



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

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

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim consolidated financial statements for the nine months ended September 30, 2021. These financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

RADIUS GOLD INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

(Expressed in Canadian Dollars)

As at:	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents (Note 4)	\$ 1,855,047	\$ 2,223,372
Equity investments (Note 5)	658,937	899,386
Derivative investments (Note 6)	-	3,589
Receivables (Notes 7 and 14)	61,858	59,155
Prepaid expenses and deposits (Note 14)	74,998	29,718
Total current assets	2,650,840	3,215,220
Non-current assets		
Long-term deposits (Note 14)	123,098	123,098
Property and equipment (Note 8)	11,801	21,744
Right-of-use asset (Note 9)	196,805	242,031
Mineral and royalty interests (Note 11)	89,163	151,149
Investment in associate (Note 10)	1	1
Total non-current assets	420,868	538,023
TOTAL ASSETS	\$ 3,071,708	\$ 3,753,243
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 14)	\$ 98,617	\$ 97,921
Current portion of lease liability (Note 9)	62,263	56,596
	160,880	154,517
Non-current liabilities		
Lease liability (Note 9)	171,238	218,891
Total liabilities	332,118	373,408
Shareholders' equity		
Share capital (Note 12)	56,723,224	56,694,261
Other equity reserve	7,184,809	7,171,487
Deficit	(57,785,120)	(57,369,104)
Accumulated other comprehensive loss	(3,383,323)	(3,116,809)
Total shareholders' equity	2,739,590	3,379,835
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 3,071,708	\$ 3,753,243

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON NOVEMBER 24, 2021 BY:

"Bruce Smith", Director
Bruce Smith

"William Katzin", Director
William Katzin

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

RADIUS GOLD INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)**
(UNAUDITED)

(Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Exploration expenditures	\$ 242,398	\$ 144,379	\$ 524,841	\$ 573,448
Write-down of mineral property interests (Note 11)	-	-	117,816	-
	242,398	144,379	642,657	573,448
General and administrative expenses				
Amortization (Note 8)	4,643	3,200	14,359	9,898
Depreciation of right-of-use asset (Note 9)	15,241	15,241	45,226	45,395
Interest expense on lease liability (Note 9)	5,864	7,156	18,390	22,187
Legal and audit fees	198	4,500	1,557	5,581
Management fees (Note 14)	16,500	10,500	49,500	29,250
Office and miscellaneous (Note 14)	6,071	1,125	21,341	15,521
Salaries and benefits (Note 14)	25,324	16,425	76,886	63,718
Share-based compensation (Note 13)	-	-	23,535	43,450
Shareholder communications (Note 14)	39,097	14,009	60,881	51,177
Transfer agent and regulatory fees (Note 14)	2,820	2,341	16,587	14,118
Travel and accommodation (Note 14)	2,791	722	4,139	6,330
	118,549	75,219	332,401	306,625
Loss from operations	(360,947)	(219,598)	(975,058)	(880,073)
Investment income	669	1,030	2,465	5,110
Foreign currency exchange gain (loss)	16,660	(8,742)	8,497	(29,387)
Gain from mineral property option agreements	-	100,000	488,705	306,398
Gain on disposal of equipment (Note 14)	12,964	-	62,964	-
Fair value gain (loss) on derivative investments (Note 6)	(1)	(7,058)	(3,589)	5,046
Net loss for the period	\$ (330,655)	\$ (134,368)	\$ (416,016)	\$ (592,906)
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss:				
Loss on sale of equity investments (Note 5)	-	(954,485)	-	(1,016,708)
Fair value gains (losses) on equity investments (Note 5)	(251,042)	1,055,197	(266,514)	1,493,348
Total comprehensive loss	\$ (581,697)	\$ (33,656)	\$ (682,530)	\$ (116,266)
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$(0.01)	\$(0.01)
Weighted average number of common shares outstanding	87,243,550	87,022,838	87,221,572	86,966,522

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

RADIUS GOLD INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended September 30, 2021 and 2020

