

Form 51-102F4
Business Acquisition Report

Item 1 - Identity of Company

1.1 Name and Address of Company

Sabre Gold Mines Corp. ("**Sabre**" or the "**Corporation**")
18 King St. E.
Suite 902
Toronto, Ontario
M5C 1C4

1.2 Executive Officer

For further information, please contact:

Giulio T. Bonifacio
President & CEO
604-318-6760

Item 2 - Details of Acquisition

2.1 Nature of Business Acquired

On September 2, 2021, Sabre completed its acquisition of Golden Predator Mining Corp. ("**Golden**"). Sabre acquired all of the outstanding common shares of Golden pursuant to a plan of arrangement (the "**Arrangement**") announced on June 28, 2021. Following completion of the Arrangement, Golden became a wholly-owned subsidiary of Sabre. The Arrangement was approved by the shareholders of Golden at a special meeting held on August 25, 2021.

Golden owns, among other things, 100% of the Brewery Creek gold mining project located in Yukon, Canada (the "**Brewery Creek Project**"). The Brewery Creek Project consists of an area of 181 square kilometers (km²), located in northwestern Yukon, approximately 55 kilometers (km) due east of Dawson City.

For further details regarding the Arrangement, Golden and the Brewery Creek Project, please refer to the joint management information circular of Sabre and Golden dated July 23, 2021 and filed on SEDAR (www.sedar.com) under the respective issuer profiles of Sabre and Golden on July 27, 2021 (the "**Circular**").

2.2 Date of Acquisition

September 2, 2021.

2.3 Consideration

Upon the closing of the Arrangement, shareholders of Golden became entitled to receive 1.65 common shares of Sabre in exchange for each Golden Share held immediately prior to the effective time of the Arrangement. As consideration for acquiring all of the Golden Shares, Sabre issued an aggregate of 284,515,638 Sabre Shares to the former Golden shareholders.

In addition, pursuant to the Arrangement, (i) each stock option of Golden outstanding immediately prior to the effective time of the Arrangement was deemed to be exchanged for a replacement stock option of Sabre entitling the holder thereof to receive Sabre Shares in lieu of Golden Shares, as adjusted in accordance with the plan of arrangement, with a total of 6,657,750 common shares reserved for issuance to former holders of Golden stock options, and (ii) each warrant to acquire Golden Shares (“**Golden Warrants**”) outstanding immediately prior to the effective time of the Arrangement became entitled to receive, in lieu of Golden Shares, 1.65 of a Sabre Share upon exercise of each such Golden Warrant.

2.4 Effect on Financial Position

Through the acquisition of Golden, Sabre diversifies its mining portfolio with the Brewery Creek Project which it considers to be a high-potential return gold development opportunity in a proven and stable jurisdiction. Through the full ownership and control of the project, and with the integration of Sabre and Golden’s board members and technical teams, with proven experience in North America operating mining assets, Sabre believes that it is well positioned to develop the Brewery Creek Project.

In connection with the Arrangement, Golden’s common shares were delisted from the TSX Venture Exchange at the close of business on September 3, 2021. An application for Golden to cease to be a reporting issuer in all applicable jurisdictions in Canada has been filed and is pending.

The effect of the Arrangement on the financial position of Sabre is outlined in the unaudited pro forma condensed consolidated financial statements referred to in Item 3 below, which shows the effect of the Arrangement on the results of operations and on the financial position of Sabre.

The post-Arrangement Board of Directors of Sabre includes six members, consisting of three pre-Arrangement directors (being Giulio T. Bonifacio, Claudio Ciavarella and Fahad Mohammed Al-Tamimi) together with three new post-Arrangement directors (being Tony Lesiak, Stefan Spears and William M. Sheriff). In addition, Michael Maslowski joined the management team of Sabre as Vice President, Technical Services and Exploration.

