



**Pure Gold Mining Inc.**

**Condensed Interim Financial Statements**

**For the three and nine months ended September 30, 2021 and 2020**

*(Unaudited – Prepared by Management)*

*(Expressed in Canadian Dollars Unless Otherwise Noted)*

# Pure Gold Mining Inc.

## Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars)

	Notes	September 30, 2021	December 31, 2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 24,334	\$ 44,906
Amounts receivable	5	1,185	4,639
Inventories	6	7,730	3,167
Prepaid expenses		2,753	986
Short-term investments		170	1,493
		36,172	55,191
<b>Non-current Assets</b>			
Mineral properties, plant and equipment	7	262,915	192,884
Deposits		976	396
<b>Total Assets</b>		\$ 300,063	\$ 248,471
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 17,198	\$ 21,380
Lease liabilities	11	4,585	5,041
Gold stream derivative liability	9	6,749	5,359
Loans and borrowings	8	5,765	849
Flow-through premium liability	12b,17	4,589	3,257
		38,886	35,886
<b>Non-current Liabilities</b>			
Loans and borrowings	8	116,891	91,283
Gold stream derivative liability	9	37,343	38,833
Provision for closure and reclamation	10	19,604	21,715
Lease liabilities	11	3,720	291
<b>Total Liabilities</b>		216,444	188,008
<b>Equity</b>			
Share capital	12a	231,601	192,882
Equity reserves	12c,d,e	18,981	17,492
Accumulated deficit		(166,963)	(149,911)
<b>Total Equity</b>		83,619	60,463
<b>Total Liabilities and Equity</b>		\$ 300,063	\$ 248,471

**Commitments & Contingencies** (Note 17)

**Subsequent Events** (Note 20)

**Going Concern** (Note 1)

Approved by the Audit Committee on behalf of the Board on November 12, 2021:

"Lenard Boggio", Audit Committee Chair

"Graeme Currie", Director

- See Accompanying Notes to the Condensed Interim Financial Statements -

# Pure Gold Mining Inc.

## Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts)

	Notes	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Revenue		\$ 15,934	\$ -	\$ 15,934	\$ -
Cost of sales	13	(21,874)	-	(21,874)	-
<b>Loss from mine operations</b>		(5,940)	-	(5,940)	-
Corporate administrative costs	14	(1,391)	(2,049)	(5,020)	(4,960)
Exploration and evaluation	16	(117)	(2,806)	(3,617)	(3,021)
<b>Operating loss for the period</b>		<b>(7,448)</b>	<b>(4,855)</b>	<b>(14,577)</b>	<b>(7,981)</b>
<b>Finance income and Expenses</b>					
Interest and finance costs	15	(2,407)	(58)	(2,534)	(181)
Foreign exchange gain (loss)		(4,923)	1,522	(2,119)	2,861
Loss on change in fair value of derivative liabilities	8,9	1,582	(6,444)	11	(6,836)
Interest income		24	106	94	526
<b>Income (loss) before taxes</b>		<b>(13,172)</b>	<b>(9,729)</b>	<b>(19,125)</b>	<b>(11,611)</b>
Income tax recovery	12b	-	-	2,073	850
<b>Net income (loss) and comprehensive income (loss) for the period</b>		<b>\$ (13,172)</b>	<b>\$ (9,729)</b>	<b>\$ (17,052)</b>	<b>\$ (10,761)</b>
<b>Weighted Average Number of Common Shares Outstanding</b>		<b>435,610,385</b>	<b>393,294,279</b>	<b>407,327,391</b>	<b>371,380,983</b>
<b>Basic and Diluted Loss per Common Share</b>		<b>\$ (0.03)</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>

- See Accompanying Notes to the Condensed Interim Financial Statements -

# Pure Gold Mining Inc.

## Condensed Interim Statements of Changes in Equity

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for share amounts)

