



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2021

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of Ophir Gold Corp. for the three months ended August 31, 2021 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Table of Contents

Condensed Consolidated Interim Statements of Financial Position (unaudited)	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)	5
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (unaudited)	6
Condensed Consolidated Interim Statements of Cash Flows (unaudited)	7
Notes to the Condensed Consolidated Interim Financial Statements (unaudited)	8
1. Nature of business and going concern.....	8
2. Significant accounting standards and basis of preparation	9
3. Marketable securities	10
4. Reclamation deposit	10
5. Exploration and evaluation assets	10
6. Share capital.....	14
7. Related party transactions and balances.....	17
8. Commitment	18
9. Segmented information	18
10. Capital management.....	19
11. Financial instruments.....	19

Ophir Gold Corp.

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at	August 31,	May 31,
	Note(s)	2021	2021
		\$	\$
ASSETS			
Current assets			
Cash		1,723,064	2,153,560
Marketable securities	3	66,000	60,000
Amounts receivable		6,295	8,449
Prepaid expenses		189,894	225,514
		1,985,253	2,447,523
Non-current assets			
Reclamation deposits	4	68,696	65,784
Exploration and evaluation assets	5	1,878,479	1,158,301
		1,947,175	1,224,085
TOTAL ASSETS		3,932,428	3,671,608
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		252,059	133,121
TOTAL LIABILITIES		252,059	133,121
SHAREHOLDERS' EQUITY			
Share capital	6	6,637,353	6,397,438
Shares subscribed	6	-	50,000
Contributed surplus	6	4,122,621	3,994,307
Deficit		(7,079,605)	(6,903,258)
TOTAL SHAREHOLDERS' EQUITY		3,680,369	3,538,487
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,932,428	3,671,608
Nature of business and going concern	1		
Commitment	8		
Segmented information	9		
Subsequent events	6		

These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Jon Bey Director/s/ Shawn Westcott Director

Ophir Gold Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		August 31, 2021	August 31, 2020
		\$	\$
Expenses			
Consulting fees	7	34,989	27,000
Foreign exchange gain		(72,945)	-
General & administrative		10,045	621
Investor relations and promotion		9,761	1,110
Professional fees	7	32,703	6,572
Regulatory & transfer agents		8,106	1,036
Share-based payments	6	158,229	-
Travel		1,459	-
		(182,347)	(36,339)
Other income			
Fair value gain on marketable securities	3	6,000	20,000
Loss and comprehensive loss		(176,347)	(16,339)
Basic and diluted loss per share for the period (\$ per common share)	6	(0.00)	(0.00)
Weighted average number of common shares outstanding			
- basic and diluted		51,150,912	17,629,599

See accompanying notes to these consolidated financial statements.

Ophir Gold Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	Share capital				Deficit	Total
		Number of shares	Amount \$	Shares subscribed \$	Contributed surplus \$		
Balance at May 31, 2020		49,716,129	6,397,438	50,000	3,994,307	(6,903,258)	3,538,487
Shares issued for cash - exercise of warrants	6	2,000,000	239,915	-	(29,915)	-	210,000
Shares subscribed	6	-	-	(50,000)	-	-	(50,000)
Share-based payments	6	-	-	-	158,229	-	158,229
Loss for the period		-	-	-	-	(176,347)	(176,347)
Balance at August 31, 2021		51,716,129	6,637,353	-	4,122,621	(7,079,605)	3,680,369
Balance at May 31, 2020		17,629,599	4,255,443	-	1,569,921	(5,796,033)	29,331
Shares subscribed		-	-	170,625	-	-	170,625
Loss for the period		-	-	-	-	(16,339)	(16,339)
Balance at August 31, 2020		17,629,599	4,255,443	170,625	1,569,921	(5,812,372)	183,617

See accompanying notes to these consolidated financial statements.

Ophir Gold Corp.