(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Other equity reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, December 31, 2019	86,938,055	\$ 56,647,011	\$ 7,134,168	\$ (3,416,824)	\$ (56,476,067)	\$ 3,888,288
Loss for the period	-	-	-	-	(592,906)	(592,906)
Options exercised	150,000	22,500	-	-	-	22,500
Transfer of other equity reserve on exercise of options	-	18,375	(18,375)	-	-	-
Equity investments	-	-	-	476,640	-	476,640
Share-based compensation	-	-	43,450	-	-	43,450
Balance, September 30, 2020	87,088,055	56,687,886	7,159,243	(2,940,184)	(57,068,973)	3,837,972
Loss for the period	-	-	-	-	(300,131)	(300,131)
Shares issued for mineral property acquisition	30,495	6,375	-	-	-	6,375
Equity investments	-	-	-	(176,625)	-	(176,625)
Share-based compensation	-	-	12,244	-	-	12,244
Balance, December 31, 2020	87,118,550	56,694,261	7,171,487	(3,116,809)	(57,369,104)	3,379,835
Loss for the period	-	-	-	-	(416,016)	(416,016)
Options exercised	125,000	18,750	-	-	-	18,750
Transfer of other equity reserve on exercise of options	-	10,213	(10,213)	-	-	-
Equity investments	-	-	-	(266,514)	-	(266,514)
Share-based compensation	-	-	23,535	-	-	23,535
Balance, September 30, 2021	87,243,550	\$ 56,723,224	\$ 7,184,809	\$ (3,383,323)	\$ (57,785,120)	\$ 2,739,590

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

RADIUS GOLD INC.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

(Expressed in Canadian Dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash provided by (used in):				
OPERATING ACTIVITIES				
Net loss for the period	\$ (330,655)	\$ (134,368)	\$ (416,016)	\$ (592,906)
Items not involving cash:				
Amortization	4,643	3,200	14,359	9,898
Depreciation of right-of-use asset	15,241	15,241	45,226	45,395
Gain from mineral property option agreement	-	(100,000)	(488,705)	(306,398)
Gain on disposal of equipment	(12,964)	-	(62,964)	-
Write-down of mineral property interest	-	-	117,816	-
Fair value (gain) loss on derivative investments	1	7,058	3,589	(5,046)
Share-based compensation	-	-	23,535	43,450
	(323,734)	(208,869)	(763,160)	(805,607)
Changes in non-cash working capital items:				
Receivables	128,159	78,062	(2,703)	46,315
Prepaid expenses and deposits	1,165	(15,443)	(45,280)	15,492
Accounts payable and accrued liabilities	(19,111)	497	696	(15,376)
Cash used in operating activities	(213,521)	(145,753)	(810,447)	(759,176)
FINANCING ACTIVITIES				
Proceeds on issuance of common shares	-	22,500	18,750	22,500
Repayment of lease obligation	(14,262)	(12,491)	(41,986)	(36,753)
Cash provided by (used for) financing activities	(14,262)	10,009	(23,236)	(14,253)
INVESTING ACTIVITIES				
Purchase of equity investments	-	-	(26,065)	-
Expenditures on exploration and evaluation asset acquisition costs	-	-	(129,655)	(78,487)
Proceeds from mineral property option agreements	-	100,000	562,530	374,250
Proceeds from sale of equity investments	-	416,121	-	1,826,116
Proceeds from disposal of equipment	12,964	-	62,964	-
Purchase of property and equipment	-	-	(4,416)	(2,185)
Cash provided by investing activities	12,964	516,121	465,358	2,119,694
Increase (decrease) in cash and cash equivalents	(214,819)	380,377	(368,325)	1,346,265
Cash and cash equivalents, beginning of period	2,069,866	2,310,779	2,223,372	1,344,891
Cash and cash equivalents, end of period	\$ 1,855,047	\$ 2,691,156	\$ 1,855,047	\$ 2,691,156

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

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION

Radius Gold Inc. (the “Company”) was formed by the amalgamation of Radius Explorations Ltd. and PilaGold Inc. effective on July 1, 2004 under the laws of British Columbia.

The Company is engaged in acquisition and exploration of mineral properties and investment in companies which hold mineral property interests. The address of the Company’s head office and principal place of business is 650 – 200 Burrard Street, Vancouver, BC, Canada V6C 3L6.

At the time these condensed interim consolidated financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing at the properties, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis as modified by any revaluation of financial assets measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars (“CDN”), which is also the Company’s functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Nature of Operations and continuance of operations

These condensed interim consolidated financial statements have been prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and, despite a strong current working capital position, does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining its required funding in the past, there is no assurance that such future financing will be available or be available on favorable terms. Management believes the Company has sufficient current working capital to operate for at least the next year at the current level of operations.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All material intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are deconsolidated from the date control ceases.

