



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)  
(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED  
SEPTEMBER 30, 2023 AND 2022**

**1120 – 789 West Pender Street  
Vancouver, B.C. V6C 1H2**

**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, 2023	Audited December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 1,033,181	\$ 233,439
Receivables	5,574	2,184
Prepays	75,969	36,776
Marketable securities (Note 3)	<u>1,403</u>	<u>1,612</u>
	1,116,127	274,011
Fixed assets (Note 4)	<u>6,253</u>	<u>-</u>
<b>Total assets</b>	<b>\$ 1,122,380</b>	<b>\$ 274,011</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 37,340	\$ 211,866
Loan payable (Note 6)	<u>-</u>	<u>7,167,541</u>
	<u>37,340</u>	<u>7,379,407</u>
<b>Equity (deficiency)</b>		
Share capital (Note 7)	36,772,715	36,864,170
Treasury shares (Note 7)	(37,755)	-
Reserves (Note 7)	6,165,041	6,108,963
Deficit	<u>(41,814,961)</u>	<u>(50,078,529)</u>
	<u>1,085,040</u>	<u>(7,105,396)</u>
<b>Total liabilities and equity (deficiency)</b>	<b>\$ 1,122,380</b>	<b>\$ 274,011</b>
<b>Nature and continuance of operations</b> (Note 1)		
<b>Commitments</b> (Note 8)		
<b>Subsequent events</b> (Note 11)		

**On behalf of the Board on November 27, 2023**

\_\_\_\_\_  
*"Kirill Klip"* Director      \_\_\_\_\_  
*"John Davies"* Director

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

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

(Unaudited - Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>OPERATING EXPENSES</b>				
Administration fees (Note 8)	\$ 6,034	\$ 5,946	\$ 18,171	\$ 17,382
Amortization	1,100	-	1,625	-
Consulting fees (Note 8)	32,820	28,000	155,580	76,000
Directors' fees (Note 8)	48,000	36,000	512,000	101,600
Foreign exchange loss (gain)	(19,447)	3,747	(10,641)	6,033
Interest, accretion and bank charges (Note 6)	1,434	313,919	477,227	886,291
Management fees (Note 8)	45,000	30,000	130,000	90,000
Office and miscellaneous	12,282	13,310	38,923	36,663
Professional fees	59,319	60,046	150,330	110,373
Property expenditures	-	72,249	3,627	72,755
Shareholder communications	15,156	4,815	42,333	7,850
Share-based payments (Note 6 and 7)	56,078	153,014	56,078	153,014
Transfer agent and filing fees	1,400	2,607	18,791	12,949
<b>Total operating expenses</b>	<b>(259,176)</b>	<b>(723,653)</b>	<b>(1,594,044)</b>	<b>(1,570,910)</b>
<b>Other income and expense</b>				
Gain on disposition of NSR	-	449,820	9,857,540	449,820
Gain on extinguishment of debt (Note 6)	-	-	-	893,413
Interest income	271	-	281	-
Unrealized (loss) gain on marketable securities (Note 3)	(28)	(1,612)	(209)	(4,437)
<b>Total other income (expense)</b>	<b>243</b>	<b>448,208</b>	<b>9,857,612</b>	<b>1,338,796</b>
<b>Net and comprehensive (loss) income for the period</b>	<b>\$ (258,933)</b>	<b>\$ (275,445)</b>	<b>\$ 8,263,568</b>	<b>\$ (232,114)</b>
<b>Income (loss) per common share</b>				
Basic	\$ (0.00)	\$ (0.00)	\$ 0.04	\$ (0.00)
Diluted	\$ (0.00)	\$ (0.00)	\$ 0.04	\$ (0.00)
<b>Weighted average number of common shares outstanding -</b>				
Basic	190,104,476	190,972,780	190,680,165	189,791,718
Diluted	219,565,281	190,972,780	220,140,970	189,791,718

The accompanying notes are an integral part of these condensed interim 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, 2023**

	2023	2022
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 8,263,568	\$ (232,114)
Items not affecting cash:		
Amortization	1,625	-
Interest and accretion expense	471,922	881,134
Share-based payments	56,078	153,014
Gain on extinguishment of debt	-	(893,413)
Gain on disposition	(9,857,540)	(449,820)
Unrealized loss / (gain) on marketable securities	209	4,437
Changes in non-cash working capital items:		
Receivables	(3,390)	(1,256)
Prepays	(39,193)	(26,225)
Accounts payable and accrued liabilities	<u>(174,526)</u>	<u>(31,105)</u>
Net cash used in operating activities	<u>(1,281,247)</u>	<u>(595,348)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposition of NSR	9,857,540	449,820
Acquisition of fixed asset	<u>(7,878)</u>	<u>-</u>
Net cash provided by investing activities	<u>9,849,662</u>	<u>449,820</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan repayment	(7,639,463)	-
Shares issued for cash	-	203,500
Shares repurchased for cancellation	(129,210)	-
Share issuance costs	<u>-</u>	<u>(14,293)</u>
Net cash (used in) provided by financing activities	<u>(7,768,673)</u>	<u>189,207</u>
<b>Net change in cash</b>	799,742	43,679
<b>Cash, beginning of the year</b>	<u>233,439</u>	<u>1,091</u>
<b>Cash, end of the period</b>	<u>\$ 1,033,181</u>	<u>\$ 44,770</u>

