O2Gold Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim consolidated financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada (CPA Canada) for a review of interim financial statements by an entity's auditor.

O2Gold Inc.

Condensed Interim Consolidated Statements of Financial Position

(In Canadian dollars- unaudited)

As at:	Notes		March 31, 2022		December 31, 2021
ASSETS					
Current assets:					
Cash		$	201,328	$	856,417
Amounts receivable			14,551		17,668
Prepaid expenses and advances			256,805		319,300
Total current assets			472,684		1,193,385
Non-current assets:					
Property, plant and equipment	4		33,921		41,906
TOTAL ASSETS		**$**	**506,605**	**$**	**1,235,291**
LIABILITIES AND EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	6,8,11	$	2,996,806	$	2,921,253
Total liabilities			2,996,806		2,921,253
Shareholders' (deficiency):					
Share capital	7		20,839,367		20,839,367
Contributed surplus	7		5,413,491		5,413,491
Deficit			(28,743,059)		(27,938,820)
Total shareholders' (deficiency)			(2,490,201)		(1,685,962)
TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)		**$**	**506,605**	**$**	**1,235,291**
Nature of operations and going concern	1				
Commitments and contingencies	12				

Approved by the Board of Directors

(s) Jaime Lalinde
Jaime Lalinde, Director

(s) Algimantas Didziulis
Algimantas Didziulis, Director

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

(In Canadian dollars- unaudited)

	Notes	Three months ended March 31, 2022		2021
Expenses:				
Professional and consulting fees		$ 113,082	$	95,960
Exploration and evaluation expenses	5	306,891		211,539
Shareholder communications and transfer agent fees		24,686		57,673
General and administrative expenses		213,761		22,213
Travel expenses		8,352		-
Foreign exchange loss		39,836		8,278
Total expenses before the undernoted		706,608		395,663
Accretion expense	11	97,631		-
Net and comprehensive loss		**$ 804,239**	**$**	**395,663**
(Loss) per share				
Basic and diluted (loss) per share		$ (0.006)	$	(0.006)
Weighted average number of common shares outstanding:				
Basic and diluted		134,395,870		66,490,530

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

O2Gold Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(In Canadian dollars- unaudited)

	Share capital		Contributed surplus	Shares to be issued	Deficit	Total shareholders' equity/ (deficiency)
	No.	$	$	$	$	$
Balance, December 31, 2020	64,780,191	8,681,671	4,136,909	-	(12,575,853)	242,727
Subscription funds received (note 7)	-	-	-	30,000	-	30,000
Warrants exercised (Note 7)	3,971,500	643,724	(122,998)	-	-	520,726
Options exercised (Note 7)	700,000	106,559	(36,559)	-	-	70,000
Net and comprehensive loss	-	-	-	-	(395,663)	(395,663)
Balance, March 31, 2021	**69,451,691**	**9,431,954**	**3,977,352**	**30,000**	**(12,971,516)**	**467,790**
Balance, December 31, 2021	134,395,870	20,839,367	5,413,491	-	(27,938,820)	(1,685,962)
Net and comprehensive loss	-	-	-	-	(804,239)	(804,239)
Balance, March 31, 2022	**134,395,870**	**20,839,367**	**5,413,491**	**-**	**(28,743,059)**	**(2,490,201)**

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

(In Canadian dollars- unaudited)

	Notes	For the three months ended March 31, 2022	2021
Cash flows used in operating activities			
Net and comprehensive loss		$ (804,239)	$ (395,663)
Items not involving cash:			
Depreciation	4	7,985	33
Accretion expense	11	97,631	-
Working capital adjustments:			
Change in amounts receivable		3,117	(21,363)
Change in prepaid expenses and advances		62,495	(10,685)
Change in accounts payable and accrued liabilities		(22,078)	(68,946)
Net cash (used in) operating activities		**(655,089)**	**(496,624)**
Cash flows from financing activities			
Proceeds from private placement	7	-	30,000
Exercise of options	7	-	70,000
Exercise of warrants	7	-	520,726
Net cash provided by financing activities		**-**	**620,726**
Change in cash during the period		(655,089)	124,102
Cash, beginning of the period		856,417	405,472
Cash, end of the period		**$ 201,328**	**$ 529,574**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

O2Gold Inc. (“O2Gold” or collectively with its subsidiaries, the “Company”) was incorporated under the *Canada Business Corporations Act* on April 20, 2012. O2Gold’s common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol OTGO. The address of its head office and principal place of business is 198 Davenport Road, Toronto (Ontario), Canada, M5R 1J2.