	Notes	Number of Common Shares	Share Capital	Equity Reserves	Accumulated Deficit	Total
Balance – December 31, 2019		358,466,692	\$ 156,771	\$ 15,777	\$ (122,957)	\$ 49,591
Flow-through common share issuance	12b	9,868,421	15,000	-	-	15,000
Flow-through premium liability	12b		(3,257)	-	-	(3,257)
Share issue costs – cash	12b		(1,017)	-	-	(1,017)
Exercised warrants	12c	22,794,000	19,375	-	-	19,375
Fair value of exercised warrants	12c	-	2,624	(2,624)	-	-
Exercised stock options	12d	6,351,664	2,026	-	-	2,026
Fair value of exercised stock options	12d	-	1,360	(1,360)	-	-
Share-based compensation	12d	-	-	1,927	-	1,927
Deferred Share Unit compensation	12e	-	-	3,772	-	3,772
Net loss for the year		-	-	-	(26,954)	(26,954)
Balance – December 31, 2020		397,480,777	\$ 192,882	\$ 17,492	\$ (149,911)	\$ 60,463
Common share issuance – financing	12b	21,905,200	23,000	-	-	23,000
Share issue costs - cash	12b		(1,593)	-	-	(1,593)
Fair value of warrants issued with common shares	12b		(345)	345	-	-
Flow-through common share issuance	12b	11,348,700	17,250	-	-	17,250
Flow-through premium liability	12b		(3,405)	-	-	(3,405)
Share issue costs – cash	12b		(1,172)	-	-	(1,172)
Exercised warrants	12c	2,485,000	2,112	-	-	2,112
Fair value of exercised warrants			281	(281)	-	-
Exercised stock options	12d	1,630,000	814	-	-	814
Fair value of exercised stock options			560	(560)	-	-
Common share issuance – Credit Facility	8a	714,229	1,086	-	-	1,086
Exercised restricted share units	12e	46,479	131	(131)	-	-
Share-based compensation	12d,e	-	-	2,116	-	2,116
Net loss for the period		-	-	-	(17,052)	(17,052)
Balance – September 30, 2021		435,610,385	\$ 231,601	\$ 18,981	\$ (166,963)	\$ 83,619

- See Accompanying Notes to the Condensed Interim Financial Statements -

# Pure Gold Mining Inc.

## Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars)

For the Nine months ended September 30,	Notes	2021	2020
<b>Operating Activities</b>			
Net income (loss) for the period		\$ (17,052)	\$ (10,761)
Items not affecting cash:			
Deferred income tax recovery		(2,073)	(850)
Unrealized foreign exchange (gain) loss		2,119	(2,861)
Change in fair value of derivative liabilities		(12)	6,836
Share-based compensation	12d	1,426	714
Depreciation	7	2,406	183
Finance income		(94)	(526)
Accretion expense	10	180	131
Finance expense	11	109	50
Changes in non-cash working capital:			
Inventory		(4,562)	-
Accounts payable and accrued liabilities		3,520	909
Amounts receivable		1,484	(336)
Prepaid expenses and deposits		359	(710)
Net cash used in operating activities		(12,190)	(7,221)
<b>Investing Activities</b>			
Mineral properties, plant and equipment	7	(67,089)	(69,701)
Return of surety bond deposit		1,322	-
Interest received		94	526
Short-term investment		-	(35)
Net cash used in investing activities		(65,673)	(69,210)
<b>Financing Activities</b>			
Proceeds from Credit Facility drawdown	8	24,981	27,820
Proceeds from equity financings	12b	40,250	15,000
Payment of lease liabilities	11	(3,186)	(243)
Proceeds from exercised warrants	12c	2,112	18,510
Share issue costs	12b	(2,765)	(1,017)
Credit Facility interest payments	8	(2,751)	-
Proceeds from exercised stock options	12d	814	958
Gold stream payments	9	(1,195)	-
Issue Discount on Credit Facility Drawdown	8	(500)	(563)
Credit Facility drawdown transaction costs	8	(91)	-
Production Payments	8	(191)	-
Net cash provided by financing activities		57,478	60,465
Effect of foreign exchange on cash		(187)	2,278
<b>Net (Decrease) Increase in Cash</b>		(20,572)	(13,688)
<b>Cash - Beginning of the period</b>		44,906	70,278
<b>Cash - End of the period</b>		\$ 24,334	\$ 56,590

### Supplemental Cash Flow Information (Note 19)

- See Accompanying Notes to the Condensed Interim Financial Statements -

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

*(Unaudited – Prepared by Management)*

*(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)*

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### 1. GENERAL INFORMATION AND GOING CONCERN

