 61,332</b>	<b>\$ 1,130,259</b>	<b>\$ 57,201,700</b>
<b>CARRYING VALUE</b>				
March 31, 2021	\$ 42,201,386	\$ 626,306	\$ 11,168,025	\$ 53,995,717
<b>September 30, 2021</b>	<b>\$ 57,887,509</b>	<b>\$ 680,502</b>	<b>\$ 12,841,169</b>	<b>\$ 71,409,180</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2021 and 2020

(Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

For the year ended March 31, 2021:

	Treaty Creek	Eskay North	Crown	Total
<b>ACQUISITION</b>				
<b>Balance, March 31, 2020</b>	<b>\$ 1,877,400</b>	<b>\$ 619,170</b>	<b>\$ 5,529,400</b>	<b>\$ 8,025,970</b>
Share option payments	-	-	3,643,571	3,643,571
Cash option payments	-	-	770,000	770,000
Other acquisition costs	-	-	439	439
<b>Balance, March 31, 2021</b>	<b>\$ 1,877,400</b>	<b>\$ 619,170</b>	<b>\$ 9,943,410</b>	<b>\$ 12,439,980</b>
<b>EXPLORATION</b>				
<b>Balance, March 31, 2020</b>	<b>\$ 16,144,596</b>	<b>\$ 6,973</b>	<b>\$ 1,242,197</b>	<b>\$ 17,393,766</b>
<b>Additions:</b>				
Accommodation	734,267	-	-	734,267
Assaying	1,220,464	-	-	1,220,464
Consulting fees	460,850	163	32,541	493,554
Drilling	8,364,281	-	-	8,364,281
Environmental studies	238,440	-	-	238,440
Field costs	7,297,192	-	-	7,297,192
Geology	1,083,489	-	-	1,083,489
Travel and helicopter	5,497,220	-	2,908	5,500,128
<b>Total additions for the year</b>	<b>24,896,203</b>	<b>163</b>	<b>35,449</b>	<b>24,931,815</b>
Cost recoveries	(716,813)	-	(53,031)	(769,844)
<b>Balance, March 31, 2021</b>	<b>\$ 40,323,986</b>	<b>\$ 7,136</b>	<b>\$ 1,224,615</b>	<b>\$ 41,555,737</b>
<b>CARRYING VALUE</b>				
March 31, 2020	\$ 18,021,996	\$ 626,143	\$ 6,771,597	\$ 25,419,736
<b>March 31, 2021</b>	<b>\$ 42,201,386</b>	<b>\$ 626,306</b>	<b>\$ 11,168,025</b>	<b>\$ 53,995,717</b>

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(Expressed in Canadian dollars)

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#### **4. EXPLORATION AND EVALUATION ASSETS (continued)**

##### **Treaty Creek Property**

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Treaty Creek Property located in northwestern British Columbia by acquiring a 31% interest from American Creek Resources Ltd. ("American Creek"), which held a 51% stake, and a 29% interest from Teuton Resources Corp. ("Teuton"), which held a 49% interest. The Company acquired the combined 60% interest by issuing 500,000 common shares to each of American Creek and Teuton with a combined value of \$1,260,000 (issued). As part of the agreement, the Company agreed to complete a minimum of \$1,000,000 in exploration expenditures on the Treaty Creek Property during 2016 (completed). Pursuant to the agreement, the Company holds a 60% interest and each of American Creek and Teuton hold a 20% interest. Both American Creek's and Teuton's 20% interests are carried during the exploration period until a production notice is given, at which time they will each be responsible for 20% of the costs under and subject to the terms of the joint venture agreement. Different areas of the Treaty Creek Property are subject to 2-3% NSR royalties under the terms of the agreement, and the Company is designated as operator of the joint venture.

##### **Eskay North Property**

On May 10, 2016, the Company acquired a 100% interest in a single mining claim in the Skeena Mining Division of northwestern British Columbia, known as the Eskay North Property. As consideration for the claim, the Company issued 750,000 common shares over a twelve-month period (issued with a combined value of \$605,000). The Eskay North Property is subject to a 2.5% NSR royalty payable to the vendor.