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

Details of the Company's principal subsidiaries at September 30, 2021 are as follows:

Name	Place of Incorporation	Interest %	Principal Activity
Minerales Sierra Pacifico S.A.	Guatemala	100%	Exploration company
Radius Gold (U.S.) Inc.	Nevada, USA	100%	Exploration company
Geometales Del Norte-Geonorte S.A. de C.V.	Mexico	100%	Exploration company
Radius (Cayman) Inc.	Cayman Islands	100%	Investment Holding company

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- a) Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. The Company can exercise significant influence over Rackla Metals Inc. ("Rackla");
- b) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency of its entities if there is a change in events and conditions which determined the primary economic environment;
- c) The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company.
If, after exploration and evaluation assets is capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, the Company carries out an impairment test at the cash generating unit or group of cash generating units level in the year the new information becomes available;
- d) The determination of when receivables are impaired requires significant judgment as to their collectability; and
- e) The Company applies judgement in determining whether a contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

The key estimates applied in the preparation of the condensed interim consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- a) The Company is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite the Company's belief that its tax return positions are supportable, the company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made;
- b) In estimating the fair value of share-based payments and derivative instruments, using the Black-Scholes option pricing model, management is required to make certain assumptions and estimates. Changes in assumptions used to estimate fair value could result in materially different results; and
- c) The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company does not hold any deposits with maturities of greater than three months from the date of acquisition. Cash at banks earn interest at floating rates based on daily bank deposit rates. As at September 30, 2021 and December 31, 2020, cash and cash equivalents is comprised of the following:

	September 30, 2021	December 31, 2020
Cash	\$ 525,443	\$ 269,665
Cash equivalents	1,329,604	1,953,707
	\$ 1,855,047	\$ 2,223,372

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

5. EQUITY INVESTMENTS

The Company's equity investments consist of the following:

Number of common shares held as at:	September 30, 2021	December 31, 2020
GrowMax Resources Corp. ("GrowMax")	1,150,000	1,150,000
Medgold Resources Corp. ("Medgold")	10,126,500	10,126,500
Metallum Resources Inc. ("Metallum") (formerly CROPS Inc.)	38,000	38,000
Volcanic Gold Mines Inc. ("Volcanic")	830,412	768,912
Warrior Gold Inc. ("Warrior")	233,781	233,781

During the period ended September 30, 2021, CROPS Inc. changed its name to Metallum Resources Inc. and completed a share consolidation so that every ten existing common shares were exchanged for one new common share of Metallum. As a result, a total of 380,000 common shares of Metallum held by the Company at the time of consolidation were converted into 38,000 common shares.

	Fortuna	GrowMax	Medgold	Metallum
Balance, December 31, 2019	\$ 1,266,347	\$ 34,500	\$ 607,590	\$ 67,640
Acquisition of shares	-	-	-	-
Disposition of shares	(1,472,218)	-	-	(1,309,246)
Net change in fair value recorded in other comprehensive loss	205,871	(4,600)	(101,265)	1,245,406
Balance, December 31, 2020	-	29,900	506,325	3,800
Acquisition of shares	-	-	-	-
Net change in fair value recorded in other comprehensive loss	-	33,350	(202,530)	(1,140)
Balance, September 30, 2021	\$ -	\$ 63,250	\$ 303,795	\$ 2,660

	Southern Silver	Volcanic	Warrior	Total
Balance, December 31, 2019	\$ 207,089	\$ 73,666	\$ 18,702	\$ 2,275,534
Acquisition of shares	-	149,952	-	149,952
Disposition of shares	(61,359)	-	-	(2,842,823)
Net change in fair value recorded in other comprehensive loss	(145,730)	114,703	2,338	1,316,723
Balance, December 31, 2020	-	338,321	21,040	899,386
Acquisition of shares	-	26,065	-	26,065
Net change in fair value recorded in other comprehensive loss	-	(90,350)	(5,844)	(266,514)
Balance, September 30, 2021	\$ -	\$ 274,036	\$ 15,196	\$ 658,937

Metallum and Volcanic each have one common director with the Company, namely, Simon Ridgway. All of the Company's equity investment companies are publicly listed companies as of September 30, 2021.

During the period ended September 30, 2021, the Company acquired in the open market 61,500 common shares of Volcanic at a cost of \$26,065.

The Company also held 3,973,275 free trading common shares of Rackla with a fair value of \$1,609,176 as of September 30, 2021, which are recorded as an investment in associate (Note 10).

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

6. DERIVATIVE INVESTMENTS

Number of share purchase warrants held as at:		
	September 30, 2021	December 31, 2020
Metallum	68,568	68,568
Volcanic	160,714	160,714

During the period ended September 30, 2021, Metallum completed a share consolidation so that every ten existing common shares were exchanged for one new common share of Metallum. As a result, a total of 685,675 warrants of Metallum held by the Company at the time of consolidation were converted into 68,568 warrants.