2.5 Prior Valuations

To the knowledge of Sabre, there has been no valuation opinion obtained within the last 12 months by Sabre or Golden required by securities legislation or a Canadian exchange or market to support the consideration paid by Sabre in connection with the Arrangement.

2.6 Parties to Transaction

Sabre and Golden were parties to the Arrangement.

2.7 Date of Report

October 1, 2021.

Item 3 - Financial Statements

The following unaudited pro forma condensed consolidated financial statements of Sabre are attached as Schedule "A". These pro forma combined financial statements have been compiled from and include:

(a) An unaudited pro forma combined statement of financial position as of March 31, 2021 combining:

(i) The combined statement of financial position of the Corporation as of March 31, 2021; and

(ii) The combined statement of financial position of Golden as of March 31, 2021.

(b) An unaudited pro forma combined statement of loss and comprehensive loss for the nine months ended March 31, 2021 combining:

(i) The statement of loss and comprehensive loss of the Corporation for the nine months ended March 31, 2021; and

(ii) The compiled statement of loss and comprehensive loss of Golden for the nine months ended March 31, 2021.

(c) An unaudited pro forma combined statement of income (loss) and comprehensive income (loss) for the year ended June 30, 2020 combining:

(i) The statement of income (loss) and comprehensive income (loss) of the Corporation for the year ended June 30, 2020; and

(ii) The compiled statement of loss and comprehensive loss of Golden for the year ended June 30, 2020. Golden's year end is December 31st therefore to create a statement of loss and comprehensive loss for the year ended June 30, 2020, the results for the period from January 1, 2019 to July 31, 2019 were deducted from the

results for the period ended December 31, 2019, and the six months ended June 30, 2020 were added.

The above-noted pro forma financial statements are included in the Circular filed on SEDAR (www.sedar.com) under the respective issuer profiles of Sabre and Golden on July 27, 2021.

The former auditors of Golden, Grant Thornton LLP, have not given their consent to include their audit report in this business acquisition report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This business acquisitions report contains or incorporates by reference certain forward-looking statements and forward-looking information within the meaning of Canadian securities laws (collectively, "forward-looking statements"). All statements contained herein that are not clearly historical in nature are forward-looking, and the words "pro forma", "anticipate", "attempt", "believe", "expect", "estimate", "ensure", "plans", "focus", "strategy", "strive", "plan", "may", "intend", "indicate", "potential" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements represent the Corporation's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, no assurances can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Many factors could cause the Corporation's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Corporation. Any forward-looking statements contained herein are made as of the date hereof and the Corporation assumes no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. The factors discussed under the heading "Risk Factors" in the Circular, and those risks set forth in Sabre's filings with securities authorities, which are available on SEDAR (www.sedar.com) under Sabre's issuer profile, should be read carefully in conjunction with this business acquisitions report.

SCHEDULE A



**ARIZONA GOLD CORP.
PRO FORMA COMBINED FINANCIAL STATEMENTS
MARCH 31, 2021
(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)**

Arizona Gold Corp.