##### **Crown Properties - Mackie East and Mackie West (collectively the "Mackie Property")**

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings Ltd. involving the issuance of 30,000,000 common shares of the Company at a value of \$0.10 per share (issued) in exchange for rights to the Mackie Property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares were subject to an escrow agreement, under which the shares will be released over the next three years. These shares have been released. The Mackie Property consists of three main claim groups: Mackie East, Mackie West and the Doc claims. The Doc claims were fully impaired as at March 31, 2020 as the Company terminated the option agreement on the Doc property.

The Mackie East claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making property payments totaling \$250,000 over the next three years (\$50,000 paid, agreement was subsequently amended). The Mackie East claims are subject to a 2.5% net smelter return ("NSR") royalty.

The Mackie West claims are not subject to an underlying option agreement, and its acquisition has been completed. There are no NSR royalties in respect of these claims.

During the year ended March 31, 2020, the Company entered into an agreement to amend the terms of a purchase and sale agreement dated September 15, 2015 (and assigned to the Company by Tudor Holdings Ltd. under an acquisition agreement dated April 6, 2016) (the "Mill Purchase Agreement").

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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(Expressed in Canadian dollars)

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**4. EXPLORATION AND EVALUATION ASSETS (continued)****Crown Properties - Mackie East and Mackie West (collectively the "Mackie Property") (continued)**

Under the Mill Purchase Agreement, the vendor agreed to sell a 100% interest in certain mineral claims located in the Skeena Mining Division in the Province of British Columbia (the "Skeena Claims") for an aggregate purchase price of \$250,000. The Company and the vendor entered into an amending agreement, whereby the aggregate consideration required to purchase the Skeena Claims consists of 300,000 common shares (issued with a value of \$216,000), an aggregate sum of \$125,000 (paid) and the transfer by the Company to the vendor of a 100% interest in two mineral claims with the tenure numbers 1039253 and 1040402 owned by the Company.

**Crown Properties - Electrum**

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Electrum Property located in northwestern British Columbia from American Creek, by issuing 1,000,000 common shares with a value of \$1,260,000 (issued) and paying \$500,000 (paid). As part of the agreement, the Company also acquired 3,125,000 shares of American Creek by investing \$250,000 pursuant to a private placement, at a price of \$0.08 per American Creek share (Note 5). Under the terms of the agreement, the Company is designated as operator of the joint venture.

The Electrum Property comprises eight claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for \$1,000,000.

On June 19, 2018 the Company entered into an option agreement to acquire the remaining 40% interest in the Electrum property from American Creek by making option payments of \$50,000 (paid) on signing of the agreement and \$2,650,000 on or before August 15, 2018. During the year ended March 31, 2019 the Company let the option to acquire the remaining 40% interest lapse.

On June 15, 2020, the Company completed the purchase of the remaining 40% interest in the Electrum Property from American Creek. The purchase price paid was \$250,000 cash and 1,400,000 of the Company's common shares with a value of \$2,086,000.

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**4. EXPLORATION AND EVALUATION ASSETS (continued)****Crown Properties - Orion**

On June 1, 2016, the Company entered into an option agreement to acquire a 100% interest in the Orion Property located in the Skeena Mining Division of northwestern British Columbia by making option payments totaling \$700,000 (\$200,000 paid) and the issuance of 700,000 common shares over a five-year period (300,000 common shares issued with a value of \$375,000). The Property is subject to a 2.5% NSR royalty. During the year ended March 31, 2019, the Company wrote off its investment in the property totaling \$556,711.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Orion property in which certain payment terms have been amended. Pursuant to the amended payment terms, in order to maintain its option, the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018 (Note 7) and agreed to the following payment schedule:

- \$50,000 and issue 50,000 common shares on or before June 1, 2019; this was further amended on July 10, 2019, whereby the Company issued 175,000 common shares with a value of \$126,000
- \$50,000 and issue 50,000 common shares on or before June 1, 2020; \$50,000 was settled with 75,301 common shares issued with a value of \$112,198, and per agreement the 50,000 common shares were issued with a value of \$46,000
- \$450,000 due on or before June 1, 2021 (paid); and 250,000 common shares due on or before June 1, 2021 (issued at a value of \$717,500).