There were no significant non-cash transactions during the period ended September 30, 2023 and 2022.

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

**TNR GOLD CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

	<b>Share capital</b>		<b>Treasury shares</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number</b>	<b>Amount</b>				
Balance, December 31, 2021	186,902,780	\$ 36,693,213	-	\$ 5,937,699	\$ (49,774,851)	\$ (7,143,939)
Shares issued for cash	4,070,000	185,250	-	18,250	-	203,500
Share issuance costs	-	(14,293)	-	-	-	(14,293)
Share-based payments	-	-	-	153,014	-	153,014
Comprehensive income for the period	-	-	-	-	(232,114)	(232,114)
<b>Balance, September 30, 2022</b>	<b>190,972,780</b>	<b>\$ 36,864,170</b>	<b>-</b>	<b>\$ 6,108,963</b>	<b>\$ (50,006,965)</b>	<b>\$ (7,033,832)</b>
Balance, December 31, 2022	190,972,780	\$ 36,864,170	-	\$ 6,108,963	\$ (50,078,529)	\$ (7,105,396)
Shares repurchased and cancelled	(1,527,000)	(91,455)	-	-	-	(91,455)
Shares repurchased for cancellation	-	-	(37,755)	-	-	(37,755)
Share based payments	-	-	-	56,078	-	56,078
Comprehensive income for the period	-	-	-	-	8,263,568	8,263,568
<b>Balance, September 30, 2023</b>	<b>189,445,780</b>	<b>\$ 36,772,715</b>	<b>(37,755)</b>	<b>\$ 6,165,041</b>	<b>\$ (41,814,961)</b>	<b>\$ 1,085,040</b>

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

## **TNR GOLD CORP.**

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

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#### **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 1120 – 789 Pender Street, Vancouver, British Columbia, Canada, V6C 1H2. 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 \$1,078,787 (December 31, 2022: deficiency of \$7,105,396) and an accumulated deficit of \$41,814,961 at September 30, 2023 (December 31, 2022: \$50,078,529).

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 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. 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.

#### **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, 2022. 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, 2022.

##### **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.

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)****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 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 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 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.

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**

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****3. MARKETABLE SECURITIES**

	<b>Number of Common Shares Held</b>		<b>Fair Value</b>	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Major Precious Metals Corp. (formerly Eastern Zinc Corp.)	39,000	39,000	\$ 1,192	\$ 1,321
International Lithium Corp. ("ILC")	5,290	5,290	211	291
<b>Total</b>			<b>\$ 1,403</b>	<b>\$ 1,612</b>

The adjustment to fair value resulted in an unrealized loss of \$28 and \$209 for the three and nine months ended September 30, 2023 (2022 –\$1,612 and \$4,437).

**4. FIXED ASSETS**

	Computer hardware
	\$
<b>Cost</b>	
Balance, December 31, 2021 and 2022	-
Additions	7,878
Balance, September 30, 2023	7,878
<b>Accumulated Amortization</b>	
Balance, December 31, 2021 and 2022	-
Additions	1,625
Balance, September 30, 2023	1,625
<b>Carrying value</b>	
As at December 31, 2022	-
As at September 30, 2023	6,253

**5. 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.

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

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**5. EXPLORATION AND EVALUATION ASSETS (continued)****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 is subject to a 5% net proceeds royalty.

**Los Azules Copper Project (Argentina)**

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

**Mariana Lithium Project (Argentina)**

TNR retains a 1.8% NSR Royalty on the Mariana Lithium Project in Argentina and holds a 0.2% NSR on behalf of a shareholder. The project is currently being advanced by Ganfeng Lithium International Co. Ltd. (“Ganfeng”). Ganfeng’s subsidiary, Lito Minera Argentina, has a right to repurchase 1.0% of the NSR Royalty on the Mariana Project, of which 0.9% relates to the Company’s NSR Royalty interest. The Company would receive \$900,000 on the completion of the repurchase.