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	Note(s)	For the three months ended	
		August 31, 2021 \$	August 31, 2020 \$
Cash flow provided from (used by)			
OPERATING ACTIVITIES			
Loss for the period		(176,347)	(16,339)
<i>Adjustments for items not affecting cash:</i>			
Share-based payments	6	158,229	-
Fair value gain on marketable securities	3	(6,000)	(20,000)
Effects of currency exchange rate changes on reclamation deposit	4	(2,912)	-
Change in non-cash working capital			
Amounts receivable		2,154	6,674
Prepaid expenses		35,620	(17,793)
Accounts payable and accrued liabilities		(22,675)	(1,693)
Cash flow used in operating activities		(11,931)	(49,151)
INVESTING ACTIVITIES			
Exploration and evaluation assets	5	(578,565)	-
Cash flow used in investing activities		(578,565)	-
FINANCING ACTIVITIES			
Proceeds from share issuance - exercise of warrants	6	210,000	-
Shares subscribed	6	(50,000)	170,625
Cash flow provided by financing activities		160,000	170,625
Increase (decrease) in cash		(430,496)	121,474
Cash, beginning of period		2,153,560	209,519
Cash, end of period		1,723,064	330,993
SUPPLEMENTAL CASH FLOW			
Reclassification of the fair value of warrants exercised		29,915	-
Exploration and evaluation expenditures included in accounts payable and accrued liabilities		146,723	-
Cash paid during the period for interest		-	-
Cash paid during the period for income taxes		-	-

See accompanying notes to these consolidated financial statements.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Ophir Gold Corp. (the “Company” or “Ophir”) was incorporated under the *Business Corporations Act* in British Columbia on April 26, 2010. The head office, principal address and records office of the Company are located at 595 Howe Street, Suite 206, Vancouver, British Columbia, V6C 2T5. The Company’s registered address is 700 West Georgia Street, 25th Floor, Vancouver, British Columbia, V7Y 1B3.

On June 8, 2021, Ophir Gold (USA) Corp., a wholly-owned subsidiary of the Company, was incorporated under the laws of Idaho.

Going Concern

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As of August 31, 2021, the Company had not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for an exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements.

The Company’s ability to retain the rights to certain of its properties is dependent upon the Company continuing to make option payments and/or meet other commitments (Note 5).

The Company has an accumulated deficit of \$7,079,605 as at August 31, 2021 (May 31, 2021 – \$6,903,258). The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

As at August 31, 2021, the Company’s current cash resources are insufficient to cover the expected expenditures in fiscal 2022. The Company’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

During the three months ended August 31, 2021, the Company reported a net loss of \$176,347. Historically, the Company has recognized recurring losses and the need for continued financing to further successful exploration may cast significant doubt as to the Company’s ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN (CONTINUED)

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers and the ability to obtain financing. To date, the Company has not had any adverse effects from the coronavirus.

The unaudited condensed consolidated interim financial statements of Ophir for the three months ended August 31, 2021, were approved by the Board of Directors on November 1, 2021.

2. SIGNIFICANT ACCOUNTING STANDARDS AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This 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 financial statements of the Company for the year ended May 31, 2021.

New accounting standards

There were no new or amended IFRS pronouncements effective June 1, 2021 that impacted these condensed consolidated interim financial statements.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

3. MARKETABLE SECURITIES

As at August 31, 2021

	Number of shares	Closing market price \$	Fair value \$
Ubique Minerals Ltd.	1,200,000	0.055	66,000

As at May 31, 2021

	Number of shares	Closing market price \$	Fair value \$
Ubique Minerals Ltd.	1,200,000	0.050	60,000

As at August 31, 2021, the Company recognized \$66,000 (May 31, 2021 – \$60,000) as the fair value of the 1,200,000 common shares (the “Ubique Shares”) received from Ubique Minerals Ltd. (“Ubique”) (May 31, 2021 – 1,200,000). The change in fair value of \$6,000 for the three months ended August 31, 2021 is recognized as other comprehensive loss (August 31, 2021 – \$20,000).