	Metallum	Volcanic	Total
Balance, December 31, 2019	\$ 325	\$ 1,204	\$ 1,529
Net change in fair value recorded in net loss	1,040	1,020	2,060
Balance, December 31, 2020	1,365	2,224	3,589
Net change in fair value recorded in net loss	(1,365)	(2,224)	(3,589)
Balance, September 30, 2021	\$ -	\$ -	\$ -

The fair value of the derivative investments as of September 30, 2021 was determined using the Black-Scholes option pricing model with the following inputs:

	Volatility factor	Risk-free interest rate	Expected Life (years)	Expected dividend yield
Metallum	86%	0.16%	0.47	0%
Volcanic	63%	0.16%	0.44	0%

The share purchase warrants for Metallum and Volcanic are not tradable on an exchange.

7. RECEIVABLES

	September 30, 2021	December 31, 2020
Royalty receivable	\$ 784,180	\$ 784,180
Provision for impairment	(784,180)	(784,180)
Royalty revenue receivable, net	-	-
Sales taxes	7,270	11,605
Exploration expenditure recoveries	25,810	14,489
Other receivables	28,778	33,061
	\$ 61,858	\$ 59,155

The provision for impairment of the royalty receivable was included in profit or loss during the 2016 fiscal year. Uncollectable amounts included in the provision are written off against the provision when there is no expectation of recovery. The royalty revenue receivable was uncollected as of September 30, 2021 as the Company has allowed Kappes, Cassidy & Associates (“KCA”) to defer payment of the balance while KCA continues a legal strategy to overturn the suspension of operations of its mine-site and seek compensation from the Guatemalan authorities, from which the Company would seek to benefit as well.

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

8. PROPERTY AND EQUIPMENT

	Trucks	Computer equipment	Furniture and equipment	Geophysical equipment	Field equipment	Total
Cost						
Balance, December 31, 2019	\$ 253,095	\$ 252,728	\$ 62,656	\$ 84,882	\$ 2,480	\$ 655,841
Additions	-	-	-	-	2,185	2,185
Balance, December 31, 2020	253,095	252,728	62,656	84,882	4,665	658,026
Additions	-	4,416	-	-	-	4,416
Disposals	(215,638)	-	(7,343)	-	-	(222,981)
Balance, September 30, 2021	\$ 37,457	\$ 257,144	\$ 55,313	\$ 84,882	\$ 4,665	\$ 439,461
Accumulated amortization						
Balance, December 31, 2019	\$ 238,210	\$ 247,436	\$ 57,049	\$ 77,725	\$ 2,480	\$ 622,900
Charge for year	8,455	1,629	1,122	1,521	655	13,382
Balance, December 31, 2020	246,665	249,065	58,171	79,246	3,135	636,282
Charge for period	6,000	3,002	3,364	845	1,148	14,359
Disposals	(215,638)	-	(7,343)	-	-	(222,981)
Balance, September 30, 2021	\$ 37,027	\$ 252,067	\$ 54,192	\$ 80,091	\$ 4,283	\$ 427,660
Carrying amounts						
At December 31, 2020	\$ 6,430	\$ 3,663	\$ 4,485	\$ 5,636	\$ 1,530	\$ 21,744
At September 30, 2021	\$ 430	\$ 5,077	\$ 1,121	\$ 4,791	\$ 382	\$ 11,801

9. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company has a lease agreement for its headquarter office space in Vancouver, British Columbia.

The continuity of the ROU asset and lease liability for the period ended September 30, 2021 is as follows:

Right-of-use asset	
Value of right-of-use asset recognized as at December 31, 2019	\$ 302,667
Depreciation	(60,636)
Value of right-of-use asset as at December 31, 2020	242,031
Depreciation	(45,226)
Value of right-of-use asset as at September 30, 2021	\$ 196,805
Lease liability	
Lease liability recognized as of December 31, 2019	\$ 325,034
Lease payments	(78,585)
Lease interest	29,038
Lease liability recognized as of December 31, 2020	275,487
Lease payments	(60,376)
Lease interest	18,390
Lease liability recognized as of September 30, 2021	\$ 233,501
Current portion	\$ 62,263
Long-term portion	171,238
	\$ 233,501

Radius Gold Inc.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended September 30, 2021

(Expressed in Canadian Dollars)

10. INVESTMENT IN ASSOCIATE

Rackla

As at September 30, 2021, the Company held 3,973,275 (December 31, 2020: 3,973,275) common shares of Rackla, representing 11.5% (December 31, 2020: 15.7%) of Rackla's outstanding common shares.

