

THESIS GOLD INC.

Condensed Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

To the shareholders of Thesis Gold Inc:

The condensed interim financial statements of Thesis Gold Inc. (the "Company") for the three months ended March 31, 2022 and 2021 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

THESIS GOLD INC.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

(unaudited)

As at	March 31 2022	December 31 2021
Assets		
Current		
Cash	\$ 34,836,981	\$13,201,890
Goods and services tax receivable	163,570	490,509
Prepays and deposits	472,223	219,062
	<u>35,472,774</u>	13,911,461
Reclamation bond	240,000	240,000
Exploration and evaluation properties (note 3)	17,899,600	15,716,466
	<u>\$ 53,612,374</u>	<u>\$29,867,927</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 1,728,042	\$ 1,011,893
Asset retirement obligation liability	240,000	240,000
Deferred flow-through liability	471,855	-
	<u>2,439,897</u>	1,251,893
Equity		
Share capital (note 4)	53,162,755	29,686,115
Option and warrant reserve	6,132,717	3,413,361
Deficit	(8,122,995)	(4,483,442)
	<u>51,172,477</u>	28,616,034
	<u>\$ 53,612,374</u>	<u>\$29,867,927</u>

Approved by the Board of Directors

Director (signed by) "Ewan Webster"

Director (signed by) "Nick Stajduhar"

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

THESIS GOLD INC.

Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

(unaudited)

For the three months ended	March 31 2022	March 31 2021
Expenses		
Advertising and promotion	\$ 219,213	\$ 53,663
General and administrative	21,128	13,646
Management fees (note 5)	60,333	52,000
Professional fees	23,123	13,163
Regulatory and filing fees	56,968	19,491
	<u>(380,765)</u>	<u>(151,963)</u>
Other		
Dissolution of subsidiary	-	315,094
Interest income	39,295	9,699
Settlement of flow-through liability	46,667	-
Share-based compensation (note 4, 5)	(3,344,750)	(283,500)
	<u>(3,639,553)</u>	<u>(110,670)</u>
Net loss and comprehensive loss for the period	\$ (3,639,553)	\$ (110,670)
Basic and diluted loss per common share	\$ (0.07)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	<u>50,777,837</u>	<u>32,130,745</u>

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

THEESIS GOLD INC.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)

(unaudited)

	Share capital	Option and warrant reserve	Surplus reserve	AOCI	Deficit	Total equity/ (deficit)
Balance at December 31, 2020	\$12,427,995	\$ 804,560	\$ 168,502	\$ 124,192	\$ (1,470,970)	\$12,054,279
Dissolution of subsidiary	(798)	-	(168,502)	(124,192)	(21,598)	(315,090)
Share based compensation	283,500	-	-	-	-	283,500
Net loss	-	-	-	-	(110,670)	(110,670)
Balance at March 31, 2021	\$12,710,697	\$ 804,560	\$ -	\$ -	\$ (1,603,238)	\$11,912,019
Shares issued for cash	18,400,000	-	-	-	-	18,400,000
Shares issued for property	-	-	-	-	-	-
Share issuance costs	(1,449,251)	-	-	-	-	(1,449,251)
Share issuance costs – non-cash	(399,977)	-	-	-	-	(399,977)
Options and RSUs issued	-	2,210,000	-	-	-	2,210,000
Warrants issued	-	399,977	-	-	-	399,977
Warrants exercised	1,281,789	(1,176)	-	-	-	1,280,613
Flow-through premium liability	(857,143)	-	-	-	-	(857,143)
Net loss	-	-	-	-	(2,880,204)	(2,880,204)
Balance at December 31, 2021	\$29,686,115	\$ 3,413,361	\$ -	\$ -	\$ (4,483,442)	\$28,616,034
Shares issued for cash	24,500,118	-	-	-	-	24,500,118
Share issuance costs	(1,707,230)	-	-	-	-	(1,707,230)
Share issuance costs – non-cash	(629,350)	-	-	-	-	(629,350)
Options and RSUs issued	191,750	2,607,000	-	-	-	2,798,750
Options exercised	813,200	(368,700)	-	-	-	444,500
Warrants issued	-	629,350	-	-	-	629,350
Warrants exercised	826,674	(148,294)	-	-	-	678,380
Flow-through premium liability	(518,522)	-	-	-	-	(518,522)
Net loss	-	-	-	-	(3,639,553)	(3,639,553)
Balance at March 31, 2022	\$53,162,755	\$ 6,132,717	\$ -	\$ -	\$ (8,122,995)	\$51,172,477

