



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

**3500 – 1055 Dunsmuir Street
PO Box 49114, Vancouver, B.C. V7X 1H7**

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

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TNR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	Unaudited September 30, 2021	Audited December 31, 2020
ASSETS		
Current assets		
Cash	\$ 81,771	\$ 44,724
Receivables	2,539	3,724
Prepays	19,468	1,226
Marketable securities (Note 3)	<u>14,047</u>	<u>12,523</u>
Total assets	\$ 117,825	\$ 62,197
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 244,008	\$ 401,006
Loan payable (Note 6)	<u>6,571,662</u>	<u>-</u>
	6,815,670	401,006
Loan payable (Note 6)	<u>-</u>	<u>5,803,265</u>
	6,815,670	6,204,271
Shareholders' deficiency		
Share capital (Note 7)	36,693,213	36,040,774
Share subscriptions	10,000	-
Reserves (Note 7)	5,904,178	5,634,786
Deficit	<u>(49,305,236)</u>	<u>(47,817,634)</u>
	(6,697,845)	(6,142,074)
Total liabilities and shareholders' deficiency	\$ 117,825	\$ 62,197
Nature and continuance of operations (Note 1)		
Commitments (Note 8)		
Subsequent events (Note 11)		

On behalf of the Board on November 29, 2021

"Kirill Klip"

Director

"John Davies"

Director

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

TNR GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
OPERATING EXPENSES				
Administration fees (Note 8)	\$ 5,673	\$ 5,982	\$ 16,888	\$ 18,328
Consulting fees (Note 8)	24,673	18,000	74,200	72,702
Depreciation (Note 5)	-	2,156	-	8,654
Directors' fees (Note 8)	33,742	36,000	105,742	113,133
Foreign exchange (gain) loss	(238)	7,749	(3,250)	2,735
Interest, accretion and bank charges (Note 6)	271,286	229,852	773,396	658,016
Management fees (Note 8)	30,000	30,000	90,000	90,000
Office and miscellaneous	9,961	9,781	32,201	28,251
Professional fees	25,109	13,173	73,514	41,906
Property expenditures	25,712	5,043	25,712	5,260
Shareholder communications	5,042	639	22,421	2,798
Share-based payments (Note 7 and 8)	104,219	116,351	269,392	124,941
Transfer agent and filing fees	2,421	1,462	8,910	17,876
Total operating expenses	<u>(537,600)</u>	<u>(476,188)</u>	<u>(1,489,126)</u>	<u>(1,184,600)</u>
Other income (loss)				
Other income	-	-	-	2,293
Unrealized gain (loss) on marketable securities (Note 3)	(310)	(365)	1,524	18,266
Realized gain on marketable securities (Note 3)	-	-	-	2,795
Total other income	<u>(310)</u>	<u>(365)</u>	<u>1,524</u>	<u>23,354</u>
Net and comprehensive loss for the period	<u>\$ (537,910)</u>	<u>\$ (476,553)</u>	<u>\$ (1,487,602)</u>	<u>\$ (1,161,246)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding				
- basic and diluted	186,902,780	170,149,780	184,518,315	162,835,425

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

TNR GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE NINE MONTHS ENDED SEPTEMBER 30,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,487,602)	\$ (1,161,246)
Items not affecting cash:		
Depreciation	-	8,654
Interest and accretion expense	768,397	653,140
Share-based payments	269,392	124,941
Unrealized loss (gain) on marketable securities	(1,524)	(18,266)
Realized gain on marketable securities	-	(2,795)
Changes in non-cash working capital items:		
Receivables	1,185	1260
Prepays	(18,242)	1,498
Accounts payable and accrued liabilities	<u>(156,998)</u>	<u>25,435</u>
Net cash used in operating activities	<u>(625,392)</u>	<u>(367,379)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	<u>-</u>	<u>8,795</u>
Net cash provided by investing activities	<u>-</u>	<u>8,795</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued for cash	664,500	394,000
Share issuance costs	(12,061)	(12,300)
Share subscriptions received	10,000	-
Lease payments	<u>-</u>	<u>(9,200)</u>
Net cash provided by (used in) investing activities	<u>662,439</u>	<u>372,500</u>
Net change in cash	37,047	13,916
Cash, beginning of the period	<u>44,724</u>	<u>1,855</u>
Cash, end of the period	<u>\$ 81,771</u>	<u>\$ 15,771</u>

There were no significant non-cash transactions during the nine months ended September 30, 2021 and 2020.