**Crown Properties - Fairweather, Delta and High North**

On May 24, 2016, the Company entered into agreements with Tudor Holdings Ltd. to assume option agreements on three properties in the Skeena Mining Division of northwestern British Columbia. The Company was granted the right to acquire a 100% interest in the three properties pursuant to the terms of assignment and assumption agreements. The properties are known as the Fairweather Property, the Delta Property, and the High North Property.

During the year ended March 31, 2018, the Company recorded provision charges to fully impair the Fairweather, Delta and High North properties.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Fairweather property, the Delta property and the High North property in which certain payment terms have been amended. The amended payment terms are as follows:

- Fairweather property: in order to maintain the option, the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018; and in order to maintain the option, agreed to the following payment schedule:
  - \$60,000 and issue 50,000 common shares on or before December 15, 2018 (not paid - amended below)
  - \$70,000 and issue 50,000 common shares on or before December 15, 2019 (settled during the year ended March 31, 2021)
  - \$120,000 and issue 250,000 common shares on or before December 15, 2020 (settled during the year ended March 31, 2021)

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**4. EXPLORATION AND EVALUATION ASSETS (continued)****Crown Properties - Fairweather, Delta and High North (continued)**

- Delta property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018; and in order to maintain the option, agreed to the following payment schedule:
  - \$100,000 on March 1, 2019 (not paid - amended below)
  - \$600,000 on March 1, 2020 (amended below)
- High North property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018; and in order to maintain the option, agreed to the following payment schedule:
  - \$100,000 on March 1, 2019 (not paid – amended below)
  - \$600,000 on March 1, 2020 (amended below)

During the year ended March 31, 2020, the Company reached an agreement with Teuton to amend the revised option agreements on the Fairweather property, the Delta property, the High North property and the Orion property, in which certain payment provisions have been amended. Under the terms of the Amending Agreements to exercise the Options, the Company has agreed to pay an aggregate sum of \$1,890,000 until 2022 and issue an aggregate of 1,375,000 common shares. The following common shares were issued as part of the amended agreement:

- Orion Property: 175,000 shares were issued with a value of \$126,000 to settle payments originally due on or before June 1, 2019; all other provisions of the Orion Agreement shall remain unchanged. Discussed above under Orion Property disclosure.
- Fairweather Property: 200,000 shares were issued with a value of \$144,000 to settle payments originally due on or before December 15, 2018; all other provisions of the Fairweather Agreement shall remain unchanged:
  - \$70,000 originally due on or before December 15, 2019 had been settled with 105,422 shares issued with a value of \$157,079; and 50,000 shares originally due on or before December 15, 2019 had been issued with a value of \$46,000.
  - \$120,000 originally due on or before December 15, 2020 had been paid; and 250,000 shares originally due on or before December 15, 2020 had been issued with a value of \$747,500.
- Delta Property: 200,000 shares were issued with a value of \$144,000 to settle payment originally due on March 1, 2019. Furthermore, the remaining \$600,000 was amended as follows:
  - \$100,000 to be paid on or before March 1, 2020 (settled with 150,602 shares issued with a value of \$224,397)
  - \$200,000 to be paid on or before March 1, 2021 (paid)
  - \$300,000 to be paid on or before March 1, 2022 (paid)

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**4. EXPLORATION AND EVALUATION ASSETS (continued)****Crown Properties - Fairweather, Delta and High North (continued)**

- High North Property: 200,000 shares were issued with a value of \$144,000 to settle payment originally due on March 1, 2019. Furthermore, the remaining \$600,000 was amended as follows:
  - \$100,000 to be paid on or before March 1, 2020 (settled with 150,602 shares issued with a value of \$224,397)
  - \$200,000 to be paid on or before March 1, 2021 (paid)
  - \$300,000 to be paid on or before March 1, 2022 (paid)

Reclamation Bonds

During the six months ended September 30, 2021, the Company posted reclamation bond of \$226,600 (March 31, 2021 - \$226,600) to the Minister of Finance relating to Treaty Creek reclamation program. Furthermore, these bonds are recoverable, subject to the Company meeting the B.C. Ministry of Energy and Mines reclamation requirements.