The Company is engaged in the evaluation, acquisition and exploration of mineral properties in Colombia. It plans to explore the properties and, if warranted, develop the properties, bring them into production, option or lease the properties to third parties, or sell the properties outright. It has not been determined whether these properties contain mineral reserves that are economically recoverable, and the Company is considered to be in the exploration stage.

Although the Company has taken steps to verify title to mineral properties 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 and non-compliance with regulatory requirements.

Given that the Company has not yet determined whether its mineral property contains mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. As at March 31, 2022, the Company has an accumulated deficit of $28,743,059 ($27,938,820 as at December 31, 2021) and a working capital deficit of $2,524,122 (working capital deficit of $1,727,868 as at December 31, 2021), which is not sufficient to meet the Company’s operating activities for the next twelve months. These material uncertainties cast significant doubt regarding the Company’s ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing, to meet its existing commitments, to further explore its mineral properties, to pay for general and administrative expenses and to continue to have the support of its suppliers and creditors.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, to the reported expenses and to the financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts eventually realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

The Company’s operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company’s operations and ability to finance its operations. COVID-19 has had a minimal effect on the Company’s operations to date.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all of the disclosure required for annual financial statements and therefore should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2021.

Basis of preparation and evaluation

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's 2021 audited financial statements.

These condensed interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on May 30, 2022.

Basis of consolidation

The condensed interim consolidated financial statements include the accounts of O2Gold and those of its wholly owned subsidiaries: 11023926 Canada Inc., Trinité S.A.S., a Colombian company, and Buenaventura Gold Inc., a Panamanian company. All intra-group transactions, balances, income and expenses are eliminated during consolidation. All subsidiaries have reporting dates of December 31.

A subsidiary is an entity controlled by the Company. O2Gold controls an entity when the group is exposed to or has the right to variable returns from involvement with the entity and has the ability to affect these returns through its power over the entity.

New and future accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the financial statements:

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. Earlier adoption is permitted.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") was amended in February 2021 to introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier adoption is permitted.

(In Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the condensed interim consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. These estimates and underlying assumptions are reviewed by management on an ongoing basis.

In preparing the financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2021 audited financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Office equipment	Vehicles and Equipment	Total
Cost	**$**	**$**	**$**	**$**
Balance: December 31, 2020	**-**	**2,540**	**-**	**2,540**
Additions	-	-	39,757	39,757
Balance: December 31, 2021	**-**	**2,540**	**39,757**	**42,297**
Additions	-	-	-	-
Balance: March 31, 2022	**-**	**2,540**	**39,757**	**42,297**

	Land	Office equipment	Vehicles and Equipment	Total
Accumulated depreciation	**$**	**$**	**$**	**$**
Balance: December 31, 2020	**-**	**257**	**-**	**257**
Depreciation charge	-	134	-	134
Balance: December 31, 2021	**-**	**391**	**-**	**391**
Depreciation charge	-	34	7,951	7,985
Balance: March 31, 2022	**-**	**425**	**7,951**	**8,376**

Net book value- December 31, 2021	**-**	**2,149**	**39,757**	**41,906**
Net book value- March 31, 2022	**-**	**2,115**	**31,806**	**33,921**

5. EXPLORATION AND EVALUATION PROPERTIES

During the three months ended March 31, 2022 and 2021, the Company incurred the following exploration and evaluation expenditures:

	Three months ended March 31,	
	2022	**2021**
	$	**$**
Acquisition cost	-	126,850
Permitting and claims	1,386	-
Logistics, travel and overhead	305,504	84,689
	306,891	**211,539**

5. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

Otú Centro

In 2020, the Company entered into a definitive agreement with, *inter alia*, Bullet Holding Corp., a private company, pursuant to which the Company acquired in 2021 a 100% interest in a gold mining project in Colombia known as the Otú Centro Project.