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

TNR GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

(Unaudited - Expressed in Canadian Dollars)

	Share capital		Share subscriptions	Reserves	Deficit	Total
	Number	Amount				
Balance, December 31, 2019	157,016,447	\$ 35,505,199	\$ -	\$ 5,509,509	\$ (46,252,846)	\$ (5,238,138)
Shares issued for cash	13,133,333	394,000	-	-	-	394,000
Share issuance costs	-	(12,300)	-	-	-	(12,300)
Share-based payments	-	-	-	124,941	-	124,941
Comprehensive loss for the period	-	-	-	-	(1,161,246)	(1,161,246)
Balance, September 30, 2020	170,149,780	35,886,899	-	5,634,450	(47,414,092)	(5,892,743)
Balance, December 31, 2020	173,279,780	36,040,774	-	5,634,786	(47,817,634)	(6,142,074)
Shares issued for cash	13,290,000	664,500	-	-	-	664,500
Share issuance costs	333,000	(12,061)	-	-	-	(12,061)
Share subscriptions received	-	-	10,000	-	-	10,000
Share-based payments	-	-	-	269,392	-	269,392
Comprehensive loss for the period	-	-	-	-	(1,487,602)	(1,487,602)
Balance, September 30, 2021	186,902,780	\$ 36,693,213	\$ 10,000	\$ 5,904,178	\$ (49,305,236)	\$ (6,697,845)

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

TNR GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

1. NATURE AND CONTINUANCE OF OPERATIONS

TNR Gold Corp. (the “Company”) was incorporated on January 14, 1988 under the laws of the Province of British Columbia. The Company’s head office address is Suite 3500 – 1055 Dunsmuir Street, Vancouver, British Columbia, Canada, V7X 1H7. The registered and records office address is Suite 400 – 725 Granville Street, Vancouver B.C. V7Y 1G5. The Company is listed on the TSX Venture Exchange and trades under the stock symbol “TNR”.

The Company is in the business of acquiring and owning royalties which will pay out in future but only if the related properties go into production. These royalties are currently receivable from companies with copper, gold, silver and lithium operations in Argentina. The Company is also in the business of acquiring and exploring its mineral properties located in the United States.

These condensed interim consolidated financial statements of the Company have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. The Company has not generated revenue from operations and has a working capital deficit of \$6,697,845 and an accumulated deficit of \$49,305,236 at September 30, 2021. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund its exploration and operating activities; however, there is no assurance of the success or sufficiency of these initiatives. The Company’s ability to continue as a going concern is dependent upon it securing the necessary working capital and exploration requirements and eventually to generate positive cash flows either from operations or additional financing. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption were inappropriate, and these adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds. Management continues to monitor the situation.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2020. The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2020.

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Basis of Presentation**

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed interim consolidated financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company and its subsidiaries.

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company transactions and accounts have been eliminated upon consolidation. The Company's subsidiaries are as follows:

	Country of Incorporation	Principal Activity	Effective Interest
0828073 BC Ltd.	Canada	Holding company	90%
Ameri Gold Corp.	Canada	Holding company	100%
Bristol Exploration Co. Inc. ("Bristol")	USA	Holding company	90%
Compania Minera Solitario de Argentina S.A. ("Solitario")	Argentina	Mining company	100%
TNR Gold Investment Corp.	British Virgin Islands	Holding company	100%
TNR Gold Holdings Corp.	British Virgin Islands	Holding company	100%

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the calculation of share-based payments, valuation of marketable securities, valuation of deferred income tax amounts, and applicable discount rates used. Share-based payments, as measured with respect to stock options granted, are estimated by reference to the Black-Scholes option pricing model; a detailed discussion of management's estimates with respect to the pricing model is found in Note 7. The value of marketable securities is based on the closing share price on the date of the condensed interim consolidated statement of financial position and may be influenced by trading volume activities. The value of deferred tax assets is evaluated based on the probability of realization; the Company has assessed that it is improbable that such assets will be realized and has accordingly not recognized a value for deferred tax assets. Management also uses estimates to determine an appropriate discount rate used to calculate the present value of future cash flows associated with long-term liabilities and lease liabilities.

The most significant judgments relate to the determination of functional currency of the Company and its subsidiaries, the determination of whether an amendment to the terms of an existing loan is a substantial modification, and the use of the going concern assumption.