On July 22, 2022, the Company entered into a royalty purchase agreement with an arms’ length party, Lithium Royalty Corp. (“LRC”), for the sale of a portion of its net smelter returns royalty (“NSR”) involving the Mariana Lithium Project (“Mariana”). LRC has agreed to purchase from TNR, 0.5% NSR royalty for USD\$9,000,000, including 0.05% NSR royalty being sold by TNR on behalf of its shareholder. This represents one-quarter of the NSR royalty held by the Company. The Company received an initial advance of USD\$700,000 from LRC under the terms of the royalty purchase agreement.

On February 2, 2023, the Company closed its royalty purchase agreement, which was announced in July 2022, with an Ontario limited partnership affiliated with LRC for the sale of a portion of NSR royalty involving the Mariana Lithium Project. LRC agreed to purchase from TNR, 0.5% NSR royalty for USD\$9,000,000, including 0.05% NSR royalty being sold by TNR on behalf of its shareholder. This represents one-quarter of the NSR royalty held by the Company.

During the year ended December 31, 2022, the Company received an initial advance of USD\$700,000 from LRC under the terms of the royalty purchase agreement. In February 2023, the Company received the remaining consideration of USD\$8,300,000 from LRC and completed the sale of partial NSR royalty. Of the total purchase consideration received USD\$900,000 was paid to the shareholder for 0.05% NSR royalty sold on the shareholder’s behalf. After the closing of transaction with LRC, TNR holds a 1.5% NSR royalty, including a 0.15% NSR royalty held on behalf of the shareholder.

As a result of this transaction, the Company recognized a gain on disposition of NSR interest of \$nil and \$9,857,540 during the three and nine months ended September 30, 2023 (2022: \$nil and \$nil).

**Batidero I and II Properties, Josemaria Copper Project (Argentina)**

TNR holds a 7% net profits royalty (“NPR”) holding on the Batidero I and II properties of the Josemaria Project, which is being developed by Lundin Mining Inc.

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****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 5).
- b) A 0.2% NSR Royalty on the Mariana property in Argentina (Note 5).
- c) 10% equity interest in the shares of Bristol Exploration Co., Inc. that holds the Shotgun property (Note 5).

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 Company has entered into an amending agreement effective January 31, 2022, with the lender (the “2022 Amendment”). The terms of the 2022 Amendment defer the maturity date to July 31, 2023 and deem the outstanding principal and interest balance to be the new principal balance. 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 2022 Amendment. The financing benefit, resulting from the recognition of a discount on the inception of the new loan, has been valued at \$893,413 and recorded through the consolidated statement of comprehensive loss as a gain on extinguishment of debt during the year ended December 31, 2022. 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.

In February 2023, the Company fully repaid loan payable in the principal amount of \$6,943,237 and all accumulated accrued interest in the amount of \$696,226.

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

	Loan Payable
Balance, December 31, 2021	\$ 6,852,829
Retirement of loan payable	(6,943,237)
Reissuance of loan payable	6,049,824
Interest and accretion expense	<u>1,208,125</u>
Balance, December 31, 2022	\$ 7,167,541
Interest and accretion expense	471,922
Repayment of loan	<u>(7,639,463)</u>
Balance, September 30, 2023	<u>\$ -</u>

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****7. SHARE CAPITAL****Authorized:**

Unlimited common shares without par value.

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

**Issued****During the period ended September 30, 2023:**

During the period ended September 30, 2023, the Company re-purchased and cancelled 1,527,000 common shares for \$91,455. In addition, the Company re-purchased 625,000 common shares for \$37,755 for cancellation. (Note 11)

**Year ended December 31, 2022**

On May 19, 2022, the Company completed a non-brokered private placement consisting of 1,250,000 units at \$0.05 per unit for gross proceeds of \$62,500. 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 Chief Executive Officer of the Company participated in the private placement. The Company paid a cash finder's fee of \$2,375 to an arm's length finder. The warrants from May 19, 2022 private placement had an assigned value of \$6,250. The value was determined using the residual value method.

On February 18 and March 15, 2022, the Company completed tranches of a non-brokered private placement consisting of 2,820,000 units at \$0.05 per unit for gross proceeds of \$141,000. 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 Chief Executive Officer of the Company participated in the private placement. The Company paid \$4,350 to arm's length finders for finder's fee. The warrants from February 18, 2022 private placement had an assigned value of \$12,000. The value was determined using the residual value method.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance outstanding, December 31, 2021	28,709,833	0.06
Issued	2,035,000	0.075
Expired/Cancelled	<u>(8,765,000)</u>	<u>0.05</u>
Balance outstanding, December 31, 2022	21,979,833	\$ 0.06
Expired/Cancelled	<u>(6,811,500)</u>	<u>0.06</u>
Balance outstanding, September 30, 2023	<u>15,168,333</u>	<u>\$ 0.05</u>