Pure Gold Mining Inc. (“Pure Gold” or the “Company”), is a publicly listed company incorporated and domiciled in Canada. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “PGM.” and the London Stock Exchange under the symbol “PUR”. The Company’s head office and principal address is located at Suite 1900 – 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. The Company’s records and registered office address is c/o McMillan LLP, 1500 Royal Centre PO Box 1117, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

Pure Gold is in the business of the acquisition, exploration and development of gold and other precious and base metal properties in Canada. Currently, the Company’s principal mineral property is the PureGold Mine Project (“PureGold Mine”) located near Red Lake, Ontario. In March 2019, Pure Gold filed a technical report for a feasibility-study on the PureGold Mine, and in August 2019 the Company announced the Board of Directors approval of a decision to construct at the PureGold Mine. Commercial production of the PureGold Mine began on August 1, 2021.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for a period of at least twelve months from September 30, 2021. During the nine month period ended September 30, 2021, the Company incurred a loss of \$17,052, used cash of \$12,190 in operating activities and at period end, the Company had cash of \$24,334 and a net working capital deficit of \$2,714. The Company believes that cash on hand and cash in-flows from future operations, should be sufficient to meet obligations for at least the next 12 months. However, should the mining operations not meet production targets as forecasted, or should changes to external variables such as the gold price or foreign exchange rates negatively affect the forecasted cash flows, the Company could face short-term liquidity issues and will need to raise additional funds in order to meet its current obligations and to finance the continued development and operations of the PureGold Mine.

As a result of the Company’s shortfall in expected gold production and therefore cash generated from gold sales during the first half of 2021, the Company obtained additional sources of funding through an amendment to its Credit Facility with Sprott Resources Lending Corp. (Note 8), as well as a bought-deal financing (Note 12b). While Management believes the Company will be able to secure further funding if required, there can be no assurance that those efforts would be successful. These factors give rise to material uncertainties that may cast significant doubt on the ability of the Company to continue to meet its obligations as they come due and hence, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

These condensed interim financial statements do not include adjustments or disclosures that may result should the Company not be able to continue as a going concern. If the going concern assumption were not appropriate for these financial statements, then adjustments would be required to the carrying value of assets and liabilities, the expenses, the reported comprehensive loss and balance sheet classifications used that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

The continued operations of the Company and the recoverability of the amounts capitalized for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

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# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

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### 2. BASIS OF PREPARATION

#### Statement of Compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”).

These condensed interim financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company’s most recent annual financial statements as at and for the year ended December 31, 2020.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company’s audited financial statements for the year ended December 31, 2020.

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### 3. ACCOUNTING STANDARDS RECENTLY ADOPTED

#### Interest Rate Benchmark Reform – Phase 2 Amendments

The Company adopted Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 (the “Phase 2 Amendments”) effective on January 1, 2021. Interest rate benchmark reform (“Reform”) refers to a global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates (“IBOR”) with alternative benchmark rates. The Phase 2 Amendments provide a practical expedient requiring the effective interest rate be adjusted when accounting for changes in the basis for determining the contractual cash flow of financial assets and liabilities that relate directly to the Reform rather than applying modification accounting which might have resulted in a gain or loss. In addition, the Phase 2 Amendments require disclosures to assist users in understanding the effect of the Reform on the Company’s financial instruments and risk management strategy.

The Company’s Credit Facility (Note 9) accrues interest at a floating rate equal to a base rate plus the greater of i) the London interbank offered rates (“LIBOR”) and ii) 2.50% per annum, and has not yet transitioned to alternative benchmark rates at the end of the current reporting period. The Company is working with the lenders to assess the potential alternatives to the use of the LIBOR.

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### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In preparing its financial statements, the Company makes judgments in applying its accounting policies. In addition, the preparation of financial statements in conformity with IFRS requires the use of estimates that may affect the amounts reported and disclosed in the consolidated financial statements and related notes in future periods. These estimates are based on management’s best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The critical estimates and judgements that the Company’s management has made in the process of applying the Company’s accounting policies for the three and nine months ended September 30, 2021, are consistent with those applied and disclosed in the Company’s annual audited financial statements for the year ended December 31, 2020.