Exploration Advances

As at September 30, 2021, the Company had \$474,303 (March 31, 2021 - \$22,573) of exploration advances for future work on the properties.

**5. INVESTMENTS**

	September 30, 2021		March 31, 2021	
	Cost	Fair Value	Cost	Fair Value
<b>American Creek:</b>				
3,125,000 common shares	\$ 250,000	\$ 890,625	\$ 250,000	\$ 890,625
<b>Stinger Resources Inc. "Stinger":</b>				
353,875 common shares	\$ -	\$ 56,620	\$ -	\$ 102,624
	\$ 250,000	\$ 947,245	\$ 250,000	\$ 993,249

During the year ended March 31, 2021, the Company received 353,875 common shares of Stinger pursuant to the spinout arrangement between American Creek and Stinger.

During the period ended September 30, 2021, the Company recognized an unrealized loss of \$46,004 (2020 – gain of \$765,625) as a fair value adjustment to the investment. This amount has been recorded under accumulated other comprehensive income.

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**6. PROPERTY AND EQUIPMENT**

	<b>Building</b>	<b>Land</b>	<b>Equipment</b>	<b>Vehicle</b>	<b>Website</b>	<b>Total</b>
<b>COSTS</b>						
Balance, March 31, 2020	\$ 38,750	\$ 33,750	\$ 138,987	\$ 14,000	\$ 60,977	\$ 286,464
Additions	-	-	654,712	-	-	654,712
Balance, March 31, 2021	38,750	33,750	793,699	14,000	60,977	941,176
Additions	-	-	-	-	-	-
Disposal	-	-	(5,186)	-	-	(5,186)
<b>Balance, September 30, 2021</b>	<b>\$ 38,750</b>	<b>\$ 33,750</b>	<b>\$ 788,513</b>	<b>\$ 14,000</b>	<b>\$ 60,977</b>	<b>\$ 935,990</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance, March 31, 2020	6,750	-	68,243	5,578	33,996	114,567
Depreciation	1,938	-	108,779	1,750	15,244	127,711
Balance, March 31, 2021	8,688	-	177,022	7,328	49,240	242,278
Depreciation	969	-	90,756	875	7,622	100,222
Disposal	-	-	(4,538)	-	-	(4,538)
<b>Balance, September 30, 2021</b>	<b>\$ 9,657</b>	<b>\$ -</b>	<b>\$ 263,240</b>	<b>\$ 8,203</b>	<b>\$ 56,862</b>	<b>\$ 337,962</b>
<b>NET BOOK VALUE</b>						
March 31, 2021	\$ 30,062	\$ 33,750	\$ 616,677	\$ 6,672	\$ 11,737	\$ 698,898
<b>September 30, 2021</b>	<b>\$ 29,093</b>	<b>\$ 33,750</b>	<b>\$ 525,273</b>	<b>\$ 5,797</b>	<b>\$ 4,115</b>	<b>\$ 598,028</b>

**7. SHAREHOLDERS' EQUITY****Authorized share capital**

Unlimited common shares, without par value.

Unlimited preferred shares issuable in series.

**Share issuances***During the period ended September 30, 2021, the Company:*

- a) Closed a non-brokered private placement consisting of 1,000,000 flow-through common shares at a price of \$3.60 per share for gross proceeds of \$3,600,000. The Company recognized \$600,000 flow-through liability from this issuance.
- b) Closed a non-brokered private placement consisting of 2,000,000 non-flow-through common shares at a price of \$3.00 per share for gross proceeds of \$6,000,000.
- c) Issued 250,000 shares with a value of \$717,500 relating to Orion property, pursuant to mineral property option agreement amendments (Note 4).