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

THESIS GOLD INC.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

For the three months ended	March 31 2022	March 31 2021
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (3,639,553)	\$ (110,670)
Items not affecting cash:		
Share based compensation	2,798,750	283,500
Settlement of flow-through liability	(46,667)	-
	<u>(887,470)</u>	283,500
Changes in non-cash working capital:		
Goods and services tax receivable	326,939	(15,624)
Accounts receivable and prepayments	(253,161)	-
Accounts payable and accrued liabilities	(918,445)	(89,349)
Dissolution of subsidiary	-	(315,090)
Cash used in operating activities	<u>(1,732,137)</u>	<u>(247,233)</u>
Investing activities		
Exploration and evaluation property exploration expenditures (note 3)	(548,540)	(241,998)
Purchase of reclamation deposit	-	(25,000)
Cash used in investing activities	<u>(548,540)</u>	<u>(266,998)</u>
Financing activities		
Proceeds from private placements	24,500,118	-
Proceeds from option exercises	444,500	-
Proceeds from warrant exercises	678,380	-
Share issuance costs	(1,707,230)	-
Cash provided by financing activities	<u>23,915,768</u>	-
Foreign exchange effect on cash	-	-
Net increase (decrease) in cash	21,635,091	(514,231)
Cash, beginning of period	<u>13,201,890</u>	<u>5,755,664</u>
Cash, end of period	\$ 34,836,981	\$ 5,241,433

As at March 31, 2022, \$1,634,594 (2021 – \$nil) of exploration and evaluation property expenditures are included in accounts payable and accrued liabilities.

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

THESIS GOLD INC.

Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
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1. Nature of operations

Thesis Gold Inc., formerly Chinapintza Mining Corp (“Chinapintza”), was incorporated under the Business Corporations Act (Ontario) and continued into the Province of British Columbia under the *Business Corporations Act* (British Columbia). The Company’s common shares are listed for trading on the TSX Venture Exchange under the trading symbol “TAU”, and on the Frankfurt Stock Exchange under the trading symbol “A2QQ0Y”. The address of the Company’s corporate office and principal place of business is 1111 West Hastings Street, Suite 780, Vancouver BC, V6E 2J3. The Company’s principal business is to acquire, explore and develop the gold and mineral exploration Ranch Gold Project located in British Columbia.

On March 11, 2020, the World Health Organization (“WHO”) declared coronavirus COVID-19 a global pandemic. To combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures will have a significant, negative effect on the economies of all nations for an undeterminable period.

2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

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

These condensed financial statements have been prepared on a historical cost basis, unless otherwise noted. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Exploration and evaluation properties

Ranch Property

On October 30, 2020, the Company acquired the Ranch Gold property, a mineral exploration property comprised of 31 British Columbia Mineral Titles Online mineral claims totaling 17,832 hectares in the Tooddogone Region of northern British Columbia.

To acquire the property, the Company paid \$250,000 cash to the vendor and issued 14,000,000 common shares of the Company at a deemed price of \$0.375 per share for a total consideration of \$5,500,000. The vendor retains a 2% net smelter royalty. The Company also paid an arm’s length third party a finders’ fee of 100,000 common shares of the Company at a deemed price of \$0.50 per share.

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Total costs incurred by the Company on the Ranch property are summarized as follows:

	Acquisition	Exploration	Total
Balance, December 31, 2021	\$ 5,509,500	\$ 10,206,966	\$ 15,716,466
Airborne survey	-	11,631	11,631
Assays and analysis	-	314,987	314,987
Community relations	-	13,500	13,500
Drilling	-	460,460	460,460
Engineering	-	15,253	15,253
Environment	-	81,169	81,169
Fieldwork	-	577,232	577,232
Fieldwork supplies	-	113,059	113,059
General and administrative	-	56,898	56,898
Geological consulting	-	159,326	159,326
Rentals	-	56,180	56,180
Roads and maintenance	-	299,144	299,144
Travel and support	-	24,295	24,295
Balance, March 31, 2022	\$ 5,509,500	\$ 12,390,100	\$ 17,899,600