The Otú Centro Project consists of interests in mining claim titles and applications in the Segovia/Zaragosa regions of Antioquia in Colombia (the "Otú Assets").

Consideration for the acquisition included US$9,000,000 ($11,246,400), payable as US$1,000,000 ($1,249,600) cash and the remainder in common shares of the Company, as follows:

a) Following completion of a private placement of the Company's common shares for proceeds of greater than US$3,000,000, that number of common shares equal to US$3,000,000 divided by the greater of (i) the share price of the financing, and (ii) US$0.18;
b) On October 26, 2021, that number of common shares equal to US$2,500,000 divided by the greater of (i) the 30-day volume weighted average price ("VWAP") of the common shares on the TSXV for the period immediately prior to the date such shares are issued, and (ii) US$0.18;
c) On October 26, 2022, that number of common shares equal to US$2,500,000 divided by the greater of (if) the 30-day VWAP of the common shares on the TSXV for the period immediately prior to the date such shares are issued, and (ii) US$0.18 (see Note 11).

In accordance with the policies of the TSXV, no more than 57,777,778 common shares may be issued as consideration for the acquisition.

On April 23, 2021, the Company closed the acquisition of the Otú Centro Project. Pursuant to the terms of the amended share purchase agreement, the Company acquired all of the issued and outstanding shares of Buenaventura Gold, Inc., a company that indirectly owns, or to which have been indirectly irrevocably transferred, 100% of the Otú Assets. The Company paid US$975,000 (approximately $1,220,000) in cash and US$3,000,000 (approximately $3,750,000) was satisfied by the issuance of 18,807,206 units of the Company, at a deemed price per unit of $0.20. See Note 7(b).

On October 26, 2021, the Company made an additional payment of US2,500,000 (approximately $3,125,000) satisfied by the issuance of 13,981,150 common shares of the Company, at a deemed price per share of $0.22. See Note 7(b).

At December 31, 2021, the Company had paid US$1,000,000 (approximately $1,250,000) in cash and had issued US$5,500,000 (approximately $6,875,000) in shares to Bullet in relation to the definitive agreement. If at the time of payment, the Company's share price is less than US$0.18, the Company shall pay any outstanding amounts in United States dollars.

Bullet has retained a perpetual 2% net smelter return royalty affecting the entire Otú Centro Project, with the exception of production from a certain mining title, which is already affected by a 5% net smelter return royalty payable to a third party. Bullet is also expected to contribute their exploration expertise and community relationships developed during their ownership of the Otú Assets.

(In Canadian dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	December 31, 2021
Current		
Trade payables	$ 80,937	$ 88,466
Accruals	33,750	48,299
Acquisition fees payable (Note 11)	2,882,119	2,784,488
	$ 2,996,806	**$ 2,921,253**

7. SHARE CAPITAL

a) Authorized

An unlimited number of voting common shares without par value.

b) Private placements

	Number of Shares #	Amount $
Balance, December 31, 2020	**64,780,191**	**8,681,671**
Shares issued from private placement - April 2021	17,390,000	3,478,000
Black-Scholes warrant valuation	-	(626,794)
Cost of issue	-	(197,975)
Shares issued for property acquisition	32,788,356	6,883,691
Black-Scholes warrant valuation	-	(600,245)
Shares issued for settlement of debt	800,323	176,071
Cost of issue	-	(1,380)
Restricted share units issued	3,775,000	1,245,750
Exercise of options	1,430,000	206,437
Exercise of warrants	13,432,000	1,594,141
Balance, December 31, 2021 and March 31, 2022	**134,395,870**	**20,839,367**

