GOLD TERRA RESOURCE CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

October 31, 2021

(Expressed in Canadian Dollars)

NOTICE TO READER

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

The accompanying unaudited condensed consolidated interim financial statements 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 consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	October 31, 2021 (Unaudited)	January 31, 2021 (Audited)
ASSETS			
Current			
Cash and cash equivalents		$ 1,717,031	$ 3,281,202
GST/HST receivables		53,728	91,212
Prepaids and deposits		85,806	96,413
		1,856,565	3,468,827
Non-current			
Equipment	3	5,818	4,170
Reclamation deposits	5	152,540	152,540
Exploration and evaluation assets	6	40,709,339	37,770,790
		40,867,697	37,927,500
		$ 42,724,262	$ 41,396,327
LIABILITIES			
Current			
Trade payables and accrued liabilities	7, 8	$ 282,013	$ 422,274
Deposit payable	4	25,000	25,000
Deferred premium on flow-through shares	13	184,270	137,699
		491,283	584,973
SHAREHOLDERS' EQUITY			
Share capital	9	55,260,757	53,294,764
Share-based payment reserve	9, 10	4,295,453	3,966,232
Deficit		(17,323,231)	(16,449,642)
		42,232,979	40,811,354
		$ 42,724,262	$ 41,396,327

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

These consolidated financial statements are authorized for issue by the Board of Directors on December 17, 2021. They are signed on the Company's behalf by:

"Gerald Panneton"	***"Patsie Ducharme"***
Gerald Panneton, Executive Chairman	Patsie Ducharme, Director

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited; expressed in Canadian dollars)

	Note	Three months ended October 31 2021	Three months ended October 31 2020	Nine months ended October 31 2021	Nine months ended October 31 2020
EXPENSES					
Amortization	3	$ 643	$ -	$ 1,654	$ 8,938
Consulting	9	-	21,292	1,820	175,432
Depreciation of right-of-use asset	4	-	-	-	3,973
Directors' fees	8	19,280	8,582	57,780	41,444
Management compensation	8	150,000	150,000	450,000	465,770
Office, rent and miscellaneous		24,426	37,289	38,954	159,871
Professional fees	8	48,672	40,222	149,312	177,810
Salaries and benefits		43,981	-	141,428	-
Share-based payments	8, 9	94,198	116,573	329,221	284,552
Transfer agent, filing fees and shareholder communications		179,536	221,515	526,840	576,143
Travel and related costs		10,009	865	10,009	50,635
		(570,745)	(596,338)	(1,707,018)	(1,944,568)
OTHER ITEMS					
Interest income		-	2,140	-	20,557
Loss on disposal of equipment		-	-	-	(3,495)
Finance costs	4	-	-	-	(962)
Flow-through share premium reversal	13	305,934	452,421	833,429	466,791
LOSS BEFORE INCOME TAXES		(264,811)	(141,777)	(873,589)	(1,461,677)
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (264,811)	$ (141,777)	$ (873,589)	$ (1,461,677)
Loss per share - basic and diluted		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		189,328,637	181,325,748	188,390,908	168,835,174