4. RECLAMATION DEPOSIT

The Company has reclamation deposits of \$68,696 (US\$54,500). These bonds were put up as collateral for the Breccia project in the event of future operations (May 31, 2020 – \$65,784 (US\$54,500)).

5. EXPLORATION AND EVALUATION ASSETS

	Breccia Property \$
Balance as of May 31, 2021	1,158,301
Staking fees	21,721
Expenditures	
Assay and analysis	11,027
Consulting	163,646
Field	521,933
Technical studies	1,851
	698,457
Balance as of August 31, 2021	1,878,479

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Breccia property, Idaho

On September 15, 2020 (the “BG Acquisition Date”), the Company entered into agreements for the acquisition of the Breccia Gold property (the “Breccia Gold Property”) and the contiguous Lightning Tree property (the “Lightning Tree Property”) and together with the Breccia Gold Property, the “BG Properties”), both of which are located in Lemhi County, Idaho, USA (the “BG Transaction”).

The BG Transaction is being carried out in accordance with the terms of an arm’s-length definitive mineral property acquisition agreement (the “BG Purchase Agreement”) dated September 10, 2020, between the Company, DG Resource Management Ltd. (“DGRM”) and Canagold Resource Ltd. (formerly Canarc Resource Corp.) (“Canagold” and together with DGRM, the “BG Vendors”).

Pursuant to the BG Purchase Agreement, as consideration for acquiring a 100% interest and title in and to the BG Properties, the Company will make the following payments:

- **Payment to be made in common shares of the Company**
 - issue an aggregate of 1,250,000 common shares of the Company to each of the BG Vendors within 5 days of the BG Acquisition Date (total 2,500,000 common shares were issued with fair value of \$362,500 during the year ended May 31, 2021).
 - issue an aggregate of 1,250,000 common shares of the Company to each of the BG Vendors on or before September 15, 2021 (total 2,500,000 common shares were issued subsequent to August 31, 2021).
- **Payment to be made in common share purchase warrants of the Company**
 - issue an aggregate of 1,250,000 common share purchase warrants of the Company to each of the BG Vendors within 5 days of the BG Acquisition Date (total 2,500,000 share purchase warrants were issued with fair value of \$284,475 during the year ended May 31, 2021).
 - issue an aggregate of 1,250,000 common share purchase warrants of the Company to each of the BG Vendors on or before September 15, 2021. The exercise price of the common share purchase warrants will be determined at a 20-day volume-weighted average price (“VWAP”) calculated on September 15, 2021 (total 2,500,000 share purchase warrants were issued subsequent to August 31, 2021).
- **Cash Payment**

A total of \$137,500 payable to each of the BG Vendors as follows:

 - On September 15, 2020: \$12,500 (a total cash payment of \$25,000 was paid)
 - On September 15, 2021: \$25,000 (a total cash payment of \$25,000 was paid subsequent to August 31, 2021)
 - On September 15, 2022: \$50,000
 - On September 15, 2023: \$50,000
- **Net Smelter Royalty (“NSR”)**
 - grant DGRM a 2.5% NSR in respect of the Breccia Gold Property, subject to the right and option of the Company to purchase 1% of the Breccia NSR for a price equal to \$1,000,000.
 - grant Canagold a 2.5% NSR in respect of the Lightning Tree Property, subject to the right and option of the Company to purchase 1% of the Lightning Tree NSR for a price equal to \$1,000,000.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Breccia property, Idaho (continued)

In addition, pursuant to the BG Purchase Agreement, commencing on the date the Company receives an exploration drill permit (the "BG Permit Date") in respect of the BG Properties, the Company is required to incur aggregate exploration expenditures of at least \$4,000,000 (the "BG Exploration Expenditures") in connection with the BG Properties (being the aggregate of incurring at least \$2,000,000 with respect to each of the Lightning Tree Property and the Breccia Gold Property, respectively), provided that not less than \$4,000,000 of such BG Exploration Expenditures shall be incurred in connection with the BG Property within the three years of the BG Permit Date, such BG Exploration Expenditures to be made as follows:

- (i) cumulative BG Exploration Expenditures of \$300,000 within one year from the BG Permit Date (with 50% of such amount to be spent of each of the Breccia Gold Property and the Lightning Tree Property);
- (ii) cumulative BG Exploration Expenditures of at least \$2,000,000 within two years from the BG Permit Date (with 50% of such amount to be spent of each of the Breccia Gold Property and the Lightning Tree Property); and
- (iii) cumulative BG Exploration Expenditures of at least \$4,000,000 within three years from the BG Permit Date (with 50% of such amount to be spent of each of the Breccia Gold Property and the Lightning Tree Property).

In addition, pursuant to the terms of the BG Purchase Agreement, the Company has agreed to grant to DGRM and Canagold, together, a one-time bonus payment (the "BG Bonus Payment") of \$1.00 per ounce of gold or gold equivalent, up to a maximum of \$1,000,000, upon the SEDAR filing of a resource of 1,000,000 ounces gold or gold equivalent that is compliant with NI 43-101 - Standards of Disclosure for Mineral Projects within Canada. The BG Bonus Payment is payable to DGRM and Canagold on a pro rata basis based on the number of ounces of gold or gold equivalent from each of their respective claims relative to the 1,000,000 ounces as defined in the NI 43-101 technical report to be prepared in respect of the BG Properties.

In connection with the BG Transaction, the Company issued 250,000 common shares with fair value of \$36,250 as finders' fees during the year ended May 31, 2021.

Daniels Harbour Property

On September 14, 2017, the Company executed the option agreement (the "DH Agreement") to earn a 100% interest in the Daniels Harbour Zinc Property (the "Daniels Harbour Property") located on the Great Northern Peninsula of Newfoundland, approximately 10 km's northeast of the community of Daniels Harbour. Pursuant to the Agreement, the Company may earn a 100% interest in the Daniels Harbour Property for total consideration of 291,667 common shares of the Company (issued), \$60,000 in cash payments (\$25,000 was paid) and a work commitment of \$100,000 within the 24 months following TSX-V approval. The vendor of the Daniels Harbour Property (the "DH Vendor") shall retain a 3% NSR interest. The Company retains the option to buy back 2% of the NSR for \$2,000,000. In the event the Company delineates a 43-101 compliant resource of 5,000,000 tonnes of ore grade zinc (Grade of at least 7% Zn), the DH Vendor will receive a one-time bonus payment equating to \$50,000 payable in cash or shares at the election of the Company on the day of which said report is filed on SEDAR.

On February 8, 2018, the Company executed the asset purchase agreement (the "DH APA") for a 100% interest in the DH Unity Claims consisting of 30 claims (750 hectares) in the Daniels Harbour area (the "DH Unity Claims Property"), situated nearby the Daniels Harbour Property. Pursuant to the DH APA, the Company may purchase a 100% interest in the DH Unity Claims Property for total consideration of 50,000 shares (issued), and a \$1,950 in cash payment (paid).

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Daniels Harbour Property (continued)

On February 14, 2019, the Company executed the option agreement (the “Ubique Agreement”) with Ubique. The Ubique Agreement was amended on March 22, 2021 (the “Amended Ubique Agreement”). According to the Amended Ubique Agreement, Ubique has an option to earn up to a 70% interest in the Daniels Harbour Property (the “DH Optioned Property”) by making the following work and payment commitments (the “DH Payments”):