Pro Forma Combined Statement of Financial Position

As at March 31, 2021

Expressed in Canadian Dollars - Unaudited

	Arizona Gold Corp.	Golden Predator Mining Corp.	Pro Forma Adjustments	Notes	Pro Forma Combined
	\$	\$	\$		\$
ASSETS					
Current assets					
Cash and cash equivalents	9,482,277	156,893	-		9,639,170
Restricted cash	-	11,500	-		11,500
Marketable securities	-	5,898,305	(1,265,603)	4(e)	6,243,923
Accounts receivable	82,446	31,544	-		113,990
Due from associate	-	152,445	-		152,445
Prepaid expenses and deposits	570,427	216,507	-		786,934
Inventory	-	78,873	-		78,873
Total current assets	10,135,150	6,546,067	(1,265,603)		17,026,835
Non-current assets					
Restricted investments	1,058,291	-	-		1,058,291
Investment in associate	-	1,945,519	5,110,711	4(e)	7,056,230
Plant, plant and equipment	8,220,537	1,032,631	-		9,253,168
Right-of-use assets	51,312	86,161	-		137,473
Mineral properties	13,099,406	1,664,676	21,909,647	4(e)	35,062,509
Total assets	32,564,696	11,275,054	25,754,756		69,594,506
LIABILITIES					
Current liabilities					
Trade and other payables	1,007,695	2,393,344	1,072,540	4(c)	4,745,265
			271,687	4(d)	
Derivative financial liabilities	78,990	74,423	-		153,413
Lease liabilities	28,177	56,570	-		84,747
Total current liabilities	1,114,862	2,524,337	1,344,226		4,983,425
Non-current liabilities					
Promissory notes payable	6,845,806	-	-		6,845,806
Convertible promissory notes payable	4,923,588	-	-		4,923,588
Derivative financial liabilities	138,502	-	-		138,502
Deferred revenue	15,289,634	-	-		15,289,634
Lease liabilities	7,355	-	-		7,355
Other loan	196,422	-	-		196,422
Deferred tax liabilities	35,394	-	-		35,394
Decommissioning liabilities	2,339,255	-	-		2,339,255
Total liabilities	30,890,818	2,524,337	1,344,226		30,980,818
SHAREHOLDERS' EQUITY					
Share capital	149,055,924	85,992,530	(85,992,530)	4(b)	183,178,001
			34,122,077	4(a)	
Contributed surplus	13,457,711	8,513,515	(8,513,515)	4(b)	13,457,711
Share-based payments reserve	3,053,987	-	196,699	4(a)	3,250,686
Warrant reserve	3,466,048	-	186,698	4(a)	3,652,746
Equity portion of convertible debt	751,000	-	-		751,000
Other comprehensive income	1,176,395	-	-		1,176,395
Deficit	(169,287,187)	(85,755,328)	85,755,328	4(b)	(170,631,413)
			(1,072,540)	4(c)	
			(271,687)	4(d)	
Total shareholders' equity	1,673,878	8,750,717	24,410,529		34,835,124
Total liabilities and equity	32,564,696	11,275,054	25,754,756		69,594,506

The accompanying notes form an integral part of these pro forma combined financial statements

Arizona Gold Corp.

Pro Forma Combined Statement of Loss and Comprehensive Loss
For the Nine Months Ended March 31, 2021
Expressed in Canadian Dollars - Unaudited

	Arizona Gold Corp.	Golden Predator Mining Corp.	Pro Forma Adjustments	Notes	Pro Forma Combined
	\$	\$	\$		\$
Expenses					
Exploration and evaluation expenses	2,218,790	3,809,708	-		6,028,498
General and administrative expenses	53,307	1,469,264	-		1,522,571
Sale of gold coins and bars	-	(271,366)	-		(271,366)
Cost of gold sales	-	308,256	-		308,256
Depreciation	165,678	-	-		165,678
Consulting fees	691,053	-	-		691,053
Professional fees	190,567	-	-		190,567
Business development	305,430	-	-		305,430
Gain on sale of mineral property	-	(33,750)	-		(33,750)
Proceeds from insurance claim	(1,882,965)	-	-		(1,882,965)
Loss on marketable securities	-	900,916	-		900,916
Unrealized gain from investment in associate	-	(90,623)	-		(90,623)
Share of loss from investment in associate	-	172,214	-		172,214
Loss on sale of inventory	-	64,253	-		64,253
Change in inventory valuation	-	(67,929)	-		(67,929)
Fair value adjustment of derivative financial liabilities	-	(696,515)	-		(696,515)
Finance charges	1,162,509	4,897	-		1,167,406
Interest and other revenue	-	(8,498)	-		(8,498)
Loss on warrant extension	854,645	-	-		854,645
Settlement of flow-through share premium liability	-	(841,700)	-		(841,700)
Loss on foreign exchange	1,112,365	3,973	-		1,116,338
Share based payments	21,000	-	-		21,000
Loss before income taxes	4,892,379	4,723,100	-		9,615,479
Income tax recovery - deferred	-	-	-		-
Net loss for the period	4,892,379	4,723,100	-		9,615,479
Other comprehensive (income)					
Foreign exchange difference	(1,012,525)	-	-		(1,012,525)
Loss and comprehensive loss for the period	3,879,854	4,723,100	-		8,602,954