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**3. MARKETABLE SECURITIES**

	Number of Common Shares Held		Fair Value	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
Major Precious Metals Corp. (formerly Eastern Zinc Corp.)	39,000	39,000	\$ 13,650	\$ 12,285
International Lithium Corp. ("ILC")	5,290	5,290	397	238
Total			\$ 14,047	\$ 12,523

For the period ended September 30, 2021, the Company sold nil (2020 – 200,000) ILC common shares for proceeds of \$nil (2020 - \$8,795) resulting in a realized gain of \$nil (2020 – \$2,795). The adjustment to fair value as at September 30, 2021 resulted in an unrealized gain of \$1,524 (2020 – \$18,266).

For the year ended December 31, 2020, the Company sold 200,000 ILC common shares for proceeds of \$8,795 resulting in a realized gain of \$2,795. The adjustment to fair value as at December 31, 2020 resulted in an unrealized gain of \$11,779.

4. EXPLORATION AND EVALUATION ASSETS**Title to Mineral Property Interests**

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company relies on the confirmation of its ownership for mining claims from the appropriate government agencies when paying rental payments for such mining claims requested by these agencies. There could be a risk in the future of the changing internal policies of such government agencies or risk related to third parties challenging in the future the ownership of such mining claims. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Shotgun Gold Project (Alaska)

The Company, through its 90% controlled subsidiary Bristol Exploration Co. Inc., owns 100% of certain unpatented mineral claims located in the Kuskokwim and Bristol Bay district, Alaska. NovaGold Resources Alaska Inc. retains a 2% net smelter returns royalty ("NSR Royalty") which can be purchased by the Company for US\$5,000,000 any time prior to a production decision being made. A portion of the claims are subject to a 5% net proceeds royalty.

Solitario Properties (Argentina)*Los Azules (Argentina)*

The Company has an NSR Royalty on the Los Azules Project of 0.4%. (TNR holds a 0.04% NSR on behalf of a shareholder). The porphyry copper project is owned and operated by McEwen Mining Inc.

Mariana Property (Argentina)

TNR retains a 2.0% NSR Royalty on the Mariana Lithium property in Argentina, including a 0.02% NSR Royalty that TNR holds on behalf of a shareholder. TNR's entitlement to the Mariana NSR Royalty arises from an option agreement among TNR and Compania Minera Solitario Argentina S.A. collectively with TNR (together, the 'Optionor'), and ILC and its subsidiary, Litio Minera Argentina S.A. collectively with ILC (together, the 'Optionee') dated May 19, 2011, pursuant to which ILC was obligated to pay to TNR a 2% NSR Royalty and had a right to buy back one-half of the NSR Royalty (1%) for \$1,000,000.

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

4. EXPLORATION AND EVALUATION ASSETS (cont'd)

In September 2021, ILC announced the purchase by Ganfeng Lithium of ILC's remaining 8.58% stake in Litio Argentina, the owner of the Mariana Lithium Project in Salta Province, Argentina.

ILC has informed TNR that, on closing of the sale of Litio Argentina to Ganfeng Lithium, Litio Argentina will have the obligation to pay the 2.0% NSR Royalty to TNR and will be entitled to purchase one-half of the NSR Royalty (1%) from TNR for \$1,000,000 of which 0.9% relates to the Company's NSR Royalty interest. The Company would receive \$900,000 on the completion of the NSR Royalty repurchase.

TNR is in the process of obtaining all necessary legal confirmations of this transaction from ILC, Ganfeng Lithium and Litio Argentina.

It is the Board's opinion that although it would be in TNR's interests for Ganfeng Lithium's subsidiary, Litio Argentina, the producer, to accept additional explicit underwriting liability for paying TNR a 2.0% NSR Royalty, ILC would still be liable in the unlikely event of default.

5. RIGHT-OF-USE ASSET AND LEASE LIABILITY**Right-of-use Asset**

	Office Lease
Net book value, December 31, 2019	\$ 8,654
Depreciation	(8,654)
Net book value, December 31, 2020 and September 30, 2021	-

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Lease liability

	Office Lease
Balance, December 31, 2019	\$ 8,963
Lease payments made	(9,200)
Interest exchange adjustment	237
Balance, December 31, 2020 and September 30, 2021	-

6. LOAN PAYABLE

During the year ended December 31, 2012, the company entered into a loan agreement with an unrelated party for a principal amount of \$3,500,000. The loan agreement was amended during the year ended December 31, 2015. Pursuant to the amended terms, the maturity date of the loan was deferred from May 31, 2015 to January 31, 2019 and the Company granted the following financing benefits to the lender:

- a) A 0.04% NSR Royalty on the Los Azules copper project in Argentina (Note 4).
- b) A 0.2% NSR Royalty on the Mariana property in Argentina (Note 4).
- c) 10% equity interest in the shares of Bristol Exploration Co., Inc. that holds the Shotgun property (Note 4).