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**7. SHAREHOLDERS' EQUITY (continued)****Share issuances (continued)**

- d) Closed a non-brokered private placement consisting of 426,500 flow-through common shares at a price of \$3.60 per share for gross proceeds of \$1,535,400. The Company recognized \$439,295 flow-through liability from this issuance. In connection with the private placement, the Company paid certain finders a total cash finder's fee of \$91,670 and issued an aggregate of 16,976 non-transferrable finders' warrants. Each finder's warrant entitles the holder to acquire one common share at a price of \$3.60 per share until June 21, 2022. The fair value of the finders' warrants was estimated to be \$9,215 using the Black-Scholes option pricing model with the following assumptions: term of 1 year; expected volatility of 81.66%; risk-free rate of 0.44%; and expected dividends of Nil.
- e) Closed a non-brokered private placement consisting of 1,200,000 non-flow-through common shares at a price of \$3.00 per share for gross proceeds of \$3,600,000.

During the period ended September 30, 2021, the Company issued 435,000 shares pursuant to the exercise of warrants at exercise prices ranging from \$0.50 to \$0.65 per share for gross proceeds of \$273,750. The Company reallocated the fair value of these warrants previously recorded in the amount of \$12,878 from equity reserves to share capital.

During the period ended September 30, 2021, the Company issued 750,000 shares pursuant to the exercise of options at exercise price of \$0.66 per share for gross proceeds of \$495,000. The Company reallocated the fair value of these options previously recorded in the amount of \$366,513 from equity reserves to share capital.

*During the year ended March 31, 2021, the Company:*

- a) Issued 100,000 shares with a value of \$92,000 relating to Orion and Fairweather property, pursuant to mineral property option agreement amendments (Note 4).
- b) Issued 1,400,000 shares with a value of \$2,086,000 relating to Electrum property, pursuant to mineral property option agreement (Note 4).
- c) Issued 481,927 shares with a value of \$718,071 as settlement of the various cash payments relating to Orion, Fairweather, Delta, and High North property, pursuant to mineral property option agreement amendments (Note 4).
- d) Closed a non-brokered private placement consisting of 6,652,700 flow-through common shares at a price of \$1.40 per share for gross proceeds of \$9,313,780. The Company recognized \$Nil flow-through liability from this issuance. In connection with the private placement, the Company paid certain finders a total cash finder's fee of \$186,276.

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**7. SHAREHOLDERS' EQUITY (continued)**

e) Closed a non-brokered private placement consisting of 1,448,623 flow-through common shares at a price of \$3.40 per share for gross proceeds of \$4,925,318 (Note 10). In connection with the private placement, the Company paid certain finders a total cash finder's fee of \$295,519 and issued an aggregate of 57,945 non-transferrable finders' warrants. Each finder's warrant entitles the holder to acquire one common share at a price of \$3.40 per share until November 30, 2021. The fair value of the finders' warrants was estimated to be \$61,812 using the Black-Scholes option pricing model with the following assumptions: term of 1 year; expected volatility of 111.85%; risk-free rate of 0.24%; and expected dividends of Nil.

f) Issued 250,000 shares with a value of \$747,500 relating to Fairweather property, pursuant to mineral property option agreement amendments (Note 4).

During the year ended March 31, 2021, the Company issued 2,700,000 shares pursuant to the exercise of stock options at exercise prices ranging from \$0.10 to \$1.00 per share for gross proceeds of \$1,588,000. The Company reallocated previously recorded fair value in the amount of \$939,193 from equity reserves to share capital.

During the year ended March 31, 2021, the Company issued 13,737,648 shares pursuant to the exercise of warrants at exercise prices ranging from \$0.32 to \$1.00 per share for gross proceeds of \$8,028,180. The Company reallocated previously recorded fair value in the amount of \$535,287 from equity reserves to share capital.

**Stock options**

The Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

On March 12, 2020, the Company granted 100,000 stock options at an exercise price of \$0.50 expiring on March 12, 2023, with 25,000 options vesting immediately, 25,000 options vesting every three months (subsequently accelerated to vest by June 29, 2020). The fair value of the stock options was estimated to be \$20,394 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 86.89%; risk-free rate of 0.49%; and expected dividends of Nil.

On June 11, 2020, the Company granted 350,000 stock options at an exercise price of \$1.14 expiring on June 11, 2025. 87,500 options vest every three months. The fair value of the stock options was estimated to be \$302,716 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 93.36%; risk-free rate of 0.36%; and expected dividends of Nil.