Rackla meets the definition of an associate and has been equity accounted for in the condensed interim consolidated financial statements.

The following table shows the continuity of the Company's interest in Rackla for the period ended September 30, 2021:

Balance, December 31, 2020	\$	1
Balance, September 30, 2021	\$	1

Prior to the 2015 fiscal year the Company's share of losses in Rackla exceeded the carrying value of its interest and therefore the Company discontinued recognizing its share of further losses. The cumulative unrecognized share of losses for the associate as of September 30, 2021 is \$705,782 (December 31, 2020: \$689,982).

The financial statement balances of Rackla are as follows:

	September 30, 2021	December 31, 2020
Total current assets	\$ 51,640	\$ 36,563
Total assets	\$ 1,245,561	\$ 107,564
Total liabilities	\$ 199,785	\$ 47,748
Net loss	\$ 134,687 ⁽¹⁾	\$ 220,441 ⁽²⁾

⁽¹⁾ Net loss for nine month period ended September 30, 2021.

⁽²⁾ Net loss for the year ended December 31, 2020.

At September 30, 2021, the fair value of the 3,973,275 common shares of Rackla was \$1,609,176 (December 31, 2020: \$595,991) based on the market price of the common shares of Rackla.

11. MINERAL PROPERTY AND ROYALTY INTERESTS

Acquisition costs	Mexico	United States	Guatemala	Total
Balance, December 31, 2019	\$ -	\$ 117,816	\$ 1	\$ 117,817
Additions – cash	164,313	-	-	164,313
Additions – shares	6,375	-	-	6,375
Acquisition costs recovered	(137,356)	-	-	(137,356)
Balance, December 31, 2020	33,332	117,816	1	151,149
Additions – cash	129,656	-	-	129,656
Acquisition costs recovered	(73,826)	-	-	(73,826)
Write-off acquisition costs	-	(117,816)	-	(117,816)
Balance, September 30, 2021	\$ 89,162	\$ -	\$ 1	\$ 89,163

Title to mineral properties 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 properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Radius Gold Inc.

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11. MINERAL PROPERTY AND ROYALTY INTERESTS (cont'd)

Details of the Company's mineral property interests are disclosed in full in the consolidated financial statements for the year ended December 31, 2020. Significant exploration and evaluation asset transactions that have occurred since January 1, 2021 are as follows:

Maricela Project - Mexico

During the period ended September 30, 2021, the Company entered into an option agreement to acquire the Maricela group of properties located in the State of Sonora that covers several mineral concessions totaling 155 hectares. The Company can earn a 100% interest in the Maricela Project by making staged payments to the property owner totaling US\$1,250,000 over three years with a final payment of US\$1,060,000 due at the end of year three. A total of US\$30,000 (\$37,401) was paid and recorded as an acquisition cost during the period ended September 30, 2021. The property owner retains a 1% NSR royalty which the Company can purchase back for US\$1,000,000.

Bald Peak Property - USA

In 2017, the Company acquired a 100% interest in the Bald Peak gold property from Nevada Select Royalty, Inc. ("Nevada Select") in consideration of a cash payment to Nevada Select of \$46,032 (US\$35,115), the granting to Nevada Select and/or a former property owner of a total 3% NSR royalty and making annual advance royalty payments to Nevada Select of US\$25,000. The advance royalty payments were to become payable on the date the Company received a drill permit for the property and on each annual anniversary thereof so long as the Company held title to the property. The Company had the right to reduce either royalty by 1% by paying US\$1.0 million to Nevada Select, and/or US\$500,000 to the former owner.

In 2017, the Company staked an additional 113 unpatented mining claims at a cost of \$71,784, increasing the land position of the Bald Peak Property to 140 unpatented mining claims in Mineral County, Nevada and 11 unpatented mining claims and one mineral prospecting licence in Mono County, California. During the 2020 fiscal year, the Company allowed a portion of the staked Mineral County claims to lapse, reducing the unpatented mining claims in Nevada from 140 to 50.

During the period ended September 30, 2021, the Company decided it will not renew all claims comprising the Bald Peak property, and as a result, the Company wrote off acquisition costs totaling \$117,816 during the period ended September 30, 2021.

12. SHARE CAPITAL AND RESERVES

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the period ended September 30, 2021, a total of 125,000 stock options were exercised for proceeds of \$18,750. The Company reallocated the fair value of these options previously recorded in the amount of \$10,213 from other equity reserve to share capital.