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# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 5. AMOUNTS RECEIVABLE

Amounts receivable are comprised of the following:

	September 30, 2021	December 31, 2020
Refundable goods and services tax/ harmonized sales tax	\$ 1,145	\$ 4,017
Other receivables	40	622
<b>Total</b>	<b>\$ 1,185</b>	<b>\$ 4,639</b>

### 6. INVENTORY

Inventory is comprised of the following:

	September 30, 2021	December 31, 2020
Ore in stockpile	\$ 485	\$ 1,550
In circuit metals	1,786	663
Finished goods	2,169	-
Total metals inventory	4,440	2,213
Materials and supplies	3,290	954
<b>Total</b>	<b>\$ 7,730</b>	<b>\$ 3,167</b>

During the three and nine months ended September 30, 2021, the Company had an inventory write-down of \$3,216 to adjust its metals inventory to its net realizable value (2020 - \$ nil). The adjustment was recognized to the Statement of Loss and Comprehensive Loss.

### 7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Nine months ended September 30, 2021					
Cost	Mineral Properties and				
	Mine Development (\$)	Construction in Progress (\$)	Plant and Equipment (\$)	Land (\$)	Total (\$)
December 31, 2020	90,210	82,070	19,233	5,049	196,562
Additions	70,740	17,364	6,180	-	94,284
Proceeds from gold sales	(24,664)	-	-	-	(24,664)
Capitalized borrowing costs	7,455	-	-	-	7,455
Reclamation provision	(2,291)	-	-	-	(2,291)
Transfers	(495)	(89,958)	90,453	-	-
<b>September 30, 2021</b>	<b>140,955</b>	<b>9,476</b>	<b>115,866</b>	<b>5,049</b>	<b>271,346</b>
<b>Accumulated Depreciation</b>					
December 31, 2020	-	-	(3,677)	-	(3,677)
Depreciation	(760)	-	(3,994)	-	(4,754)
<b>September 30, 2021</b>	<b>(760)</b>	<b>-</b>	<b>(7,671)</b>	<b>-</b>	<b>(8,431)</b>
<b>Carrying Amounts</b>					
<b>December 31, 2020</b>	<b>90,210</b>	<b>82,070</b>	<b>15,556</b>	<b>5,049</b>	<b>192,884</b>
<b>September 30, 2021</b>	<b>140,195</b>	<b>9,476</b>	<b>108,195</b>	<b>5,049</b>	<b>262,915</b>



# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 7. MINERAL PROPERTIES, PLANT AND EQUIPMENT (continued)

	Year ended December 31, 2020				
	Mineral				
	Properties and				
	Mine	Construction in	Plant and		
	Development	Progress	Equipment	Land	Total
Cost	(\$)	(\$)	(\$)	(\$)	(\$)
December 31, 2019	29,329	7,663	7,869	5,049	49,910
Additions	50,101	74,597	11,174	-	135,872
Capitalized borrowing costs	5,735	-	-	-	5,735
Reclamation provision	5,044	-	-	-	5,044
Transfers	-	(190)	190	-	-
December 31, 2020	90,209	82,070	19,233	5,049	196,561
<b>Accumulated Depreciation</b>					
December 31, 2019	-	-	(1,095)	-	(1,095)
Depreciation	-	-	(2,582)	-	(2,582)
December 31, 2020	-	-	(3,677)	-	(3,677)
<b>Carrying Amounts</b>					
<b>December 31, 2019</b>	29,329	7,663	6,774	5,049	48,815
<b>December 31, 2020</b>	90,209	82,070	15,556	5,049	192,884

Depreciation on assets used in the development of the PureGold Mine of \$2,345 has been capitalized and included in the carrying value of mineral properties (September 30, 2020 - \$1,518). Subsequent to the date of commercial production of August 1, 2021, all depreciation has been expensed to the Statement of Loss and Comprehensive Loss.

#### Mineral properties

Mineral properties consist solely of the 100% owned PureGold Mine. The PureGold Mine is located in the Red Lake gold camp of Northwestern Ontario. In June 2014, the Company acquired a 100% interest in the Newman-Madsen Property. The Newman-Madsen Property is considered part of the PureGold Mine.

Certain of the Newman-Madsen claims acquired are subject to royalty arrangements based on Net Smelter Returns (“NSRs”) ranging from 0.5% to 3%. Of the known resources on the PureGold Mine, only the Russet South resources are subject to a 2% NSR which is capped at \$2,000.