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**7. SHAREHOLDERS' EQUITY (continued)****Stock options (continued)**

On August 21, 2020, the Company granted 2,000,000 stock options at an exercise price of \$2.82 expiring on August 21, 2024. The fair value of the stock options was estimated to be \$3,700,900 using the Black-Scholes option pricing model with the following assumptions: term of 4 years; expected volatility of 94.26%; risk-free rate of 0.30%; and expected dividends of Nil.

On January 20, 2021, the Company granted 1,650,000 stock options at an exercise price of \$2.09 expiring on January 20, 2026. The fair value of the stock options was estimated to be \$2,572,530 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 94.64%; risk-free rate of 0.43%; and expected dividends of Nil.

On April 5, 2021, the Company granted 450,000 stock options at an exercise price of \$3.14 expiring on April 5, 2026. 200,000 of these options vest 25% every three months. The fair value of the stock options was estimated to be \$990,872 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 94.17%; risk-free rate of 1.01%; and expected dividends of Nil.

On June 1, 2021, the Company granted 2,000,000 stock options at an exercise price of \$2.70 expiring on June 1, 2026. The fair value of the stock options was estimated to be \$3,788,863 using the Black-Scholes option pricing model with the following assumptions: term of 5 years; expected volatility of 91.70%; risk-free rate of 0.91%; and expected dividends of Nil.

Changes in stock options for the six months ended September 30, 2021 and the year ended March 31, 2021 are as follows:

	<b>September 30, 2021</b>		<b>March 31, 2021</b>	
	<b>Number of stock options</b>	<b>Exercise price</b>	Number of stock options	Exercise price
Outstanding, beginning	15,250,000	\$ 0.91	14,200,000	\$ 0.47
Granted	2,450,000	\$ 2.78	4,000,000	\$ 2.37
Exercised	(750,000)	\$ 0.66	(2,700,000)	\$ 0.59
Expired/Cancelled	-	\$ -	(250,000)	\$ 2.82
<b>Outstanding, ending</b>	<b>16,950,000</b>	<b>\$ 1.19</b>	15,250,000	\$ 0.91
<b>Exercisable, ending</b>	<b>16,800,000</b>	<b>\$ 1.15</b>	15,162,500	\$ 0.91

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**7. SHAREHOLDERS' EQUITY (continued)****Stock options (continued)**

Stock options outstanding as at September 30, 2021 are as follows:

<b>Grant Date</b>	<b>Number of stock options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
April 19, 2016	1,100,000	\$0.10	April 19, 2026
March 15, 2018	600,000	\$0.55	March 15, 2022
March 20, 2019	4,900,000	\$0.30	March 20, 2024
August 2, 2019	500,000	\$0.67	August 2, 2024
January 10, 2020	3,550,000	\$0.66	January 10, 2025 <sup>(1)</sup>
March 12, 2020	100,000	\$0.50	March 12, 2023
June 11, 2020	350,000	\$1.14	June 11, 2025
August 21, 2020	1,750,000	\$2.82	August 21, 2024
January 20, 2021	1,650,000	\$2.09	January 20, 2026
April 5, 2021	450,000	\$3.14	April 5, 2026
June 1, 2021	2,000,000	\$2.70	June 1, 2026
	<b>16,950,000</b>		

(1) 750,000 exercised subsequent to September 30, 2021

**Warrants**

Changes in share purchase warrants for the six months ended September 30, 2021 and the year ended March 31, 2021 are as follows:

	<b>September 30, 2021</b>		<b>March 31, 2021</b>	
	<b>Number of warrants</b>	<b>Exercise price</b>	<b>Number of warrants</b>	<b>Exercise price</b>
Outstanding, beginning	656,945	\$ 0.84	14,346,648	\$ 0.59
Issued	16,976	\$ 3.60	57,945	\$ 3.40
Exercised	(435,000)	\$ 0.63	(13,737,648)	\$ 0.58
Expired	-	\$ -	(10,000)	\$ 1.00
<b>Outstanding, ending</b>	<b>238,921</b>	<b>\$ 1.42</b>	<b>656,945</b>	<b>\$ 0.84</b>

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**7. SHAREHOLDERS' EQUITY (continued)****Warrants (continued)**

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

<b>Issue Date</b>	<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
December 5, 2019	164,000	\$0.50	December 5, 2021 <sup>(1)</sup>
November 30, 2020	57,945	\$3.40	November 30, 2021
June 21, 2021	16,976	\$3.60	June 21, 2022
	238,921		

(1) 2,000 exercised subsequent to September 30, 2021

**8. RELATED PARTY TRANSACTIONS**

As at September 30, 2021, a total of \$774,019 (March 31, 2021 - \$19,580) was owing to officers, directors, former directors and companies controlled by directors of the Company and is included in accounts payable and accrued liabilities.

**Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The Company paid and/or accrued management, accounting and administrative services, which have been recorded as professional fees, of \$77,195 (2020 - \$80,480) to Cross Davis and Company LLP, a firm of which the Chief Financial Officer, Scott Davis is a partner.

The Company paid and/or accrued consulting fees of \$113,100 (2020 - \$117,200) to Ken Konkin, the exploration manager of the Company, for management and supervision of field operations. The Company also paid and/or accrued a total of \$70,193 (2020 - \$87,143) to Ken Konkin for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period.

The Company paid and/or accrued fees of \$6,846,191 (2020 - \$6,896,669) to More Core Drilling Services Ltd. ("More Core"), a company controlled by Sean Pownall, a director of the Company. These fees have been capitalized under exploration and evaluation assets and recorded as drilling and field cost expenditures.

During the six months ended September 30, 2021, the Company accrued salaries and wages of \$60,000 (2020 - \$60,000) to Walter Storm, the Chief Executive Officer of the Company.

During the six months ended September 30, 2021, the Company paid and/or accrued management fees of \$36,000 (2020 - \$40,000) to Tudor Holdings, a company controlled by an officer and director of the Company.

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**8. RELATED PARTY TRANSACTIONS (continued)**

During the six months ended September 30, 2021, the Company recognized share-based compensation expense of \$3,581,574 (2020 - \$4,368,935) for options granted to various officers and directors of the Company.

**9. LEASE OBLIGATIONS**

On June 16, 2017, the Company entered into a four year finance lease for field equipment. The Company paid \$10,000 plus taxes on signing as its first lease payment and is required to pay \$1,605 per month plus taxes until May 2021. The present value of the total lease obligation was \$85,295 using the financing rate of 3.99%. As at September 30, 2021, \$Nil (March 31, 2021 - \$3,432) of the lease obligation is due within one year. During the six months ended September 30, 2021, the Company recorded a total accretion expense of \$3 (2020 - \$192) related to this lease obligation.

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**10. FLOW-THROUGH SHARE PREMIUM LIABILITY**

The following is a continuity schedule of the Company's flow-through share premium liability.

	Issued on December 5, 2019	Issued on December 27, 2019	Issued on November 30, 2020	Issued on April 27, 2021	Issued on June 21, 2021	Total
<b>Balance, March 31, 2020</b>	\$ 12,825	\$ 83,714	\$ -	\$ -	\$ -	\$ 96,539
Liabilities incurred on flow-through shares	\$ -	\$ -	\$ 637,394	\$ -	\$ -	\$ 637,394
Settlement of flow-through share liability	\$ (12,825)	\$ (83,714)	\$ (529,037)	\$ -	\$ -	\$ (625,576)
<b>Balance, March 31, 2021</b>	-	-	108,357	-	-	108,357
Liabilities incurred on flow-through shares	-	-	-	600,000	439,295	1,039,295
Settlement of flow-through share liability	-	-	(108,357)	(600,000)	(439,295)	(1,147,652)
<b>Balance, September 30, 2021</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

On December 5, 2019, the Company raised \$3,000,000 through the issuance of 6,000,000 flow-through common shares at a price of \$0.50 per share. A flow-through liability of \$120,000 was recognized on the issuance date. As of March 31, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

On December 27, 2019, the Company raised \$2,930,000 through the issuance of 4,185,714 flow-through common shares at a price of \$0.70 per share. A flow-through liability of \$83,714 was recognized on the issuance date. As of March 31, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