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
Balance at January 31, 2020 (audited)		**160,493,235**	**$ 47,732,879**	**$ 3,537,030**	**$ (14,589,545)**	**$ 36,680,364**
Loss for the period		-	-	-	(1,461,677)	(1,461,677)
Shares issued to private placement	9	20,700,000	7,130,000	-	-	7,130,000
Share issuance costs	9	-	(651,842)	-	-	(651,842)
Flow-through share premium		-	(960,000)	-	-	(960,000)
Shares issued on exercise of options	9	1,000	1,043	(434)	-	609
Shares issued on exercise of warrants	9	34,402	17,684	(5,299)	-	12,385
Shares issued to acquire property	6(a), 9	100,000	25,000	-	-	25,000
Share-based payments	9	-	-	284,552	-	284,552
Balance at October 31, 2020 (unaudited)		**181,328,637**	**53,294,764**	**3,815,849**	**(16,051,222)**	**41,059,391**
Loss for the period		-	-	-	(398,420)	(398,420)
Share-based payments	9	-	-	150,383	-	150,383
Balance at January 31, 2021 (audited)		**181,328,637**	**53,294,764**	**3,966,232**	**(16,449,642)**	**40,811,354**
Loss for the period		-	-	-	(873,589)	(873,589)
Shares issued on private placement	9	8,000,000	2,880,000	-	-	2,880,000
Share issuance costs	9	-	(34,007)	-	-	(34,007)
Flow-through share premium	13	-	(880,000)	-	-	(880,000)
Share-based payments	9	-	-	329,221	-	329,221
Balance at October 31, 2021 (unaudited)		**189,328,637**	**$ 55,260,757**	**$ 4,295,453**	**$ (17,323,231)**	**$ 42,232,979**

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

GOLD TERRA RESOURCE CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited; expressed in Canadian dollars)

	Nine months ended October 31 2021	2020
Cash provided by (used in):		
Operating activities		
Net loss	$ (873,589)	$ (1,461,677)
Items not involving cash:		
Amortization	1,654	8,938
Loss on disposal of equipment	-	3,495
Depreciation - right-of-use assets	-	3,973
Share-based payments	329,221	284,552
Flow-through premium reversal	(833,429)	(466,791)
Non-cash interest	-	(962)
Changes in non-cash working capital items:		
Receivables	37,484	(28,882)
Prepaids and deposits	10,607	4,545
Deposit	-	25,000
Trade payables and accrued liabilities	(18,807)	1,065,370
Net cash used in operating activities	(1,346,859)	(562,439)
Investing activities		
Net proceeds from sale of equipment	-	26,775
Expenditures on exploration and evaluation assets	(3,060,003)	(5,193,586)
Purchase of equipment	(3,302)	-
Net cash used in investing activities	(3,063,305)	(5,166,811)
Financing activities		
Issuance of common shares, net of share issuance costs	2,845,993	6,491,152
Payment of lease liability	-	(4,751)
Net cash provided by financing activities	2,845,993	6,486,401
Change in cash and cash equivalents	(1,564,171)	757,151
Cash and cash equivalents - beginning of period	3,281,202	4,768,241
Cash and cash equivalents - end of period	$ 1,717,031	$ 5,525,392

Supplemental cash flow information (Note 12)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold Terra Resource Corp. (formerly TerraX Minerals Inc.) (the "Company" or "Gold Terra") was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company changed its name to Gold Terra Resource Corp. on February 13, 2020. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "YGT" and OTCQX Market under the symbol "YGTFF".

The head office of the Company is located at 410-325 Howe Street, Vancouver, British Columbia, Canada, V6C 1Z7. The registered address and records office of the Company is located at 2200-885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

The Company has one wholly-owned subsidiary, Gold Matter Corporation, which was incorporated under the Business Corporations Act (Ontario).

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at October 31, 2021, the Company has not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance with International Financial Reporting Standards ("IFRS")
These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of presentation
These condensed consolidated interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

The preparation of condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

(Unaudited; expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended January 31, 2021.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended January 31, 2021. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine-month period ended October 31, 2021 are not necessarily indicative of the results that may be expected for the current fiscal year.

New accounting standards and interpretations

There were no new accounting standards and interpretations which had a material impact on adoption during the nine months ended October 31, 2021.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed consolidated interim financial statements.

3. EQUIPMENT

Cost		
Balance, January 31, 2020	$	227,326
Acquisitions	$	4,415
Dispositions		(13,510)
Balance, January 31, 2021		218,231
Acquisitions		3,302
Balance, October 31, 2021	$	221,533
Accumulated amortization		
Balance, January 31, 2020	$	213,118
Amortization		9,183
Amortization related to dispositions		(8,240)
Balance, January 31, 2021		214,061
Amortization		1,654
Balance, October 31, 2021	$	215,715
Net book value, January 31, 2021	$	4,170
Net book value, October 31, 2021	$	5,818

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4. DEPOSIT PAYABLE

The Company holds a $25,000 deposit payable to its sublessee after the lease terminates on January 31, 2022.