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

6. LOAN PAYABLE (cont'd)

During the year ended December 31, 2019, the Company entered into an amending agreement with the lender (the "2019 Amendment"). The terms of the 2019 Amendment deferred the maturity date to January 31, 2022. No other terms were revised.

The loan accrues interest at a rate of 10% per annum.

The loan and accrued interest are secured by a promissory note and general security agreement. The Company is permitted to, without the Lender's consent, sell assets having a value up to \$500,000 per calendar year, to enable the Company to maintain its operations and keep its mineral exploration assets in good standing. Any sale of assets having a value in excess of \$500,000 of combined value within one calendar year requires the Lender's consent. Any sale, in whole or in part, of the Company's NSR Royalty on the Los Azules Project, NSR Royalty on the Mariana Property and/or the Shotgun Property requires the Lender's consent.

For accounting purposes, the restructuring was treated as a loan extinguishment and re-issuance as there were deemed to be substantial modifications to the existing terms under the 2019 Amendment. In order to calculate the present value of the loan as at the modification date, the Company applied a discount rate of 20% which was similar to comparable borrowing arrangements in the marketplace and arrangements previously achieved by the Company.

Balance of carrying value for the loan payable is as follows:

	Loan Payable
Balance, December 31, 2019	\$ 4,912,258
Interest expense	<u>891,007</u>
Balance, December 31, 2020	5,803,265
Interest expense	<u>768,397</u>
Balance, September 30, 2021	<u>\$ 6,571,662</u>

7. SHARE CAPITAL**Authorized:**

Unlimited common shares without par value

Unlimited class "A" non-voting convertible redeemable shares without par value.

Issued

On February 22, 2021, the Company completed a non-brokered private placement consisting of 11,420,000 units at \$0.05 per unit for gross proceeds of \$571,000. Each unit consists of one common share of the Company and one half of a non-transferable common share purchase warrant with each whole warrant exercisable into one common share of the Company at an exercise price of \$0.075 per share for two years from the date of issue. The Executive Chairman of the Company participated in the private placement. The Company paid a finder's fee of 333,000 units to an arm's length finder.

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

7. SHARE CAPITAL (cont'd)

On January 15, 2021, the Company completed the final tranche of a non-brokered private placement consisting of 1,870,000 units at \$0.05 per unit for gross proceeds of \$93,500. Each unit consists of one common share of the Company and one half of a non-transferable common share purchase warrant with each whole warrant exercisable into one common share of the Company at an exercise price of \$0.075 per share for two years from the date of issue. The Executive Chairman of the Company participated in the private placement. The Company paid a cash finder's fee of \$1,250 to an arm's length finder.

On December 28, 2020, the Company completed a tranche of a non-brokered private placement consisting of 3,130,000 units at \$0.05 per unit for gross proceeds of \$156,500. Each unit consists of one common share of the Company and one half of a non-transferable common share purchase warrant with each whole warrant exercisable into one common share of the Company at an exercise price of \$0.075 per share for two years from the date of issue. The Executive Chairman of the Company participated in the private placement. The Company paid a cash finder's fee of \$2,625 to an arm's length finder.

On May 21, 2020, May 29, 2020, and June 22, 2020, the Company completed tranches of a non-brokered private placement consisting of a total of 13,133,333 units at \$0.03 per unit for gross proceeds of \$394,000. Each unit consists of one common share of the Company and one non-transferable common share purchase warrant exercisable into one common share of the Company at an exercise price of \$0.05 per share for five years from the date of issue. The Executive Chairman of the Company participated in the private placement. The Company paid a cash finder's fee of \$12,300 to an arm's length finder.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding, December 31, 2019	7,200,000	\$ 0.05
Issued	<u>14,698,333</u>	<u>0.05</u>
Balance outstanding, December 31, 2020	21,898,333	0.05
Issued	<u>6,811,500</u>	<u>0.075</u>
<u>Balance outstanding, September 30, 2021</u>	<u>28,709,833</u>	<u>\$ 0.06</u>