The accompanying notes form an integral part of these pro forma combined financial statements

Arizona Gold Corp.

Pro Forma Combined Statement of Loss and Comprehensive Loss

For the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

	Arizona Gold Corp.	Golden Predator Mining Corp.	Pro Forma Adjustments	Notes	Pro Forma Combined
	\$	\$	\$		\$
Expenses					
Exploration and evaluation expenses	3,887,727	8,527,501	-		12,415,228
General and administrative expenses	58,853	2,674,722	-		2,733,575
Sale of gold coins and bars	-	(344,618)	-		(344,618)
Cost of gold sales	-	332,469	-		332,469
Depreciation	402,523	-	-		402,523
Consulting fees	393,142	-	-		393,142
Professional fees	206,492	-	-		206,492
Business development	207,568	-	-		207,568
Gain on marketable securities	-	(856,215)	-		(856,215)
Gain on sale of mineral property	-	(2,348,725)	-		(2,348,725)
Loss on disposal of assets	171,105	-	-		171,105
Unrealized loss from investment in associate	-	101,885	-		101,885
Gain on sale of inventory	-	(34,288)	-		(34,288)
Change in inventory valuation	-	(10,810)	-		(10,810)
Fair value adjustment of derivative financial liabilities	(468,524)	-	-		(468,524)
Finance charges	1,667,691	16,323	-		1,684,014
Interest and other revenue	(34,952)	(35,319)	-		(70,271)
Loss on settlement of debt	-	170,000	-		170,000
Settlement of flow-through share premium liability	-	(1,638,800)	-		(1,638,800)
(Gain) loss on foreign exchange	(457,392)	31,304	-		(426,088)
Share based payments	1,100,707	-	-		1,100,707
Loss before income taxes	7,134,940	6,585,429	-		13,720,396
Income tax recovery - deferred	(50,425)	-	-		(50,425)
Net loss for the year	7,084,515	6,585,429	-		13,669,944
Other comprehensive loss					
Foreign exchange difference	430,427	-	-		430,427
Total comprehensive loss for the year	7,514,942	6,585,429	-		14,100,371

The accompanying notes form an integral part of these pro forma combined financial statements

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

1 Basis of preparation

The unaudited pro forma combined financial statements have been prepared in connection with the proposed acquisition whereby Arizona Gold Corp. (the "Company" or "Arizona Gold") will acquire all of the issued and outstanding common shares of Golden Predator Mining Corp. ("Golden"), (the "Transaction").

The unaudited pro forma combined statement of financial position as at March 31, 2021, and the unaudited pro forma combined statement of loss and comprehensive loss for the nine months ended March 31, 2021 and for the year ended June 30, 2020, have been prepared in accordance with policies consistent with those set out in the notes to the audited annual financial statements for the year ended June 30, 2020. These pro forma combined financial statements also have been compiled from and include:

- (a) An unaudited pro forma combined statement of financial position as of March 31, 2021 combining:
 - (i) The combined statement of financial position of the Company as of March 31, 2021; and
 - (ii) The combined statement of financial position of Golden as of March 31, 2021.

- (b) An unaudited pro forma combined statement of loss and comprehensive loss for the nine months ended March 31, 2021 combining:
 - (i) The statement of loss and comprehensive loss of the Company for the nine months ended March 31, 2021; and
 - (ii) The compiled statement of loss and comprehensive loss of Golden for the nine months ended March 31, 2021.