During the nine months ended October 31, 2020, the Company recorded $3,973 as depreciation of right-of-use asset and $962 as finance costs prior to the Company subleasing its office to a sublessee, resulting in the Company derecognizing both the right-of-use asset and lease liability as of March 1, 2020.

5. RECLAMATION DEPOSITS

As of October 31, 2021, security deposits of $152,540 (January 31, 2021 - $152,540) were deposited with the Minister of Aboriginal Affairs and Northern Development Canada for land use permits issued by the Mackenzie Valley Land and Water Board (“MVLWB”) for the Company’s exploration properties in the Northwest Territories. The security deposits will be refunded once the land use permit ends and a final report describing land use activities during the respective term of the permits are submitted to the MVLWB and reclamation activities are completed.

6. EXPLORATION AND EVALUATION ASSETS

(a) Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold Project (“YCG”) is comprised of the Northbelt, Southbelt, Eastbelt and Quyta-Bell properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt, Southbelt and Eastbelt properties as described in more detail below.

In May 2013, the Company granted Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) (“Osisko”) an option to acquire a 2% net smelter return royalty (“NSR”) on the Northbelt property. Osisko may exercise the option by payment of $2 million within three months following the commencement of production. In consideration of granting the option, the Company received 20,000 common shares of Osisko at a market value of $10 per share, the value of which was applied to reduce the acquisitions costs recorded for Northbelt by $200,000 in 2013.

On May 12, 2015, the Company entered into an agreement to grant an option to Osisko to purchase a 1% NSR on the YCG. To purchase this option, Osisko paid the Company $1,000,000 (received), which was applied as a reduction to the carrying value of the YCG. The option also entitles Osisko to purchase a 1% NSR on production from the properties that comprise the YCG by payment of an additional $2 million within three months following commencement of production.

Northbelt Property

The Company owns 100% of the mineral lease and claims in the Northbelt Property.

To October 31, 2021, the Company has incurred exploration and evaluation expenditures, net of recoveries, totalling $32,333,008 (January 31, 2021 - $31,886,629) on the Northbelt Property.

Southbelt Property

The Company owns 100% of the mineral claims in the Southbelt Property.

To October 31, 2021, the Company has incurred exploration and evaluation expenditures totalling $578,484 (January 31, 2021 - $578,286) on the Southbelt Property.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(a) Yellowknife City Gold Project, Northwest Territories (cont'd)

Eastbelt Property

On February 1, 2017, the Company announced that it had staked certain claims east of the City of Yellowknife known as the Eastbelt Property that have been incorporated into the YCG.

On September 15, 2017, the Company acquired contiguous claims which have been incorporated into the Eastbelt Property. The claims are subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000. On completion of the acquisition, the Company is also obligated to pay an annual advance royalty of $6,000 until the commencement of production. As consideration, the Company paid a total of $50,000 and issued a total of 150,000 common shares, of which the last 50,000 common shares were issued on November 1, 2019.

On November 17, 2017, the Company acquired an additional contiguous claim that has been incorporated into the Eastbelt Property. As consideration, the Company paid $5,000 and issued 40,000 common shares at a fair value of $20,000. The Company also incurred additional acquisition costs of $17,166.

On September 25, 2018, the Company acquired additional contiguous claims, the Tom and Sickle claims, that have been incorporated into the Eastbelt Property. As consideration, the Company paid $25,000 and issued 250,000 common shares at a fair value of $95,000. The Company also incurred additional acquisition costs of $132,380. These claims are subject to a 2% NSR.