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**7. SHARE CAPITAL (cont'd)**

At September 30, 2021, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
7,200,000	\$ 0.05	November 16, 2022
1,565,000	\$ 0.075	December 28, 2022
935,000	\$ 0.075	January 15, 2023
5,876,500	\$ 0.075	February 22, 2023
5,933,333	\$ 0.05	May 21, 2025
3,800,000	\$ 0.05	May 29, 2025
<u>3,400,000</u>	\$ 0.05	June 22, 2025
<u>28,709,833</u>		

The weighted average outstanding life of warrants outstanding at September 30, 2021 is 2.36 years.

Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each stock option is based on the market price of the Company's stock on the closing trading price preceding the date of grant. The stock options can be granted for a maximum term of 10 years and vest as determined by the Board of Directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance outstanding, December 31, 2019	13,400,000	\$ 0.05
Granted	3,500,000	0.05
Cancelled	<u>(600,000)</u>	<u>0.05</u>
Balance outstanding, December 31, 2020	16,300,000	0.05
Granted	5,700,000	0.05
Cancelled	<u>(3,400,000)</u>	<u>0.06</u>
<u>Balance outstanding and exercisable, September 30, 2021</u>	<u>18,600,000</u>	<u>\$ 0.05</u>

TNR GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**7. SHARE CAPITAL (cont'd)**

As at September 30, 2021, the following stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
850,000	\$ 0.05	October 12, 2021
4,000,000	\$ 0.05	August 11, 2022
1,250,000	\$ 0.055	December 7, 2022
1,500,000	\$ 0.05	September 26, 2023
100,000	\$ 0.05	December 18, 2023
1,700,000	\$ 0.05	November 7, 2024
500,000	\$ 0.05	June 23, 2025
3,000,000	\$ 0.05	September 1, 2025
2,500,000	\$ 0.05	January 28, 2026
3,200,000	\$ 0.05	July 21, 2026
<u>18,600,000</u>		

The weighted average outstanding life of stock options outstanding at September 30, 2021 is 2.87 years.

Share-based payments

Total share-based payment expense recognized in profit or loss for the period ended September 30, 2021 was \$269,392 (2020 - \$124,941) relating to vesting of stock options granted in the current and previous years.

On July 21, 2021, the Company granted 3,200,000 stock options to directors, officers and consultants of the Company pursuant to the terms of the Company's Stock Option Plan. The stock options fully vested on the date of grant and are exercisable at \$0.05 per share until five years from the date of grant. The fair value of options calculated using the Black-Scholes option pricing model was \$104,219 (\$0.0326 per option). The fair value of the option is estimated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free rate of 0.83%, a forfeiture rate of 0%, and volatility of 99.15%.

On January 28, 2021, the Company granted 2,500,000 stock options to directors, officers and consultants of the Company pursuant to the terms of the Company's Stock Option Plan. The stock options fully vested on the date of grant and are exercisable at \$0.05 per share until five years from the date of grant. The fair value of options calculated using the Black-Scholes option pricing model was \$165,173 (\$0.066 per option). The fair value of the option is estimated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free rate of 0.42%, a forfeiture rate of 0%, and volatility of 108.45%.

On September 1, 2020, the Company granted 3,000,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.05 per common share. The options fully vested on the date of grant and are exercisable for a period of five years. The fair value of options calculated using the Black-Scholes option pricing model was \$105,767 (\$0.035 per option). The fair value of the option is estimated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 144.07%.

On June 23, 2020, the Company granted 500,000 stock options to a director and officer of the Company at an exercise price of \$0.05 per common share. The options fully vested on the date of grant and are exercisable for a period of five years. The fair value of options calculated using the Black-Scholes option pricing model was \$10,584 (\$0.02 per option). The fair value of the option is estimated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 142.51%.

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FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**8. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel consist of directors, officers and companies controlled by them.