On April 16, 2021, the Company completed a private placement financing consisting of 17,390,000 units at a price of $0.20 per unit for aggregate gross proceeds to the Company of $3,478,000. The Company paid $19,125 in share issue costs. Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant shall be exercisable into one additional common share of the Company at an exercise price of $0.30 until April 16, 2023. The fair value of the 8,695,000 warrants issued was estimated at $555,014 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.168; expected dividend yield of 0%; expected volatility of 99% based on the Company's historical share price volatility; risk-free interest rate of 0.29% and an expected life of 2 years. Finder's fees were paid to eligible finders in accordance with the policies of the TSXV consisting of cash commissions of $178,850 and 894,250 finder warrants. Each finder warrant will entitle the holder thereof to purchase one common share at a price of $0.20 until April 16, 2023. The fair value of the finder warrants issued was estimated at $71,780 using the Black-Scholes option pricing model with identical assumptions as the warrants issued with the private placement units.

On April 23, 2021, the Company issued 18,807,206 units of the Company at a deemed price of $0.20 per unit based on the unit price of the April 16, 2021 financing as consideration for the acquisition of the Otú Centro Project (see Note 5). Each unit consists of one common share of the Company and one half of one common share purchase warrant. Each whole warrant shall be exercisable into one additional common share of the Company at an exercise price of $0.30 until April 16, 2023. The fair value of the 9,403,603 warrants issued was estimated at $600,245 using the Black-Scholes option pricing model with the following assumptions: stock price of $0.168; expected dividend yield of 0%; expected volatility of 99% based on the Company's historical share price volatility; risk-free interest rate of 0.29% and an expected life of 2 years.

(In Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

b) Private placements (continued)

On September 21, 2021, the Company issued 800,323 common shares, at a deemed price per share of $0.22 based on the closing price of the Company's common shares on the TSXV on the date of agreement, to Geominas Serviminas JV ("Geominas") to settle approximately $176,000 of the Company's cash indebtedness owing to Geominas in connection with the Company's exploratory drill program at its Otú Centro Project. The Company paid an additional $1,380 in share issue costs.

On October 26, 2021, the Company issued 13,981,150 common shares of the Company at a deemed price of $0.22 per share based on the market price of the Company's common shares as consideration for the acquisition of the Otú Centro Project (see Note 5).

c) Share-based payments

The Company has a stock option plan whereby the Company may grant to directors, officers, employees and consultants of the Company options to purchase shares of the Company. Options granted under the plan will be for a term not to exceed five years.

The Company also has a Restricted Share Unit Incentive Plan ("RSU Plan") whereby the Company is authorized to grant Restricted Share Units ("RSU's") under the plan to directors, officers and employees. An RSU represents the right to receive one common share of the Company on the vesting date. As the RSU's are to be settled in common shares, the value of outstanding RSU's will be included in share-based payment reserve within equity.

On April 30, 2021, the Company granted 3,775,000 RSU's to certain directors, officers and consultants of the Company pursuant to the RSU plan. Each RSU vested immediately and represented the right of the grantee to receive one common share of the Company. On May 18, 2021, the RSU's were converted to common shares of the Company at a deemed price of $0.33 per share based on the Company's share price on the date of grant, and $1,245,750 was recorded in share-based compensation. A director and officers of the Company received an aggregate of 2,933,333 common shares, valued at $968,000.

The number of common shares reserved for issuance pursuant to the stock option plan and the RSU plan and all other security-based compensation arrangements shall, in aggregate, not exceed 10% of the Company's issued and outstanding capital.