On January 30, 2020, the Company announced that it acquired 100% interest in two claims, Aurora 1 and 2 in Yellowknife which are contiguous to the existing properties. The acquisition terms are:

- $10,000 cash paid upon TSX-V acceptance for filing of the agreement (paid);
- 100,000 common shares issued upon TSX-V acceptance for filing of the agreement (issued) (Note 10); and
- A 2% NSR royalty with a buyback of 1% for $1 million and an additional 0.5% buyback for a further $1 million.

To October 31, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $1,630,486 (January 31, 2021 - $1,619,549) on the Eastbelt Property.

Quyta-Bell Property

On March 7, 2018, the Company announced that it had expanded its land position at the YCG project through the staking of an additional 337.5 square kilometers immediately to the north of its current properties. These additional 47 claims have been named the Quyta-Bell property and have been incorporated into the YCG.

To October 31, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $471,451 (January 31, 2021 - $441,269) on the Quyta-Bell property.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

(b) Newmont Option Property

On September 8, 2020, the Company entered into an Exploration Agreement with Venture Option (the "Agreement") with Newmont Ventures Limited and Miramar Northern Mining Ltd. (jointly, "Newmont") on certain mineral leases and mineral claims adjacent to the former Con Mine (the "Newmont Exploration Property"). The Agreement contains two phases of potential earn-in:

(i) In Phase one, Gold Terra can earn a 30% interest by spending a minimum of $3 million in exploration expenditures over a period of three years on the Newmont Exploration Property. Gold Terra will manage, fund and operate the program. Upon completing Phase one earn-in, the parties will form a joint venture.

(ii) In Phase two, Gold Terra can earn an additional 30% interest, for a 60% cumulative interest in the joint venture, by sole funding all expenditures and completing a prefeasibility study outlining a mineral resource containing at least 750,000 ounces of gold on the Newmont Exploration Property itself, and a combined 1.5 million ounces of gold on both the Newmont Exploration Property and the mineral claims in the immediate area which are already owned by Gold Terra. Gold Terra has a period of up to four additional years to complete Phase two earn-in and will also manage and operate the Phase two program.

Provided that Gold Terra completes Phase two earn-in, Newmont has a one time, back-in right to earn back a 20% interest in the joint venture, such that Newmont would then hold a 60% interest and Gold Terra would hold a 40% interest. The back-in right is triggered if a discovery of at least five million ounces of gold in all mineral resource categories is made within the Newmont Exploration Property and is exercisable by Newmont by providing certain cash reimbursements and payment to Gold Terra. Subsequent to October 31, 2021, the Company entered into a definitive agreement with Newmont, replacing this Agreement (see Note 14).

To October 31, 2021, the Company has incurred total exploration and evaluation expenditures, net of recoveries, of $3,239,927 (January 31, 2021 - $793,476) on the Newmont Exploration Property.

See also Note 14 – Subsequent Events.

(c) Stewart Property, Newfoundland

On June 28, 2010, and as last amended on September 26, 2012, the Company entered into an option agreement to acquire a 100% interest in the Stewart Property located in the Burin Peninsula of Newfoundland. The Company completed its commitments and acquired 100% interest.

The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

To October 31, 2021, the Company has incurred expenditures, net of write-off of lapsed licenses, totalling $1,082,458 (January 31, 2021 - $1,082,458) on the Stewart Property.

(d) Mulligan Property, New Brunswick

On October 21, 2019, the Company acquired a 100% interest in the Mulligan Property through the acquisition of Gold Matter Corporation.

To October 31, 2021, the Company has incurred expenditures totalling $1,373,525 including the $1,109,744 acquisition costs (January 31, 2021 - $1,369,122 including the $1,109,744 acquisition costs) on the Mulligan Property.