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13. SHARE-BASED PAYMENTS

a) Option Plan Details

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (“TSX-V”) under which it is authorized to grant options up to 10% of its outstanding shares to officers, directors, employees, and consultants. The exercise price of each option is not less than the closing market price of the Company’s stock on the trading day prior to the date of grant. Options granted to investor relations personnel vest in accordance with TSX-V regulations. The options are for a maximum term of ten years.

The following is a summary of changes in options for the period ended September 30, 2021:

Grant date	Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
				Granted	Exercised	Cancelled / expired		
Dec 13, 2012	Dec 12, 2022	\$0.20	1,495,000	-	-	-	1,495,000	1,495,000
Oct 19, 2016	Oct 18, 2026	\$0.15	1,230,000	-	-	-	1,230,000	1,230,000
May 22, 2018	May 21, 2028	\$0.15	1,490,000	-	-	-	1,490,000	1,490,000
Nov 5, 2018	Nov 4, 2028	\$0.15	200,000	-	(125,000)	-	75,000	75,000
Oct 8, 2019	Oct 7, 2029	\$0.25	850,000	-	-	-	850,000	850,000
Mar 16, 2020	Mar 15, 2030	\$0.15	280,000	-	-	-	280,000	280,000
Dec 9, 2020	Dec 8, 2030	\$0.27	50,000	-	-	-	50,000	50,000
Feb 11, 2021	Feb 10, 2031	\$0.34	-	50,000	-	-	50,000	50,000
Mar 4, 2021	Mar 3, 2031	\$0.24	-	50,000	-	-	50,000	50,000
			5,595,000	100,000	(125,000)	-	5,570,000	5,570,000
	Weighted average exercise price		\$0.18	\$0.29	\$0.15	-	\$0.18	\$0.18

b) Fair Value of Options Granted During the Period

The weighted average fair value at grant date of options granted during the period ended September 30, 2021 was \$0.24 per option (2020: \$0.11).

The weighted average remaining contractual life of the options outstanding at September 30, 2021 is 5.21 years (December 31, 2020: 5.93 years).

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the period ended September 30, 2021 included:

Grant date	Expiry date	Share price at grant date	Exercise price	Risk-free interest rate	Expected life	Volatility factor	Dividend yield
Feb 11, 2021	Feb 10, 2031	\$0.35	\$0.34	1.04%	10 years	81%	0%
Mar 4, 2021	Mar 3, 2031	\$0.23	\$0.24	1.54%	10 years	81%	0%

Radius Gold Inc.

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13. SHARE-BASED PAYMENTS (cont'd)

b) Fair Value of Options Issued During the Period (cont'd)

The expected volatility is based on the historical volatility (based on the remaining contractual life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

c) Expenses Arising from Share-based Payment Transactions

Total expenses arising from the share-based payment transactions recognized during the period ended September 30, 2021 as part of share-based compensation expense was \$23,535 (2020: \$43,450).

14. RELATED PARTY TRANSACTIONS

The Company had transactions during the periods ended September 30, 2021 and 2020 with related parties who consisted of directors, officers and the following companies with common directors:

<u>Related Party</u>	<u>Nature of Transactions</u>
Mill Street Services Ltd. ("Mill Street")	Management fees
Volcanic	Investment and exploration support
Gold Group Management Inc. ("Gold Group")	Shared general and administrative expenses
Rackla (Associate)	Investment and exploration support

In addition to related party transactions disclosed elsewhere in the condensed interim consolidated financial statements, the Company incurred the following expenditures charged by non-key management officers and companies which have common directors with the Company in the periods ended September 30, 2021 and 2020:

	<u>Three months ended</u>		<u>Nine months ended</u>	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
General and administrative expenses:				
Salaries and benefits	\$ 4,480	\$ 1,200	\$ 11,600	\$ 6,000
Exploration expenditures:				
Salaries and benefits	-	-	-	17,186
	<u>\$ 4,480</u>	<u>\$ 1,200</u>	<u>\$ 11,600</u>	<u>\$ 23,186</u>

The Company reimburses Gold Group, a company controlled by Simon Ridgway, a Director of the Company, for shared administrative costs and other business-related expenses paid by Gold Group on behalf of the Company. During the periods ended September 30, 2021 and 2020, the Company reimbursed Gold Group the following:

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14. RELATED PARTY TRANSACTIONS (cont'd)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
General and administrative expenses:				
Office and miscellaneous	\$ 7,325	\$ 5,809	\$ 23,805	\$ 20,029
Shareholder communications	4,429	5,667	14,300	9,950
Salaries and benefits	24,401	15,452	72,993	60,226
Transfer agent and regulatory fees	1,345	1,505	4,310	3,993
Travel and accommodation	2,648	722	3,482	5,573
	\$ 40,148	\$ 29,155	\$ 118,890	\$ 99,771

Gold Group salary and benefits costs for the periods ended September 30, 2021 and 2020 include those for the Chief Financial Officer and Corporate Secretary.