- (c) An unaudited pro forma combined statement of income (loss) and comprehensive income (loss) for the year ended June 30, 2020 combining:
 - (i) The statement of income (loss) and comprehensive income (loss) of the Company for the year ended June 30, 2020; and
 - (ii) The compiled statement of loss and comprehensive loss of Golden for the year ended June 30, 2020. Golden's year end is December 31st therefore to create a statement of loss and comprehensive loss for the year ended June 30, 2020, the results for the period from January 1, 2019 to July 31, 2019 were deducted from the results for the period ended December 31, 2019, and the six months ended June 30, 2020 were added.

The unaudited pro forma combined statement of financial position as at March 31, 2021 reflects the acquisition as described in Note 2 as if it was completed on March 31, 2021. The unaudited pro forma combined statement of loss and comprehensive loss for the nine months ended March 31, 2021 and the unaudited pro forma combined statement of loss and comprehensive loss for the year ended June 30, 2020 have been prepared as if the transaction described in Note 2 had occurred on July 1, 2019.

The accounting principles used in the preparation of these statements are consistent with the Company's accounting policies for the year ended June 30, 2020. The Company has reviewed the accounting policies of Golden and determined that there were no material differences with the Company's accounting policies. The unaudited pro forma combined financial statements are not intended to reflect the results of operations or the financial position of the Company which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded upon completion of the proposed transaction will likely differ from the recorded in the unaudited pro forma combined financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon completion of the transaction have been excluded from the unaudited pro forma financial statements. Further, the pro forma financial statements are not necessarily indicative of the results of operations that may be obtained in the future.

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

2 Description of the transaction

On June 28, 2021, Arizona Gold Corp. and Golden Predator Mining Corp. jointly announced that they had entered into a definitive arrangement agreement (the "Arrangement Agreement") to combine under a plan of arrangement, pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares of Golden in exchange for consideration of 1.65 of a common share of the Company for each common share of Golden (the "share exchange ratio").

All outstanding stock options and warrants of Golden will be exchanged for stock options or warrants of Arizona Gold on the same basis as the share exchange ratio for the common shares.

The Transaction will be carried out by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) and is subject to a number of conditions being satisfied or waived by one or both of Golden and Arizona Gold at or prior to closing of the Transaction, including approval of Golden's shareholders and receipt of all necessary regulatory and court approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature, including completion of the Offering (as hereinafter defined).

3 Significant accounting policies

The accounting policies used in preparing the unaudited pro forma combined financial statements are set out in the Company's audited consolidated financial statements for the year ended June 30, 2020 and the unaudited condensed interim financial statements for the nine months ended March 31, 2021. In preparing the unaudited pro forma combined financial statements a preliminary review was undertaken to identify any accounting policy differences between the accounting policies used by Golden and those of the Company where the impact was potentially material and could be reasonably estimated. The significant accounting policies of Golden conform, in all material respects, to those of the Company. A final review will be done after closing to ensure all differences have been identified and recognized.

3 Pro forma assumptions and adjustments

The unaudited pro forma combined financial statements reflect the following assumptions and adjustments to give effect to the acquisition of Golden. The share price of the Company used in the adjustments below is C\$0.12, which was the closing price on June 28, 2021. Assumptions and adjustments made are as follows:

- (a) Record the issuance of 284.4m common shares of the Company to acquire all of the issued and outstanding common shares of Eclipse using an exchange ratio of 1.65 at a fair value of C\$0.12 per share.
- (b) Elimination of historical equity of Golden on acquisition.
- (c) Record transaction costs of \$1,072,540.
- (d) Record an assumed liability of \$271,687 for other consultancy expenditures.
- (e) Record preliminary fair value adjustments

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

4 Purchase price allocation

The proposed acquisition of the outstanding common shares of Golden by the Company pursuant to the Transaction constitutes a business combination in accordance with *IFRS 3 Business Combinations* ("IFRS 3") with Arizona Gold as the acquiror. Accordingly, the Company has applied the principles of IFRS 3 in the pro forma accounting for the acquisition of Golden, which requires the Company to recognize Golden's identifiable assets acquired and liabilities assumed at fair value, recognize consideration transferred in the acquisition at fair value and recognize goodwill, if any, as the excess of consideration transferred over the net of the acquisition date fair value of identifiable assets acquired and liabilities assumed.