- (i) On February 14, 2019: \$10,000 cash (received) and 500,000 Ubique Shares (received);
- (ii) On or before March 9, 2019: incur a minimum of \$12,000 of work expenditures (incurred) and file an assessment report;
- (iii) On or before September 15, 2019: incur a minimum of \$100,000 of work expenditures which included the \$12,000 of work expenditures in (ii) (incurred) and file an assessment report;
- (iv) On or before February 14, 2020: \$10,000 cash (received) and 500,000 Ubique Shares (received);
- (v) On or before February 28, 2020: incur a minimum of \$200,000 of work expenditures (incurred);
- (vi) On or before February 14, 2021: 200,000 Ubique Shares (received);
- (vii) On or before February 28, 2021: incur a minimum of \$137,290 of work expenditures, which include any payment and commitments required to be made to the underlying vendors of the DH Optioned Property (the “DH Underlying Vendors”) (incurred);
- (viii) On or before September 1, 2021: make a cash payment of \$40,000 to the DH Underlying Vendors (paid);
- (ix) On or before February 28, 2022: incur a minimum of \$362,710 of work expenditures; and
- (x) On or before February 12, 2024: incur a minimum of \$400,000 of work expenditures.

Upon Ubique having made the DH Payments, Ubique will have earned a 55% interest in the DH Optioned Property. Ubique will have earned an additional 15% interest in the DH Optioned Property by incurring an additional \$400,000 of work expenditures on or before February 28, 2025.

Upon Ubique earning either a 55% or 70% interest in the DH Optioned Property, the Company and Ubique will form a joint venture to continue the exploration work on the DH Optioned Property. The Company may elect to grant Ubique the right to earn an additional 5% interest in the DH Optioned Property for every additional \$100,000 of work expenditures in the DH Optioned Property to a limit of 95% interest in the DH Optioned Property. Once Ubique earns a 95% interest in the DH Optioned Property, the Company may convert its remaining 5% interest to a 2% NSR. Ubique will then have the right to buy back 1.75% of the NSR from the Company for \$2,000,000. The DH Underlying Vendors entitles a 3% NSR of which 2% NSR may be repurchased for \$2,000,000. In addition, in the event that Ubique delineates a NI 43-101 compliant resource of a minimum of 5,000,000 tons of ore with a grade of at least 7% zinc, the DH Underlying Vendors are entitled to a bonus payment.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At August 31, 2021, the Company had 51,716,129 (May 31, 2021 – 49,716,129) common shares issued and outstanding with a value of \$6,637,353 (May 31, 2021 – \$6,397,438).

During the three months ended August 31, 2021

- 2,000,000 warrants were exercised for proceeds of \$210,000 of which \$50,000 was received during the year ended May 31, 2021. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$29,915 from contributed surplus to share capital.

Subsequent to the August 31, 2021

- As discussed in Note 5, the Company issued 2,500,000 common shares pursuant to the BG Purchase Agreement.
- 3,700,000 warrants were exercised for proceeds of \$370,000

Warrants

The changes in warrants during the three months ended August 31, 2021 is as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of period	37,653,947	0.17
Exercised	(2,000,000)	0.11
Balance, end of period	35,653,947	0.18

The following summarizes information about warrants outstanding at August 31, 2021:

Expiry date	Exercise price (\$)	Warrants outstanding	Estimated grant date fair value (\$)	Weighted average remaining contractual life (in years)
September 17, 2021	0.10	2,900,000	38,529	0.05
October 10, 2021	0.10	1,300,000	17,272	0.11
September 18, 2022	0.15	9,799,998	294,000	1.05
December 17, 2022	0.15	817,417	177,494	1.30
December 17, 2022	0.22	18,336,532	1,191,876	1.30
September 23, 2023	0.10	2,500,000	284,476	2.06
		35,653,947	2,003,647	1.14

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Warrants (continued)

Subsequent to August 31, 2021

- As discussed in Note 5, the Company issued 2,500,000 warrants pursuant to the BG Purchase Agreement. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.155 per share until September 9, 2024.
- 500,000 warrants expired unexercised.

Stock options

Under the Company's stock option plan, the Board of Directors may grant options for the purchase of up to a total of 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan may vest over a period of time at the discretion of the board of directors. The options can be granted for a maximum term of 5 years and vest at the discretion of the Board of Directors.