During the period ended September 30, 2021, the Company charged \$33,210 (2020: \$Nil) to Volcanic, a company which has a common director with the Company, for exploration costs incurred on behalf of Volcanic and relating to the option agreement between the two parties. As well, the Company sold its field equipment and supplies located in Guatemala to Volcanic for \$50,000.

During the period ended September 30, 2021, the Company charged \$821 (2020: \$1,045) to Rackla, a company which has three common directors with the Company, for shared exploration personnel costs.

Receivables include an amount of \$25,091 (December 31, 2020: \$11,735) owed from Volcanic, \$Nil (December 31, 2020: \$6,053) owed from Rackla, and \$Nil (December 31, 2020: \$4,700) owed from Gold Group.

Prepaid expenses and deposits include an amount of \$11,700 (December 31, 2020: \$1,823) paid to Gold Group for shared office and administrative services.

Long-term deposits include an amount of \$60,000 (December 31, 2020: \$60,000) paid to Gold Group as a deposit on the shared office and administrative services agreement.

Accounts payable and accrued liabilities include \$10,915 (December 31, 2020: \$Nil) payable to Gold Group for shared administrative costs and \$24,711 (December 31, 2020: \$Nil) to Bruce Smith, the Chief Executive Officer of the Company, for management fees and expense reimbursement.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Geological fees included in exploration expenditures	\$ 39,000	\$ 15,000	\$ 117,000	\$ 43,000
Management fees	16,500	10,500	49,500	29,250
Salaries, benefits and fees*	6,750	4,675	20,042	16,775
	\$ 62,250	\$ 30,175	\$ 186,542	\$ 89,025

*Included in reimbursements to Gold Group

Key management compensation includes management and geological fees paid to Mill Street, a company controlled by Simon Ridgway, a director of the Company.

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15. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mining sector relating to mineral exploration. Due to the geographic and political diversity, the Company's exploration operations are decentralized whereby exploration managers are responsible for business results and regional corporate offices provide support to the exploration programs in addressing local and regional issues. The Company's operations are therefore segmented on a district basis. The Company's assets were located in Canada, USA, Guatemala, Mexico, and Cayman Islands. Details of identifiable assets by geographic segments are as follows:

Period ended September 30, 2021	Canada	USA	Guatemala	Mexico	Other	Consolidated
Exploration expenditures	\$ -	\$ 11,838	\$ 41,385	\$ 445,598	\$ 26,020	\$ 524,841
Mineral property acquisition costs written off	-	117,816	-	-	-	117,816
Gain from mineral property option agreements	-	-	-	488,705	-	488,705
Investment income	2,465	-	-	-	-	2,465
Amortization	8,224	-	-	6,135	-	14,359
Depreciation on right-of-use asset	45,226	-	-	-	-	45,226
Interest expense on lease liability	18,390	-	-	-	-	18,390
Net income (loss)	(368,731)	(19,108)	(28,421)	30,864	(30,620)	(416,016)
Capital expenditures*	4,416	-	-	129,656	-	134,072

Period ended September 30, 2020	Canada	USA	Guatemala	Mexico	Other	Consolidated
Exploration expenditures	\$ -	\$ 76,368	\$ 52,706	\$ 377,603	\$ 66,771	\$ 573,448
Gain from mineral property option agreements	-	-	100,000	206,398	-	306,398
Investment income	5,110	-	-	-	-	5,110
Amortization	3,584	-	-	6,314	-	9,898
Depreciation on right-of-use asset	45,395	-	-	-	-	45,395
Interest expense on lease liability	22,187	-	-	-	-	22,187
Net income (loss)	(135,365)	(76,368)	47,294	(356,969)	(71,498)	(592,906)
Capital expenditures*	2,185	-	-	78,487	-	80,672

*Capital expenditures consists of additions of property and equipment and exploration and evaluation assets

As at September 30, 2021	Canada	Guatemala	Mexico	Other	Consolidated
Total current assets	\$ 2,356,099	\$ 38,072	\$ 248,472	\$ 8,197	\$ 2,650,840
Total non-current assets	331,129	-	89,739	-	420,868
Total assets	\$ 2,687,228	\$ 38,072	\$ 338,211	\$ 8,197	\$ 3,071,708
Total liabilities	\$ 318,185	\$ 3,503	\$ 10,430	\$ -	\$ 332,118