(Unaudited; expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

The following are details of the Company's exploration and evaluation assets:

	Northbelt	Southbelt	Eastbelt	Quyta-Bell	Newmont	Stewart	Mulligan	Total
Balance at January 31, 2020	$ 27,399,720	$ 583,617	$ 1,518,902	$ 447,538	$ -	$ 1,081,708	$ 1,109,744	$ 32,141,229
Acquisition costs	28,349	-	74,312	403	17,514	-	250	120,828
Exploration costs:								
Assays and drilling (Note 8)	3,393,511	1,102	172	-	691,146	-	288,697	4,374,628
Community	45,348	-	-	-	1,175	-	-	46,523
Consulting (Note 8)	198,475	29,750	26,163	2,775	13,668	750	-	271,581
Environmental	153,102 -	2,250	-	-	37,125	-	-	187,977
Field expenses	172,485	2,680	-	-	32,848	-	4,589	212,601
Geophysical (Note 8)	532,253	-	-	-	-	-	844	533,097
	4,495,173	31,281	26,335	2,775	775,962	750	294,129	5,626,407
Impairment	-	-	-	-	-	-	-	-
Recoveries	(36,613)	(36,613)	-	(9,447)	-	-	(35,001)	(117,674)
Balance at January 31, 2021	$ 31,886,629	$ 578,286	$ 1,619,549	$ 441,269	$ 793,476	$ 1,082,458	$ 1,369,122	$ 37,770,790
Acquisition costs	13,925	-	10,614	16,103	-	-	-	40,642
Exploration costs:								
Assays and drilling (Note 8)	274,514	-	-	-	2,366,599	-	12,402	2,653,516
Community	9,818	-	-	-	3,632	-	-	13,449
Consulting (Note 8)	65,439	-	300	450	30,500	-	-	96,689
Environmental	1,792	-	-	-	13,518	-	-	15,310
Field expenses	80,891	198	23	13,629	32,203	-	-	126,943
Geophysical	-	-	-	-	-	-	-	-
	432,454	198	323	14,079	2,446,452	-	12,402	2,905,907
Impairment	-	-	-	-	-	-	-	-
Recoveries	-	-	-	-	-	-	(8,000)	(8,000)
Balance at October 31, 2021	$ 32,333,008	$ 578,484	$ 1,630,486	$ 471,451	$ 3,239,927	$ 1,082,458	$ 1,373,525	$ 40,709,339

(Unaudited; expressed in Canadian dollars)

7. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	October 31, 2021	January 31, 2021
Trade payables	$ 221,345	$ 361,534
Due to related parties (Note 8)	34,418	30,740
Accrued liabilities	26,250	30,000
	$ 282,013	$ 422,274

8. RELATED PARTY TRANSACTIONS

Related Party Balances

As at October 31, 2021, $34,418 (January 31, 2021 - $30,740) was due to directors of the Company or to companies controlled by officers of the Company and recorded in trade payables and accrued liabilities (see table below). These amounts are unsecured and non-interest bearing with no fixed terms of repayment.

Key Management Compensation

The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company and the payments to companies controlled by officers of the Company as defined above were as follows:

	Nine months ended		Due to Related Parties	
	October 31, 2021	October 31, 2020	As at October 31, 2021	As at January 31, 2021
Consulting fees	$ -	$ 57,913	$ -	$ -
Directors' fees	57,780	42,444	-	-
Geological consulting - exploration and evaluation assets [(a)]	59,181	414,372	13,964	16,747
Management compensation	450,000	465,000	-	-
Management expense reimbursement	-	-	9,954	3,493
Professional fees [(b)]	90,000	100,000	10,500	10,500
Share-based payments	149,797	183,435	-	-
	$ 806,758	$ 1,263,164	$ 34,418	$ 30,740

[(a)] The Company incurred $59,181 (2020: $414,372) of geological consulting fees for its exploration and evaluation assets with a company related to the former Executive Chairman and current Chief Operating Officer of the Company.

[(b)] The Company paid $90,000 (October 31, 2020 - $100,000) to a company controlled by the Chief Financial Officer.

9. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

Nine months ended October 31, 2021:

a) On March 4, 2021, the Company completed a non-brokered private placement of 8,000,000 flow-through common shares of the Company (the "FT Shares") at a price of $0.36 per FT Share for gross proceeds of $2,880,000. Share issuance costs of $34,007 were incurred with respect to this placement.