On July 7, 2020, the Company raised \$9,313,780 through the issuance of 6,652,700 flow-through common shares at a price of \$1.40 per share. \$Nil flow-through liability was recognized on the issuance date. As of March 31, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

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**10. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)**

On November 30, 2020, the Company raised \$4,925,318 through the issuance of 1,448,623 flow-through common shares at a price of \$3.40 per share. A flow-through liability of \$637,394 was recognized on the issuance date. As of September 30, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

On April 27, 2021, the Company raised \$3,600,000 through the issuance of 1,000,000 flow-through common shares at a price of \$3.60 per share. A flow-through liability of \$600,000 was recognized on the issuance date. As of September 30, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

On June 21, 2021, the Company raised \$1,535,400 through the issuance of 426,500 flow-through common shares at a price of \$3.60 per share. A flow-through liability of \$439,295 was recognized on the issuance date. As of September 30, 2021, the Company has satisfied all its flow-through obligations arising from this financing.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 2021, the Company's financial instruments are comprised of cash, amounts receivable, investment, reclamation bonds, accounts payable and accrued liabilities and lease obligations. The fair values of these financial instruments approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at September 30, 2021, the fair value of investments (Note 5) held by the Company was based on level 1 of the fair value hierarchy. The fair value of the Company's lease obligations approximate the carrying values as the contractual interest rates are comparable to current market interest rates.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

**Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper. The Company's receivables are comprised mainly of goods and services taxes refund from the Canadian government.

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#### **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2021, the Company had cash of \$499,227 to settle current liabilities of \$2,142,604. All of the Company's current financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

##### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

##### Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's current exposure to interest rate risk is limited to its cash and cash equivalents yielding interest income at varying rates. The Company's interest obligations on its credit facility, loan payable and certain accounts payable balances, are fixed. The Company's current exposure to interest rate risk is insignificant.

##### Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has nominal expenses denominated in a foreign currency, so it is not exposed to any significant foreign currency risk.

##### Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

#### **12. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2021, the Company's shareholders' equity was \$69,043,242. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

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**12. CAPITAL MANAGEMENT (continued)**

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the six months ended September 30, 2021.

**13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

**During the six months ended September 30, 2021**

The Company issued 250,000 common shares valued at \$717,500 relating to Orion property, pursuant to amended option agreement with Teuton (Note 4).

The Company included \$1,744,097 in exploration and evaluation assets which relates to accounts payable and accrued liabilities.

**During the six months ended September 30, 2020**

The Company issued 581,927 common shares pursuant to an agreement with Teuton to amend the revised option agreements on the Fairweather property, the Delta property, the High North property and the Orion property valued at \$810,071 (Note 4).

The Company issued 1,400,000 common shares pursuant to an agreement with American Creek relating to the Electrum property valued at \$2,086,000 (Note 4).

The Company included \$3,618,245 in exploration and evaluation assets which relates to accounts payable and accrued liabilities.

**14. CONTINGENCIES**

During the year ended March 31, 2021, the Company received a lawsuit in the Supreme Court of British Columbia from a former consultant regarding previously granted options that would have vested under certain milestones. Management intends to defend against the claim.

**15. SUBSEQUENT EVENTS**

Subsequent to September 30, 2021, the Company:

- a) Issued 750,000 shares on the exercise of options for proceeds of \$495,000.
- b) Issued 5,100,000 shares to acquire certain assignors' interest in a royalty agreement relating to Treaty Creek.

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**15. SUBSEQUENT EVENTS (continued)**

- c) Closed a brokered private placement consisting of 2,250,600 non-flow-through common shares at a price of \$2.10 per share for gross proceeds of \$4,726,260; And 4,109,496 flow-through common shares at a price of \$2.50 per share for gross proceeds of \$10,273,740. The Company issued 355,205 finder's warrants in relation to the private placement.
- d) Issued 2,000 shares on the exercise of warrants for proceeds of \$1,000.
- e) Entered into a credit facility agreement with a related party for up to \$800,000. The credit facility was due and payable on December 31, 2021, and was unsecured, non-convertible, with an interest rate of 3.45% per annum. On November 9, 2021, the principal amount of \$800,000 and accrued interest of \$2,495 was repaid in full.