A summary of changes of the Company's options is presented below:

	No. of options \#	Weighted Average Exercise Price $	Value of options $
December 31, 2020	**4,380,000**	**0.17**	**506,451**
Granted, April 2021	1,400,000	0.31	321,100
Expired, May 2021	(100,000)	0.10	(5,109)
Granted, August 2021	400,000	0.24	71,720
Exercised	(1,430,000)	0.10	(63,437)
December 31, 2021 and March 31, 2022	**4,650,000**	**0.24**	**830,725**

(In Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

c) Share-based payments (continued)

Options outstanding and exercisable as at March 31, 2022 are as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
650,000	650,000	27-May-20	27-May-25	$ 0.055	$ 32,825	89%	5.00	0%	0.40%
800,000	800,000	26-Aug-20	26-Aug-25	$ 0.29	$ 164,560	94%	5.00	0%	0.41%
1,400,000	1,400,000	11-Nov-20	11-Nov-25	$ 0.24	$ 240,520	95%	5.00	0%	0.48%
400,000	400,000	8-Apr-21	8-Apr-26	$ 0.26	$ 76,600	99%	5.00	0%	0.92%
1,000,000	1,000,000	30-Apr-21	30-Apr-26	$ 0.33	$ 244,500	100%	5.00	0%	0.93%
400,000	400,000	16-Aug-21	16-Aug-26	$ 0.24	$ 71,720	101%	5.00	0%	0.81%
4,650,000	**4,650,000**				**$ 830,725**				

On April 8, 2021, the Company issued 400,000 stock options to a director of the Company pursuant to the Company's stock option plan. The stock options vested immediately and may be exercised at a price of $0.26 per option for a period of five years from the date of grant. The fair value of the stock options was estimated at $76,600 using the Black-Scholes pricing model with the following assumptions: expected dividend yield 0%; stock price $0.26; expected annual volatility 98.8%; risk-free interest rate 0.92%; and expected average life 5 years.

On April 30, 2021, the Company granted an aggregate of 1,000,000 stock options to certain consultants of the Company pursuant to the Company's stock option plan. The stock options vested immediately and may be exercised at a price of $0.33 per option for a period of five years from the date of grant. The fair value of the stock options was estimated at $244,500 using the Black-Scholes pricing model with the following assumptions: expected dividend yield 0%; stock price $0.33; expected annual volatility 99.6%; risk-free interest rate 0.93%; and expected average life 5 years.

On August 16, 2021, the Company granted 400,000 stock options to a director of the Company pursuant to the Company's stock option plan. The stock options vested immediately and may be exercised at a price of $0.24 per option for a period of five years from the date of grant. The fair value of the stock options was estimated at $71,720 using the Black-Scholes pricing model with the following assumptions: expected dividend yield 0%; stock price $0.24; expected annual volatility 101.1%; risk-free interest rate 0.81%; and expected average life 5 years.

For the options granted in 2021, the underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the options.

No stock options were exercised during the three months ended March 31, 2022. During the three months ending March 31, 2021, 700,000 options were exercised, generating proceeds of $70,000. During the year ended December 31, 2021, 100,000 of the Company's options expired unexercised.

At March 31, 2022, the weighted-average remaining contractual life of the Company's exercisable options was 3.72 years (December 31, 2021 – 3.97 years).

(In Canadian dollars)

7. SHARE CAPITAL (CONTINUED)

d) Warrants

A summary of changes of the Company's warrants is presented below:

	No. of warrants #	Weighted Average Exercise Price $	Value of warrants $
December 31, 2020	**15,211,000**	**0.29**	**337,576**
Granted, April 2021	18,992,853	0.30	1,227,039
Exercised	(13,432,000)	0.10	(279,841)
Expired	(1,119,000)	0.16	(48,221)
December 31, 2021 and March 31, 2022	**19,652,853**	**0.29**	**1,236,553**

No warrants were exercised during the three months ended March 31, 2022 (three months ended March 31, 2021- 3,971,500 warrants exercised for gross proceeds of $520,725). A director and officer of the Company exercised 1,000,000 warrants, generating proceeds of $75,000. During the year ended December 31, 2021, 1,119,000 of the Company's warrants expired unexercised.