Year ended January 31, 2021:

a) The Company issued 100,000 common shares with fair value of $25,000 towards consideration for the acquisition of exploration and evaluation assets (Note 6(a)).

b) The Company received net proceeds of $12,385 from the exercise of 34,402 warrants at $0.36 per share. The value of these warrants of $5,299 was reclassified from reserves to share capital.

c) The Company received net proceeds of $610 from the exercise of 1,000 stock options at $0.61 per share. The value of these options of $434 was reclassified from reserves to share capital.

d) On July 14, 2020, the Company closed a bought deal financing (the “Offering”) with BMO Capital Markets (the “Underwriter”) for aggregate gross proceeds of $7,130,000. Pursuant to the Offering, 12,700,000 common shares of the Company, including the exercise in full of the Underwriters' over-allotment option, were issued at a price of $0.30 per share and 8,000,000 charity flow-through common shares of the Company (the "Charity Flow-Through Common Shares") were issued at a price of $0.415 per Charity Flow-Through Common Share. Share issuance costs of $651,842 were incurred with respect to this Offering. The Offering was completed by way of a short form prospectus filed in all of the provinces of Canada, except Québec, and the Common Shares were sold elsewhere outside of Canada on a private placement basis.

Stock options

The Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer cannot exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities cannot exceed 2% of the issued and outstanding common shares.

Stock option transactions and the number of stock options for the nine months ended October 31, 2021 are summarized as follows:

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

Stock options **(cont'd)**

Expiry date	Exercise price ($)	January 31, 2020	Issued	Exercised	Expired / cancelled	January 31, 2021	Issued	Exercised	Expired / cancelled	October 31, 2021
May 17, 2020	0.62	1,250,000	-	-	(1,250,000)	-	-	-	-	-
June 20, 2020	0.49	250,000	-	-	(250,000)	-	-	-	-	-
September 8, 2020	0.61	1,545,000	-	(1,000)	(1,544,000)	-	-	-	-	-
June 15, 2021	0.41	1,250,000	-	-	-	1,250,000	-	-	(1,250,000)	-
December 30, 2024	0.30	2,710,000	-	-	-	2,710,000	-	-	-	2,710,000
April 14, 2025	0.30	-	400,000	-	-	400,000	-	-	-	400,000
August 11, 2025	0.435	-	1,125,000	-	-	1,125,000	-	-	-	1,125,000
December 11, 2025	0.35	-	1,281,250	-	-	1,281,250	-	-	-	1,281,250
December 18, 2025	0.35	-	200,000	-	-	200,000	-	-	-	200,000
August 16, 2026	0.26	-	-	-	-	-	200,000	-	-	200,000
Options outstanding		7,005,000	3,006,250	(1,000)	(3,044,000)	6,966,250	200,000	-	(1,250,000)	5,916,250
Options exercisable		4,138,750	100,000	(1,000)	(3,044,000)	2,705,000	-	-	(1,250,000)	3,265,313
Weighted average exercise price ($)		$ 0.45	$ 0.38	$ 0.61	$ 0.60	$ 0.35	$Nil	$Nil	$ 0.41	$ 0.34

As at October 31, 2021, the weighted average remaining life of options outstanding was 3.52 years.

Nine months ended October 31, 2021:

On August 16, 2021, the Company granted 200,000 stock options to a new director that can be exercised at $0.26 per share until August 16, 2026. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $17,091 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.29% and an expected volatility of 57.39%.

The Company recorded $329,221 of share-based compensation expense for stock options granted in previous periods but vested during the nine months ended October 31, 2021.

Year ended January 31, 2021:

On April 14, 2020, the Company granted 400,000 stock options to an officer of the Company that can be exercised at $0.30 per share until April 14, 2025. These options vest as to 25% six months following the date of grant and 25% every six months thereafter. The total fair value of $50,066 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.34% and an expected volatility of 60.40%. The vesting of granted stock options resulted in share-based compensation of $34,205 being recorded during the year ended January 31, 2021.