As of the date of this information circular Arizona Gold has not completed the detailed valuation study necessary to arrive at the required final estimates of the fair value of Golden's assets to be acquired and liabilities to be assumed. A final determination of the fair value of Golden's assets and liabilities, including mineral properties, property, plant and equipment will be based on the actual mineral properties, property, plant and equipment of Golden that exist as of the closing date of the Transaction and therefore, cannot be made prior to the Transaction date. In addition, the value of the consideration to be paid by Arizona Gold upon the consummation of the Transaction will be determined based on the closing price of Arizona Gold's common stock on the Transaction date. Further, no effect has been given to any other Golden common shares or equity awards that may be issued or granted subsequent to March 31, 2021 and before the closing date of the Transaction. As a result, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the unaudited pro forma financial information.

The final purchase price allocation may be materially different than that reflected in the pro forma purchase price allocation presented below. The estimated purchase consideration and the preliminary fair values of assets acquired and liabilities assumed for the purposes of these unaudited pro forma combined financial statements is summarized below.

The US\$34.5 million purchase price (284.4 million shares multiplied by Cdn\$0.12 plus the fair value of the stock options, converted at the exchange ratio of 1.65, of Cdn\$0.2 million and the fair value of the warrants converted, at the exchange ratio of 1.65, of Cdn\$0.2 million) has been allocated to the assets and liabilities of Golden as follows:

	\$000's
Cash and cash equivalents	157
Restricted cash	12
Marketable Securities	6,244
Accounts Receivable	32
Due from associates	152
Prepays	217
Inventories	78
Investment in associates	7,056
Property, plant and equipment	1,033
Right-of-use assets	86
Mineral properties	21,963
Trade and other payables	(2,393)
Lease liabilities	(75)
Derivative liabilities	(57)
Purchase price	34,505

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

Purchase price allocation (continued)

Arizona Gold share options and warrants to be issued as part of the acquisition are fair valued using the Black-Scholes valuation method and are fully vested at the close of the Transaction. For each outstanding Golden share option and warrant existing immediately prior to the transaction, the number of share options and warrants were adjusted to reflect the Exchange ratio. The exercise price and expiry date of each Golden share option and warrant as it existed immediately prior to the transaction was used for the purpose of the Black-Scholes valuation.

5 Share capital

Arizona Gold pro forma share capital as at March 31, 2021 has been determined as follows:

	Common Shares	Amount \$
Issued and Outstanding	346,062,553	149,055,924
Shares issued to shareholders of Golden	284,350,638	34,122,077
Pro Forma Balance Issued and Outstanding	630,413,191	183,178,001

6 Pro forma loss and comprehensive loss per share

Pro forma basic loss per share for the nine months ended March 31, 2021 and year ended June 30, 2020 has been calculated based on actual number of Arizona Gold common shares outstanding for the respective periods; as well as the number of shares issued in connection with the transaction as if such shares had been outstanding since July 1, 2019:

	Nine months ended March 31, 2021	Year ended June 30, 2020
Loss for the period	\$ (8,602,954)	\$ (14,100,371)
Basic weighted average number of common shares outstanding	340,717,589	294,299,255
Adjustment for estimated number of shares issued for acquisition (Note 5)	284,350,638	284,350,638
Pro forma number of shares outstanding	625,068,227	578,649,893
Loss per share	(0.01)	(0.02)