Management Compensation and other related party transactions

During the periods ended September 30, 2021 and 2020, the Company entered into transactions with key management personnel as follows:

Transaction	Relationship	2021	2020
Administration fees	Officer of a subsidiary	\$ 16,874	\$ 18,328
Consulting fees	Officer	27,000	27,000
Consulting fees	Director and officer	31,000	6,000
Consulting fees	Former director	-	6,000
Directors' fees	Directors and former director of the Company	105,742	113,133
Management fees	Director and executive officer	90,000	90,000
Share-based payments	Director and officers	236,357	98,723
		\$ 506,973	\$ 359,184

Accounts payable and accrued liabilities include amounts due to directors, officers and former directors and officers and a company related by common directors and officer of the Company at September 30, 2021 of \$109,461 (December 31, 2020 - \$183,074). With the exception of the short-term promissory note described below, all amounts are non-interest bearing and have no formal terms of repayment.

Included in accounts payable and accrued liabilities as at September 30, 2021 and December 31, 2020 is a short-term promissory note payable to a director of the Company's subsidiary. The promissory note has a principal balance of US\$25,000 which accrues interest at a rate of 12% per annum. The promissory note was granted with respect to the termination of a formal compensation arrangement with the Director. At September 30, 2021, the carrying amount of the principal and accrued interest is \$67,091 (US\$ 52,658).

Commitments - Bonus

In the event the Company completes the sale of its subsidiary, Minera Solitario de Argentina S.A. ("Solitario"), or its NSR Royalty on the Los Azules Project, a bonus of up to US\$200,000 is payable to a Director of Solitario. The bonus is calculated as 0.5% of net proceeds received by the Company in the aforementioned transaction.

Commitments - Consulting agreements

The Company entered into consulting agreements with an officer of the Company for the provision of consulting services at a current cost of \$180,000 per annum. The agreement renews annually at the discretion of the Company's compensation committee. If the agreement is terminated without cause, the Company is required to pay a lump sum equal to the greater of (a) the equivalent of one month of fees for each year the consultant has acted on behalf of the Company and (b) the equivalent of 12 months of fees. Should the Company be subject to a change in control and the consultant terminated without cause, the Company must pay an amount equal to three times the prior 12 months of gross pay.

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9. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' deficiency. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements other than as disclosed in Note 6. The Company does not have adequate sources of capital to complete its exploration plan, current obligations and ultimately the development of its business over the long term and will need to raise adequate capital by obtaining equity financing, selling assets and/or incurring debt. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**Financial instruments**

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash, and accounts payable approximates fair value due to the short-term nature of the financial instruments. Cash and marketable securities are classified as FVTPL and measured at fair value using level 1 inputs.

Lease liability is measured at amortized cost. Fair value of long-term debt is estimated using discounted cash flow analysis based on the borrowing rate for similar borrowing arrangements.

Risk management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include, credit risk, currency risk, interest rate risk and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets consisting of cash. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Currency risk

The Company's operations are in Argentina, Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in foreign currency.

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FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)

The Company's operating expenses are incurred primarily in Canadian dollars, and its liabilities are denominated primarily in Canadian dollars, or US dollars. Consequently, the Company's exploration programs in the US are subject to currency fluctuations. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk.

The Company has debt instruments and is therefore exposed to risk in the event of interest rate fluctuations. The Company has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings, short-term debt and the optioning of its mineral properties to other mining entities to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The loan matures January 31, 2022. The Company is exposed to risk that it will encounter difficulty in satisfying liabilities on maturity. The loan is secured by a promissory note and general security agreement.

There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, the completion of other equity financings and or optioning its mineral property to other mining entities. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the previously mentioned financing activities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions, its success in bringing royalty agreements to fruition, and exploration success. In recent years, the securities markets have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings. See Note 1.

The Company may benefit from royalty arrangements once certain major copper and lithium projects come to production. These projects have not yet reached development. There is a risk that planned projects could be delayed or not yield as much as expected, and if so this will affect the Company's anticipated cash flows, requiring the shortfall to be financed. In addition, the Company has the ability to sell assets of up to \$500,000 without consultation with its lender of the loan payable.

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10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (cont'd)*Price Risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

The Company's marketable securities amounting to \$14,047 are subject to fair value fluctuations. As at September 30, 2021, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, loss and comprehensive loss for the period would have been approximately \$1,400 higher/lower.

11. SUBSEQUENT EVENTS

On October 12, 2021, 850,000 stock options with an exercise price of \$0.05 expired unexercised.

On October 13, 2021, the Company granted 900,000 stock options to directors and consultants of the Company pursuant to the terms of the Company's stock option plan. The stock options fully vested on the date of grant and are exercisable at \$0.05 per share until October 13, 2026.