Warrants outstanding at March 31, 2022 are as follows:

No. outstanding	No. exercisable	Grant date	Expiry date	Exercise price	Fair value at grant date	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
660,000	660,000	24-Jun-20	24-Jun-22	$ 0.075	$ 9,514	112%	2.00	0%	0.30%
8,695,000	8,695,000	16-Apr-21	16-Apr-23	$ 0.30	$ 555,014	99%	2.00	0%	0.29%
894,250	894,250	16-Apr-21	16-Apr-23	$ 0.20	$ 71,780	99%	2.00	0%	0.29%
9,403,603	9,403,603	23-Apr-21	23-Apr-23	$ 0.30	$ 600,245	99%	2.00	0%	0.29%
19,652,853	19,652,853				**$ 1,236,553**				

At March 31, 2022, the weighted-average remaining contractual life of the Company's warrants was 1.02 years (December 31, 2021 – 1.27 years).

For the warrants granted in 2021, the underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the warrants.

8. RELATED PARTY TRANSACTIONS

Key management includes directors and officers. The compensation paid or payable to key management is presented below:

	Three months ended March 31, 2022 $	**2021 $**
Consulting fees	45,924	45,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

9. FINANCIAL INSTRUMENTS

Objectives and politics concerning financial risk management

The Company considers managing risk as being an integral part of its development and diversification strategies. The Company uses a proactive and rigorous approach for the management of the financial risks to which it is exposed. The Company's management manages financial risks. The Company focuses on actively securing short to medium term cash flows by minimizing the exposures to financial markets.

The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Fair value

The Company presents fair value information of its financial assets and liabilities in the consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on significance of inputs used in measuring the fair value of the financial assets and liabilities.

The Company defines the fair value hierarchy under which its financial instruments are valued as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date;
- Level 2 includes inputs other than quoted prices in Level 1 that are observable for assets or liability, either directly or indirectly; and
- Level 3 includes inputs for the asset or liability that are not based on observable market data.

The carrying value of accounts payable and accrued liabilities are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

Financial risks

The Company's most significant financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company maintains substantially all of its cash and cash equivalents with a Canadian chartered bank, which reduces credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

Historically, the Company has generated cash flow from private placement financing. There can be no assurances that sufficient funding, including adequate financing, will be available to cover the general and administrative expenses necessary for the maintenance of a public company.

9. FINANCIAL INSTRUMENTS (CONTINUED)

As at March 31, 2022, the Company had a working capital deficit of $2,524,122 (December 31, 2021- working capital deficit of $1,727,868), which included cash and cash equivalents of $201,328 (December 31, 2021- $856,417), amounts receivable of $14,551 (December 31, 2021- $17,668) and prepaid expenses and advances of $256,805 (December 31, 2021- $319,300), offset by current liabilities of $2,996,806 (December 31, 2021- $2,921,253). The Company expects to raise additional net working capital to finance its planned activities.

Foreign currency risk

Some of the Company's purchases are denominated in foreign currencies, primarily in Colombian pesos. Consequently, certain assets and liabilities, namely cash, and accounts payable and accrued liabilities, include amounts in Colombian pesos that are exposed to currency fluctuations.

The following balance sheet items included amounts in foreign currencies at March 31, 2022 and December 31, 2021:

		March 31, 2022		December 31, 2021
		Colombian Pesos		
Cash		28,736,518		25,242,792
Accounts payable and accrued liabilities		(160,651,154)		(942,483,714)
Net balance		(131,914,636)		(917,240,922)
Equivalent in Canadian dollars	**$**	**(43,889)**	**$**	**(285,244)**

A 10% strengthening (weakening) of the Canadian dollar against the Colombian peso would decrease (increase) net loss by approximately $(4,400). (December 31, 2021 - $(28,500)).

10. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity and current liabilities. The Company manages its capital structure and makes adjustments based on the funds available to support the development of its operations. The Board of Directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The Company is dependent upon external financing to fund its activities. To continue to carry out the Company's planned development and funding of ongoing administrative expenses, the Company will utilize its existing working capital and will raise additional capital as appropriate.