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

7 Construction of Eclipse financial statements

To create a statement of loss and comprehensive loss for the nine months ended March 31, 2021, the results for the six months ended June 30, 2020 were deducted from the results for the year ended December 31, 2020 and the three months ended March 31, 2021 were added. Golden's combined statement of loss and comprehensive loss for the nine months ended March 31, 2021 has been derived as follows:

	Year ended December 31, 2020	Deduction of period January 1, 2020 to June 30, 2020	Six months ended December 31, 2020	Three months ended March 31, 2021	Nine months ended March 31, 2021
	\$000's	\$000's	\$000's	\$000's	\$000's
Exploration and evaluation expenses	5,267	2,261	3,006	804	3,810
General and administrative expenses	2,059	1,111	948	521	1,469
Sale of gold coins and bars	(441)	(299)	(142)	(129)	(271)
Cost of gold sales	460	296	164	145	309
(Gain) loss on marketable securities	(1,728)	(853)	(875)	1,776	901
(Gain) on sale of mineral property	(2,382)	(2,350)	(32)	-	(32)
Share of loss from investment in associate	172	-	172	-	172
Unrealized loss from investment in associate	-	33	(33)	(58)	(91)
Change in inventory value	(73)	-	(73)	5	(68)
(Gain) loss on sale of inventory	22	(34)	56	8	64
Interest expense on lease liability	9	5	4	1	5
Fair value change of derivative liability	(463)	-	(463)	(234)	(697)
Settlement of flow-through share premium liability	(1,032)	(250)	(782)	(61)	(843)
Foreign exchange loss (gain)	32	20	12	(8)	4
Total expenses	1,902	(60)	1,962	2,770	4,732
Interest income	(12)	(3)	(9)	-	(9)
Loss and Comprehensive loss for the period	1,890	(63)	1,953	2,770	4,723

Arizona Gold Corp.

Pro Forma Notes to the Combined Financial Statements

For the Nine Months Ended March 31, 2021 and the Year Ended June 30, 2020

Expressed in Canadian Dollars - Unaudited

Construction of Golden financial statements (continued)

To create a statement of loss and comprehensive loss for the year ended June 30, 2020, the results for the period from January 1, 2019 to June 30, 2019 were deducted from the results for the year ended December 31, 2019, and the six months ended June 30, 2020 were added. Golden's statement of loss and comprehensive loss for the year ended June 30, 2020 was derived as follows:

	Year ended December 31, 2019	Deduction of period January 1, 2019 to June 30, 2019	Six months ended December 31, 2019	Six months ended June 30, 2020	Year ended June 30, 2020
	\$000's	\$000's	\$000's	\$000's	\$000's
Exploration and evaluation expenses	7,755	1,489	6,266	2,261	8,527
General and administrative expenses	2,700	1,136	1,564	1,111	2,675
Sale of gold coins and bars	(199)	(153)	(46)	(299)	(345)
Cost of gold sales	189	153	36	296	332
(Gain) loss on marketable securities	(85)	(82)	(3)	(853)	(856)
(Gain) on sale of mineral property	-	-	-	(2,350)	(2,350)
Unrealized loss from investment in associate	98	29	69	33	102
Change in inventory value	-	11	(11)	-	-
Gain on sale of inventory	-	-	-	(34)	(34)
Reversal of impairment of mineral property	(24)	(24)	-	-	-
Interest expense on lease liability	30	18	12	5	17
Loss on settlement of debt	170	-	170	-	170
Loss on derivative asset	9	9	-	-	-
Settlement of flow-through share premium liability	(1,388)	-	(1,388)	(250)	(1,638)
Foreign exchange loss	18	6	12	20	32
Total expenses	9,273	2,592	6,681	(60)	(6,621)
Interest income	(37)	(5)	(32)	(3)	(35)
Loss and Comprehensive loss for the year	9,236	2,587	(6,649)	(63)	(6,586)