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value of the Company's common shares on the date of the grant. The changes in options during the three months ended August 31, 2021 is as follows:

	Number outstanding	Weighted average exercise price (\$)
Balance, beginning of period	2,933,334	0.22
Granted	845,000	0.21
Cancelled	(226,667)	0.25
Balance, end of period	3,551,667	0.21

During the three months ended August 31, 2021

- On June 2, 2021, the Company granted 845,000 options with an exercise price of \$0.21 to certain officers, directors and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.
- 226,667 options expired unexercised.

The estimated grant date fair value of the options granted during the three months ended August 31, 2021 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	845,000
Risk-free interest rate	0.78%
Expected annual volatility	127%
Expected life (in years)	5.00
Expected dividend yield	0%
Grant date fair value per option (\$)	0.19
Share price at grant date (\$)	0.22

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (CONTINUED)

Stock options (continued)

During the three months ended August 31, 2021 and 2020, the Company recognized share-based payments expense of \$158,229 and \$nil, respectively.

The following summarizes information about stock options outstanding and exercisable at August 31, 2021:

<u>Expiry date</u>	<u>Exercise price (\$)</u>	<u>Options outstanding</u>	<u>Options exercisable</u>	<u>Weighted average remaining contractual life (in years)</u>	<u>Estimated grant date fair value (\$)</u>
April 30, 2022	0.19	230,000	230,000	0.66	38,660
October 12, 2022	0.30	166,667	166,667	1.12	-
December 2, 2025	0.19	1,810,000	1,810,000	4.26	304,239
January 5, 2026	0.28	500,000	500,000	4.35	122,439
June 2, 2026	0.21	845,000	845,000	4.76	158,230
		3,551,667	3,551,667	4.01	623,568
Weighted average exercise price (\$)		0.21	0.21		

As at August 31, 2021, the Company had 1,619,946 (May 31, 2021 – 2,038,279) options available for issuance.

Loss per share

The calculation of basic and diluted loss per share for the three months ended August 31, 2021 is based on the net loss attributable to common shareholders of \$176,347 (August 31, 2020 – \$16,339) and a weighted average number of common shares outstanding during the three months ended August 31, 2021 of 51,150,912 (August 31, 2020 – 17,629,599).

In computing the diluted loss per share, warrants and options are not included as the impact would be antidilutive.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

The Company's related parties as defined by IAS 24, Related Party Disclosures, include the following directors, executive officers, key management personnel, and enterprises which are controlled by these individuals:

<u>Related Party</u>	<u>Relationship</u>
Shawn Westcott	Chief Executive Officer (CEO)
Paul Robertson	Chief Financial Officer (CFO)
Jonathan Bey, Chairman	Chairman
Garry Clark, Director	Director
Darren Smith	Vice-President of Exploration and Director
Jonathan Armes	Former President and Director
Marco Guidi	Former CFO
Quantum Advisory Partners LLP	A partnership in which Mr. Robertson is a partner
Steel Rose Capital	A private company in which Mr. Bey is the President, CEO and Director
Clark Exploration Consulting Inc.	A private company in which Mr. Clark is a principal
ITCA Consulting Inc.	A private company in which Mr. Guidi is a principal

The Company considered the executive officers and directors as the key management of the Company.

The following table discloses the total compensation incurred to the Company's key management personnel during the three months ended August 31, 2021 and 2020:

	<u>For the three months ended</u>	
	<u>August 31, 2021</u>	<u>August 31, 2020</u>
	<u>\$</u>	<u>\$</u>
Shawn Westcott, CEO		
Consulting fees	20,250	-
Share-based payments	46,813	-
	67,063	-
Paul Robertson, CFO		
Professional fees ⁽¹⁾	18,000	-
Share-based payments	9,363	-
	27,363	-
Jonathan Bey, Chairman		
Consulting fees ⁽²⁾	4,500	-
Share-based payments	13,108	-
	17,608	-
Garry Clark, Director		
Consulting fees ⁽³⁾	1,991	-
Share-based payments	9,363	-
	11,354	-

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Related party transactions (continued)

	For the three months ended	
	August 31, 2021	August 31, 2020
	\$	\$
Darren Smith, Director, VP of Exploration		
Consulting fees	8,248	-
Share-based payments	42,132	-
	50,380	-
Jonathan Armes, Former President & Director		
Consulting fees	-	21,000
Share-based payments	-	-
	-	21,000
Marco Guidi, former CFO		
Consulting fees ⁽⁴⁾	-	6,000
Share-based payments	-	-
	-	6,000
Total	173,768	27,000

(1) Paid to Quantum Advisory Partners LLP

(2) Paid to Steel Rose Capital

(3) Paid to Clark Exploration Consulting Inc.