The Company's management reviews its capital management approach on an ongoing basis and believes that it reflects a reasonable approach given the relative size of the Company. There were no changes to the approach to capital management for the three months ended March 31, 2022.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As at March 31, 2022, the Company may not be compliant with the policies of the TSXV. The impact of any violation is not known and is ultimately dependent on the discretion of the TSXV.

(In Canadian dollars)

11. ACQUISITION OF EXPLORATION AND EVALUATION PROPERTIES

On April 23, 2021, the Company completed the acquisition of a 100% equity interest in Buenaventura Gold Inc. ("Buenaventura"), which owns a 100% interest in the Otú Centro Project in Colombia.

Terms of the Transaction

Under the terms of the Definitive Agreement, the Company acquired a 100% equity interest in Buenaventura for consideration detailed below:

US$9,000,000 (approximately $11.25 million), paid as US$1,000,000 ($1,249,600) in cash and the reminder payable as follows:

a) On April 23, 2021, US$3,000,000 (approximately $3.75 million) of the Company's common shares satisfied by 18,807,206 units of the Company, at a deemed price per unit of $0.20. See Note 7(b).
b) On October 26, 2021, US$2,500,000 (approximately $3.12 million) satisfied by 13,981,150 of the Company's common shares, at a deemed price per share of $0.22. See Note 7(b).
c) On October 26, 2022, that number of common shares equal to US$2,500,000 (approximately $3.12 million) divided by the greater of (i) the 30-day VWAP of the common shares on the TSXV for the period immediately prior to the date such shares are issued, and (ii) US$$0.18.

Purchase price consideration

The acquisition is being treated as an asset acquisition for accounting purposes as Buenaventura does not meet the definition of a business, as defined in IFRS 3, Business Combinations. The preliminary allocation of the purchase price of the assets acquired and liabilities assumed were recorded at their estimated fair market values, which are based on management estimates.

Purchase price:		
Cash consideration	$	1,227,163
Share consideration		3,761,441
Future obligations		5,435,974
Total purchase price	$	10,424,578
Fair value of assets acquired and liabilties assumed:		
Amounts receivable and prepaid	$	-
Fixed assets		-
Accounts payable and accrued liabilties		-
Cash		-
Total net asset acquired	$	-
Excess of purchase price over fair value of assets acquired	**$**	**10,424,578**

Buenaventura had been originally incorporated for the sole purpose of holding the Otú Centro Project assets.

The future obligations are the net present value of the future payments, discounted at 15%. The discount rate was estimated as an appropriate rate considering discount rates of other companies in the industry. As at March 31, 2022, the future obligations are adjusted to $2,882,119 (April 23, 2021- $5,435,974) and $97,631 of accretion expenses were charged to the Company's statement of loss and comprehensive loss. The current portion of the future obligations of $2,882,119 is due within a year and is included in accounts payable and accrued liabilities.

13. COMMITMENTS AND CONTINGENCIES

Exploration

The Company has countersigned documents that transforms certain of its claims into a concessionary title. As a result, the Company is required to meet certain production obligations, among others, to keep the title in good standing. These obligations include recovery of a minimum of 2,229 oz Au in 2022. The minimum recovery of Au increases year over year for the first six years of the title's 30-year extension.

Management contracts

The Company is party to certain management contracts. These contracts contain clauses requiring additional payments of up to approximately $180,000 to be made upon the occurrence of certain events such as a change of control, and management bonus payments of approximately $6,240,000 to be made upon the achievement of certain performance benchmarks, including related to certain market capitalization thresholds, and if the Company combines with a producing Colombian entity in certain circumstances. If such a combination transaction takes place, the combined entity is to issue 6% of its total outstanding shares pursuant to these management contracts. As none of the triggering events have taken place, the contingent payments have not been reflected in these consolidated financial statements. Additional minimum management contract commitments remaining under these contracts approximate $93,500, due within one year.

Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

Litigation

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable, and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.