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at December 31, 2021	45,672,973	\$ 29,686,115
Shares issued for cash	9,282,451	24,500,118
Shares issued on vesting of restricted share units	200,000	191,750
Shares issued on exercise of options	340,000	813,200
Shares issued on exercise of warrants	1,007,570	826,674
Share issuance cost	-	(2,336,580)
Flow-through premium liability	-	(518,522)
Balance at March 31, 2022	56,502,994	\$ 53,162,755

On February 17, 2022, the Company completed a private placement of \$20,000,115 for Premium flow-through common shares (the "Premium FT Shares") at a price of C\$2.70 per Premium FT Share for the issuance of up to 7,407,450 Premium FT Shares and gross proceeds of \$4,500,000 for the regular flow-through common shares (the "FT Shares") at a price of \$2.40 per FT Share for the issuance of up to 1,875,000 FT Shares, for combined aggregate gross proceeds of \$24,500,115. The Company paid finders fees of \$1,470,000 and issued 556,947 broker warrants exercisable to acquire one additional non-flow through share common share at \$2.70 per share until 24 months from issuance.

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On February 5, 2022, the Company granted 100,000 restricted stock units ("RSUs") to Eligible Persons under the Company's RSU plan. The RSUs are payable in common shares of Thesis and will be vested in two equal installments of 50,000 over six months.

Escrowed common shares

Upon closing of the acquisition of the Ranch Gold Project, 14,000,000 common shares of the Company are subject to Value Escrow Agreement. Under the Value Escrow Agreement, 10% of the Value Escrowed Shares will be released from escrow on the Initial Release and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 8,400,000 common shares remained in escrow.

Flow-through shares

On February 17, 2022, the Company completed a flow-through placement of 7,407,450 shares at \$2.70 per share for gross proceeds of \$20,000,115 and recognized a deferred flow-through premium of \$518,522 as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at March 31, 2022, the Company has incurred eligible exploration expenditures of \$1,846,622 relating to these flow-through shares. As a result, the amount of \$46,667 in connection with the settlement of the flow-through liability was recognized in other income.

b) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants ("Eligible Persons"), the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the Eligible Person ceases to be a director, officer, consultant or employee of the Company for reasons other than death.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
Outstanding options, December 31, 2021	4,250,000	\$ 0.97
Issued	1,650,000	2.43
Exercised	(340,000)	1.31
Outstanding options, March 31, 2022	5,560,000	\$ 1.38

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A summary of the options outstanding and exercisable is as follows:

Exercise Price	Number of options	March 31, 2022	Exercise Price	Number of options	December 31, 2021
		Remaining contractual life (years)			Remaining contractual life (years)
\$ 0.50	1,900,000	3.6	\$ 0.50	1,900,000	3.9
1.30	610,000	4.1	1.30	900,000	4.4
1.65	100,000	2.1	1.65	100,000	2.4
1.35	1,300,000	4.5	1.35	1,350,000	4.8
2.43	1,650,000	5.0	-	-	-
\$ 1.38	5,560,000	4.3	\$ 0.97	4,250,000	4.2

i On March 25, 2022, the Company granted stock options to acquire up to an aggregate 1,650,000 common shares of the Company under the Plan, vesting immediately upon grant. The stock options are exercisable at a price of \$2.43 per common share and have an expiry date of March 25, 2027 or earlier in accordance with the terms of the Plan. The estimated fair value of these options of \$2,607,000, or \$1.58 per option, has been recorded as share-based compensation expense during the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$2.43; expected life, 5 years; expected volatility, 80%; risk-free rate 2.49%; expected dividends, 0%. The options were issued with an exercise price equal to the quoted market price of the Company's common shares on the date of issuance.

c) Restricted share units ("RSUs")

On November 9, 2020, the Company adopted a restricted share unit plan (the "RSU Plan") providing for the issuance of restricted share units ("RSUs") to Eligible Persons of the Company. The RSU Plan allows the Board of Directors to issue RSUs up to 10% of the Company's outstanding common shares, but no more than 5% to any one Eligible Person. The terms of the RSUs including vesting period, performance conditions, and trigger date are to be determined by the Board of Directors at the time of each grant. Upon vesting, each RSU entitles the Eligible Person to receive one common share for every RSU held or the cash equivalent, based on the fair market value of the common shares of the Company at the time of vesting.