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

(Expressed in Canadian Dollars)

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****7. SHARE CAPITAL (continued)**

At September 30, 2023, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
1,200,000	\$ 0.075	February 18, 2024
210,000	\$ 0.075	March 15, 2024
625,000	\$ 0.075	May 19, 2024
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>15,168,333</u>		

The weighted average outstanding life of warrants outstanding at September 30, 2023 is 1.51 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, 2021	18,650,000	\$ 0.05
Granted	5,900,000	0.05
Expired/Cancelled	<u>(6,750,000)</u>	<u>0.05</u>
Balance outstanding, December 31, 2022	17,800,000	0.05
Granted	1,500,000	0.05
Expired/Cancelled	<u>(1,500,000)</u>	<u>0.05</u>
Balance outstanding and exercisable, September 30, 2023	<u>17,800,000</u>	<u>\$ 0.05</u>

As at September 30, 2023, the following stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
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
900,000	0.05	October 13, 2026
4,400,000	0.05	August 12, 2027
<u>1,500,000</u>	0.05	September 26, 2027
<u>17,800,000</u>		

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

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**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022****7. SHARE CAPITAL (continued)**

The weighted average outstanding life of stock options outstanding at September 30, 2023 is 2.84 years.

**Share-based payments**

Total share-based payment expense recognized in profit or loss for the three and nine months ended September 30, 2023 was \$56,078 and \$56,078 (2022 - \$153,014 and \$153,014), respectively, relating to vesting of stock options granted in the current and previous years.

*Options granted during the period ended September 30, 2023*

On September 26, 2023, the Company granted 1,500,000 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 \$56,078 (\$0.037 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 4.16%, a forfeiture rate of 0%, and volatility of 96.50%.

*Options granted during the year ended December 31, 2022*

On August 12, 2022, the Company granted 4,400,000 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 \$153,014 (\$0.0348 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 2.80%, a forfeiture rate of 0%, and volatility of 107.08%.

**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 nine months ended September 30, 2023 and 2022, the Company entered into transactions with key management personnel as follows:

Transaction	Relationship	Three months ended		Nine months ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Administration fees	Officer of a subsidiary	\$ 6,034	\$ 5,946	\$ 38,171	\$ 17,382
Consulting fees	Officer	11,820	9,000	58,580	27,000
Consulting fees	Director and officer	15,000	15,000	45,000	45,000
Consulting fees	Corporate secretary	-	-	24,000	-
Directors' fees	Directors and a former director	48,000	36,000	512,000	101,600
Management fees	Director and executive officer	45,000	30,000	130,000	90,000
Share-based payments	Directors	56,078	153,014	56,078	153,014
		\$ 181,932	\$ 248,960	\$ 863,829	\$ 433,996

During the period ended September 30, 2023, the Company awarded a bonus of \$372,000 to four directors of the Company (2022 - \$nil) recorded as directors' fees. In addition, the Company awarded a bonus of \$48,000 to two officers of the Company (2022 - \$nil) recorded as consulting fees and awarded a bonus of \$20,000 to an officer of a subsidiary (2022 - \$nil) recorded as administration fees.

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**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

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

Accounts payable and accrued liabilities include amounts due to directors, officers, former directors and officers, and a company related by common directors and officer of the Company at September 30, 2023 is \$33,434 (December 31, 2022 - \$89,094). 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 prepaid expenses as at September 30, 2023 is \$nil paid to a director of the Company for expenses (December 31, 2022 - \$15,000 to a director of the Company for fees).

During the period ended September 30, 2023, the Company repaid a short-term promissory note principal and accrued interest of USD 57,269 included in accounts payable and accrued liabilities. The promissory note was payable to a director of the Company's subsidiary and accrued 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, 2023, the carrying amount of the principal and accrued interest is \$nil (December 31, 2022: \$76,407 or USD\$56,414).

*Commitments - Bonus*

In the event the Company completes the sale of its subsidiary, Compania Minera Solitario de Argentina S.A. ("Solitario"), or its NSR Royalty on the Los Azules Project, a bonus of up to USD\$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 two officers of the Company for the provision of consulting services at a current cost of \$240,000 and \$120,000 per annum respectively. 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 five times the prior 12 months of gross pay.

**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 7. 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:

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(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

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**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)**

- 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.

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.

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's debt instruments exposed it 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.

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**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

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**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)****Risk management (continued)***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.

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.

*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 \$1,403 are subject to fair value fluctuations. As at September 30, 2023, if the fair value of the Company's marketable securities had decreased/increased by 10% with all other variables held constant, income and comprehensive income for the period would have been approximately \$140 higher/lower.

**11. SUBSEQUENT EVENTS**

The company cancelled 725,000 common shares re-purchased for cancellation.