On August 11, 2020, the Company granted 1,125,000 stock options to a new director, employees and consultants that can be exercised at $0.435 per share until August 11, 2025. These options vest 25% every six months following the grant date. The total fair value of $264,682 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.31% and an expected volatility of 62.63%. The vesting of granted stock options resulted in share-based compensation of $130,111 being recorded during the year ended January 31, 2021.

On December 11, 2020, the Company granted 1,281,250 stock options to officers, directors, employees and consultants that can be exercised at $0.35 per share until December 11, 2025. These options vest 25% every six months following the grant date. The total fair value of $212,415 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.28% and an expected volatility of 60.49%. The vesting of granted stock options resulted in share-based compensation of $32,783 being recorded during the year ended January 31, 2021.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (cont'd)

Stock options (cont'd)

On December 18, 2020, the Company granted 200,000 stock options to an employee that can be exercised at $0.35 per share until December 18, 2025. These options vest 25% every six months following the grant date. The total fair value of $31,688 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 5 years, expected dividend yield of 0%, a risk-free interest rate of 1.27% and an expected volatility of 60.57%. The vesting of granted stock options resulted in share-based compensation of $4,891 being recorded during the year ended January 31, 2021.

Warrants

The Company measures warrants issued with common shares in unit private placements using the residual method. During the year ended January 31, 2021, the issue price of units was not higher than the market price of the Company's shares at the time of issuance. Accordingly, no value was allocated to such warrants.

Warrant transactions and the number of warrants for the nine months ended October 31, 2021 are summarized as follows:

Expiry date	Exercise price ($)	January 31, 2020	Issued	Exercised	January 31, 2021	Issued	Expired	October 31, 2021
April 12, 2021	0.60	4,209,821	-	-	4,209,821	-	(4,209,821)	-
April 12, 2021	0.40	420,982	-	-	420,982	-	(420,982)	-
June 26, 2021	0.36	373,546	-	(34,402)	339,144	-	(339,144)	-
November 17, 2021[a]	0.60	5,887,500	-	-	5,887,500	-	-	5,887,500
Warrants outstanding		10,891,849	-	(34,402)	10,857,447	-	(4,969,947)	5,887,500
Weighted average exercise price ($)		$ 0.58	$Nil	$ 0.36	$ 0.58	$Nil	$ 0.57	$ 0.60

[a] Subsequently expired unexercised

As at October 31, 2021, the weighted average remaining life of warrants outstanding was 0.05 year.

10. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finder's warrants are issued, granted and exercised, at which time the corresponding amount will be transferred to share capital.

11. FINANCIAL RISK AND CAPITAL MANAGEMENT

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, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's receivables are mostly tax receivables from the government. The risk related to receivables is assessed low.

11. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at October 31, 2021 and no interest bearing debt, therefore, interest rate risk is nominal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Fair value

The Company classifies its financial instruments into categories as follows: cash and receivables as financial assets at amortized cost; and trade payables as financial liabilities at amortized cost. The fair value of the Company's financial assets and liabilities approximates their carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

Cash and cash equivalents are classified as level 1.

(Expressed in Canadian dollars)

12. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended October 31, 2021 and 2020, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Nine months ended October31	
	2021	2020
Exploration expenditures included in trade payables and accrued liabilities	$ 210,812	$ 770,812
Fair value of shares issued for mineral property acquisition	$ -	$ 25,000
Fair value of share-based payments reallocated to share capital	$ -	$ 434
Fair value of warrants reallocated to share capital	$ -	$ 5,299

13. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	October 31, 2021	January 31, 2021
Balance, beginning of period	$ 137,699	$ -
Deferred premium on flow-through shares issued	880,000	960,000
Recognition of deferred premium on flow-through shares	(833,429)	(822,301)
Balance, end of period	$ 184,270	$ 137,699

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the nine months ended October 31, 2021, the Company received $2,880,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $880,000. During the nine months ended October 31, 2021, the Company incurred and renounced eligible expenditures of $2,753,143. These expenditures will not be available to the Company for future deduction from taxable income.