On February 5, 2021, the Company granted 1,400,000 RSUs to Eligible Persons of the Company under the RSU Plan, which vest as follows: 25% upon the date of grant and 25% every six months thereafter. The estimated fair value of \$1,134,000, or \$0.81 per RSU, will be recognized as an expense over the vesting period. The fair value was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price, \$0.90; expected life, 1.5 years; expected volatility, 80%; risk-free rate, 0.20%; forfeiture rate, 10%; expected dividends, 0%. As of the date of these financial statements, 350,000 RSUs remained unvested.

On February 5, 2022, the Company granted 100,000 RSUs to Eligible Persons of the Company under the RSU Plan, which vest as follows: 50% upon the date of grant and 50% six months thereafter. The estimated fair value of \$200,000, or \$2.00 per RSU, will be recognized as an expense over the vesting period. The fair value was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price, \$2.70; expected life, 0.5 years; expected volatility, 66%; risk-free rate, 1.29%; forfeiture rate, 10%; expected dividends, 0%. As of the date of these financial statements, 50,000 RSUs remained unvested.

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d) Warrants

The Following is a summary of the changes in the Company's warrants during the periods:

	Number of Warrants	Weighted average exercise price
Outstanding warrants, December 31, 2021	12,170,864	\$ 0.77
Issued	556,947	2.70
Exercised	(1,007,570)	0.67
Outstanding warrants, March 31, 2022	11,720,241	\$ 0.87

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	March 31, 2022			Exercise Price	December 31, 2021	
	Number of warrants	Remaining contractual life (years)			Number of warrants	Remaining contractual life (years)
\$ 0.75	10,118,250	0.6		\$ 0.75	10,538,750	0.8
0.50	412,800	0.6		0.50	930,400	0.8
1.50	632,244	0.8		1.50	701,714	1.0
2.70	556,947	1.9		-	-	-
\$ 0.87	11,720,241	0.7		\$ 0.77	12,170,864	0.8

- i On February 17, 2022, the Company issued 556,947 warrants to agents pursuant to the brokered private placement as compensation for services provided by the agents. The estimated fair value of the agents' warrants of \$629,350, or \$1.13 per agents' warrant, has been recorded as a decrease to share capital as a cost of share issuance and an increase to option and warrant reserve, and was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$2.63; expected life, 2 years; expected volatility, 80%; risk free rate, 1.51%; expected dividends, 0%.

Subsequent to the period ended March 31, 2022, the Company received exercises of 277,000 warrants for gross proceeds of \$207,750.

5. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended	March 31 2022	March 31 2021
Management fees paid to key management and directors	\$ 60,333	\$ 52,000
Capitalized consulting fees paid to key management	23,000	18,000
Investor relations fees paid to a director	32,500	30,000
	\$ 115,833	\$ 100,000

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During the period ended March 31, 2022, there were 1,275,000 options issued to key management and directors (2021 – nil) resulting in a non-cash share-based compensation expense of \$2,014,500 (2021– \$nil).

At March 31, 2022 and 2021, there were no accounts payable and accrued liabilities due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

6. Financial instruments and risk management

Fair value of financial instruments

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - 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.

The Company's cash and cash equivalents and listed equity investments are classified as Level 1, whereas goods and services tax receivable and prepayments, and accounts payable and accrued liabilities are classified as Level 2, and non-listed equity investments are classified as Level 3. As at March 31, 2022, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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: currency risk, interest rate risk, other price risk.

Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar will affect the Company's operations and financial results. The operating results and financial position of the Company are reported in Canadian dollars. The Company's operations are in Canada. The Company considers this risk to be minimal.

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Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities; therefore, interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily concentrated in its cash. Cash are held at reputable financial institutions in Canada. The Company's maximum exposure to credit risk at March 31, 2022 is \$34,836,981 (December 31, 2021 - \$13,201,890).

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board.

As at March 31, 2022 the Company's working capital was \$33,272,877 (December 31, 2021 – \$12,899,568) and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31 2022	December 31 2021
Financial assets at amortized cost:		
Cash	\$ 34,836,981	\$ 13,201,890
Goods and services tax receivable	163,570	490,509
	\$ 35,000,551	\$ 13,692,399

Financial liabilities included in the statement of financial position are as follows:

	March 31 2022	December 31 2021
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	\$ 1,728,042	\$ 1,011,893

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Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

Determination of fair value

The statements of financial position carrying amounts for cash, accounts receivable and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.