As at December 31, 2020	Canada	USA	Guatemala	Mexico	Other	Consolidated
Total current assets	\$ 3,038,782	\$ -	\$ 33,872	\$ 134,006	\$ 8,560	\$ 3,215,220
Total non-current assets	380,163	117,816	-	40,044	-	538,023
Total assets	\$ 3,418,945	\$ 117,816	\$ 33,872	\$ 174,050	\$ 8,560	\$ 3,753,243
Total liabilities	\$ 338,634	\$ -	\$ 22,125	\$ 12,649	\$ -	\$ 373,408

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16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed interim consolidated financial statements.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk, and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to fluctuations in foreign currencies through its operations in foreign countries. The Company monitors this exposure but has no hedge positions. As at September 30, 2021, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

	September 30, 2021			December 31, 2020		
	US Dollar (CDN equivalent)	Mexican Peso (CDN equivalent)	Guatemala Quetzal (CDN equivalent)	US Dollar (CDN equivalent)	Mexican Peso (CDN equivalent)	Guatemala Quetzal (CDN equivalent)
Cash	\$ 548,757	\$ 6,108	\$ 15,068	\$ 130,620	\$ 1,128	\$ 2,843
Receivables	25,810	-	-	11,300	5,235	-
Current liabilities	(17,128)	(6,079)	(1,047)	(10,557)	-	(2,780)
	\$ 557,439	\$ 29	\$ 14,021	\$ 131,363	\$ 6,363	\$ 63

Based on the above net exposures at September 30, 2021, a 10% depreciation or appreciation of the above currencies against the Canadian dollar would result in an approximate \$57,100 (December 31, 2020: \$13,800) increase or decrease in profit or loss, respectively.

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

Commodity Price Risk

The Company's royalty revenue has been derived from a royalty interest that is based on the extraction and sale of gold. Factors beyond the control of the Company may affect the marketability of gold discovered or extracted. Gold prices have historically fluctuated widely. Consequently, the economic viability of the Company's royalty interest cannot be accurately predicted and may be adversely affected by fluctuations in gold prices. The Company has not engaged in any hedging activities. The Company is not exposed to commodity price risk as the Company has not earned any royalty revenue during the periods ended September 30, 2021 and 2020.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Equity Price Risk

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments consisting of common shares and derivative investments consisting of share purchase warrants are exposed to significant equity price risk due to the potentially volatile and speculative nature of the businesses in which the investments are held. The Company's equity investments are monitored by the Board with decisions on sale or exercise taken by Management. A 10% decrease in fair value of the shares and warrants would result in an approximate \$66,000 (December 31, 2020: \$90,000) decrease in comprehensive income and shareholders' equity.

b) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents, equity investments, derivative investments and receivables. The Company limits exposure to credit risk by maintaining its cash and cash equivalents with large financial institutions. The Company does not have cash and cash equivalents or equity investments that are invested in asset based commercial paper. For advances and other receivables, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realizable value.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At September 30, 2021, the Company had working capital of \$2.5 million (December 31, 2020: \$3.1 million) available to apply against short-term business requirements. All of the Company's financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms with the expectation of the Company's lease liability which matures based on the lease agreement.

Determination of Fair value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Management considers that due to their short-term nature the carrying amounts of financial assets and financial liabilities, which include cash and cash equivalents, receivables, deposits, and accounts payables and accrued liabilities are assumed to approximate their fair values.

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

The fair value investments in associates are detailed in the following table:

	September 30, 2021	September 30, 2021
	Book value	Fair value
Financial assets		
Shares held in Rackla (Note 10)	\$ 1	\$ 1,609,176

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted 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); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The equity investments are based on quoted prices and are therefore considered to be Level 1. The derivative instruments are based on inputs other than quoted prices and therefore considered to be Level 3. The lease liability is based on prices and therefore considered to be Level 2. As of September 30, 2021, there was no embedded derivative on royalty income receivables derived from gold prices to include as a Level 2 measurement and therefore no fair value measurement was necessary.

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and adjusts it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company monitors its cash, equity investments, derivative investments, common shares, and stock options as capital. There were no changes in the Company's approach to capital management during the period ended September 30, 2021. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be sufficient to carry out its planned exploration programs and operating costs for the next twelve months.

18. EVENTS AFTER THE REPORTING DATE

Subsequent to September 30, 2021, the following events which have not been disclosed elsewhere in these consolidated financial statements have occurred:

The Company granted 300,000 stock options with an exercise price of \$0.34 per share.