During the year ended January 31, 2021, the Company received $3,320,000 from the issuance of flow-through shares at a premium to the market price and recognized a deferred premium on flow-through shares of $960,000. During the year ended January 31, 2021, the Company incurred and renounced eligible expenditures of $2,843,789. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or “premium”, are recorded as deferred income. As at October 31, 2021, the Company has a remaining qualifying expenditure commitment of $603,068 from the proceeds of flow-through shares issued on March 4, 2021. These funds must be spent on eligible exploration expenditures prior to December 31, 2022. Subsequent to the period end, the Company had spent the amount.

14. SUBSEQUENT EVENTS

On November 22, 2021, the Company announced that it entered into a definitive option agreement with Newmont Canada FN Holdings ULC ("Newmont FN") and Miramar Northern Mining Ltd. ("MNML"), both wholly owned subsidiaries of Newmont Corporation ("Newmont"), which grants Gold Terra the option, upon meeting certain minimum requirements, to purchase MNML from Newmont FN, which includes 100% of all the assets, mineral leases, Crown mineral claims and surface rights comprising the former Con mine, as well as the areas immediately adjacent to the former Con mine. The option agreement will immediately replace and supersede the initial exploration agreement dated September 4, 2020 (as announced by the Company on September 8, 2020 (Note 6(b)), and will allow Gold Terra to fully explore 100% of the Campbell Shear structure at the former Con mine and south of it.

Transaction highlights:

- The initial exploration agreement has been replaced and superseded by the option agreement to include all (100 per cent) of MNML and the Con mine property.
- Gold Terra has agreed to incur a minimum of $8.0 million in exploration expenditures over a period of four years, which will include all exploration expenditures incurred to date under the initial exploration agreement.
- Gold Terra has spent approximately $3.2 million in exploration expenditures to October 31, 2021.
- Gold Terra has also agreed to:
    - Complete a prefeasibility study (PFS) with a minimum of 1.5 million ounces in all mineral resource categories;
    - Obtain all necessary regulatory approvals for the purchase and transfer of MNML's assets and liabilities to Gold Terra;
    - Post a cash bond to reflect the status of the Con mine reclamation plan at the time of closing.

The closing of the transaction will then be completed with Gold Terra making a final cash payment of $8 million.

Newmont will retain a 2% NSR on minerals produced from the Con mine property. The NSR may be reduced by 50% by the Company paying Newmont the sum of $10 million, for a period of two years following the announcement of commercial production.

After Gold Terra exercises its option, Newmont will have a period of two years to exercise its back-in right of a 51% participating interest in MNML and the Con mine property, which can be triggered by Gold Terra delineating a minimum of 5 million ounces of gold in the measured and indicated mineral resource categories supported by a National Instrument 43-101 technical report. To be eligible to exercise the back-in right, Newmont will:

- Reimburse Gold Terra three times the amount of all of the expenditures incurred on the Con mine property from September 4, 2020;
- Refund to Gold Terra the $8 million cash payment;
- Payment of $30 (U.S.) per ounce of gold for 51% of the total ounces reported in the technical report;
- Assume 51% of the environmental liability and its share of the posted bond.

If exercised, the back-in right is expected to be completed by a new joint venture led by Newmont. At such time, the 2% NSR would also be eliminated.

On December 3, 2021, the Company announced that it had completed the strategic investment by Newmont, issuing 7,142,857 common shares at a price of $0.21 per share for gross proceeds of $1.5 million, resulting in Newmont holding less than 5% of the issued and outstanding common shares of the Company. The proceeds from this investment are planned to be used primarily for exploration expenditures on the Con mine property. The common shares are subject to a statutory hold period expiring four months and one day from the closing, being April 4, 2022.