(4) Paid to ITCA Consulting Inc.

Related party balances

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$78,241 as at August 31, 2021 (May 31, 2021 – \$75,766). These amounts are unsecured, non-interest bearing and payable on demand.

8. COMMITMENT

The Company is obligated to make certain payments and issue shares as described in Note 5 in connection with the acquisition and continued exploration of its exploration and evaluation assets.

9. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and development of exploration and evaluation assets. All of the Company's exploration and evaluation assets are located in United States.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

10. CAPITAL MANAGEMENT

The Company considers its capital to be all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The Company's properties are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the exercise of outstanding stock options or warrants, the sale of equity capital of the Company or the sale by the Company of an interest in any of its properties in whole or in part. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended August 31, 2021. The Company is not subject to externally imposed capital restrictions.

11. FINANCIAL INSTRUMENTS

Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	August 31, 2021	FVTPL	Amortized costs	FVTOCI
	\$	\$	\$	\$
Financial assets:				
ASSETS				
Cash	1,723,064	1,723,064	-	-
Marketable securities	66,000	66,000	-	-
Amounts receivable	6,295	-	6,295	-
Reclamation deposits	68,696	-	68,696	-
Financial liabilities:				
LIABILITIES				
Accounts payable and accrued liabilities	252,059	-	252,059	-

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

The carrying values of amounts receivable, reclamation deposits, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

As at August 31, 2021 and May 31, 2021, the financial instrument recorded at fair value on the statements of financial position is cash and marketable securities which is measured using Level 1 of the fair value hierarchy. As at August 31, 2021 and May 31, 2021, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 and 3 in the fair value hierarchy above.

Financial risk management

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 exposure to credit risk includes cash and amounts receivable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash and cash equivalents based in Canada are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained sufficient cash as at August 31, 2021 in the amount of \$1,723,064, in order to meet short-term business requirements. At August 31, 2021, the Company had accounts payable and accrued liabilities of \$252,059. All accounts payable and accrued liabilities are current.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk, other price risk, and commodity price risk.

- Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2021.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash and cash equivalents. A 1% change in interest rates on cash outstanding as of August 31, 2021 would result in an approximately \$17,000 change to the Company's loss for the three months ended August 31, 2021.

- Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, reclamation deposits, accounts payable and accrued liabilities and long-term investment are held in Canadian Dollars ("CAD") and US Dollars ("USD"); therefore, USD accounts are subject to fluctuation against the Canadian dollar.

The Company had the following balances in foreign currency as at August 31, 2021:

	CA\$	US\$
Cash	474,476	990,562
Marketable securities	66,000	-
Amounts receivable	6,295	-
Reclamation deposits	-	54,500
Accounts payable and accrued liabilities	(110,003)	(112,699)
	436,768	932,363
Rate to convert to \$1.00 CAD	1.00000	1.26049
Equivalent to CAD	436,768	1,175,230

Based on the above net exposures as at August 31, 2021, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD would increase/decrease comprehensive loss by \$118,000.

Ophir Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended August 31, 2021

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk (continued)

- Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk.

As of August 31, 2021, the Company held 1,200,000 Ubique Shares (Note 3). Ubique is publicly traded on the Canadian Securities Exchange. A 10% change in share price of Ubique Shares at August 31, 2021 would result in a \$6,600 change to the Company's comprehensive loss for the three months ended August 31, 2021.

Other than this, the Company is not exposed to significant other price risk.

- Commodity risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant commodity risk.