In March 2017, the Company acquired a 100% interest in the Derlak Gold Property. The Derlak Gold Property is considered part of the PureGold Mine. The 11 claims acquired are subject to a royalty arrangement based on a Net Smelter Return (“NSR”) of 3%.

The Company has a project agreement (the "Agreement") with Wabauskang First Nation and Lac Seul First Nation (together the “First Nations”) with respect to the PureGold Mine. The Agreement provides for communication, cooperation, and collaboration between the First Nations and the Company, and establishes a framework for support for current and future operations of the PureGold Mine and defines the long-term benefits for the First Nations. Under the terms of the Agreement, the Company issued 500,000 common shares to each First Nation on August 19, 2019. At the time of issuance, the 1,000,000 common shares had a fair value of \$630.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 8. LOANS AND BORROWINGS

	Credity Facility (a)	Interest rate floor derivative (b)	Production Payment Agreement (c)	Total
Loans and borrowings at January 1, 2020	14,213	704	4,097	19,014
Advance on Credit Facility	72,900	-	-	72,900
Deferred charges	(9,936)	-	-	(9,936)
Interest and accretion	4,359	-	514	4,873
Loss on change in fair value of derivative	-	8,129	-	8,129
Amortization of deferred charges	769	-	-	769
Foreign exchange gain	(2,955)	(557)	(105)	(3,617)
<b>Loans and borrowings at December 31, 2020</b>	<b>79,350</b>	<b>8,276</b>	<b>4,506</b>	<b>92,132</b>
Advance on Credit Facility	24,981	-	-	24,981
Deferred charges	(1,676)	-	-	(1,676)
Interest and accretion	7,460	-	389	7,849
Interest payment	(2,751)	-	-	(2,751)
Production payment	-	-	(191)	(191)
Loss on change in fair value of derivative	-	91	-	91
Amortization of deferred charges	1,533	-	-	1,533
Foreign exchange gain	662	21	5	688
<b>Loans and borrowings at September 30, 2021</b>	<b>109,559</b>	<b>8,388</b>	<b>4,709</b>	<b>122,656</b>
<b>Current</b>	<b>(4,713)</b>	<b>-</b>	<b>(1,052)</b>	<b>(5,765)</b>
<b>Loans and borrowing non-current</b>	<b>104,846</b>	<b>8,388</b>	<b>3,657</b>	<b>116,891</b>

#### a. Credit Facility

At the end of Q1 2021, the Company amended its credit agreement (the “Amendment”) with Sprott Resource Lending Corp. (“Sprott”) to increase the amount available to the Company by a further USD \$20,000. The Company received USD \$12,500 in April 2021, upon closing of the Amendment, with Sprott making available an additional USD \$0.50 of aggregate principal amount, up to a maximum of USD \$7,500, for every USD \$1.00 raised by the Company within a period of three months from closing of the Amendment. The Amendment also provided for minor changes to certain working capital covenants. All other key terms and conditions of the Credit Facility remained unchanged.

As a result of the equity financing completed during Q2 2021 (Note 12b), the remaining USD \$7,500 became available under the Amendment and was drawn down in June 2021. In consideration of the Amendment, the Company issued 714,229 common shares of the Company to Sprott, which on the date of issue had a fair value of USD \$874. These common shares have been accounted for as deferred finance costs, and proportionately included in the amortized cost of the respective drawdowns, and are amortized on an effective interest rate basis over the life of the Credit Facility.

As at September 30, 2021, the Company was in compliance with all covenants.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 9. GOLD STREAM DERIVATIVE LIABILITY

	<b>Gold Stream derivative liability</b>
Balance at January 1, 2020	37,614
Loss on change in fair value	8,556
Foreign exchange gain	(1,978)
<b>Balance at December 31, 2020</b>	<b>\$ 44,192</b>
Loss on change in fair value	(102)
Gold stream payments	(1,195)
Foreign exchange loss	1,197
<b>Balance at September 30, 2021</b>	<b>\$ 44,092</b>
<b>Current</b>	<b>(6,749)</b>
<b>Gold stream derivative non-current</b>	<b>\$ 37,343</b>

### 10. PROVISION FOR CLOSURE AND RECLAMATION

The Company has recognized a liability relating to its PureGold Mine and has determined that no significant closure and reclamation liabilities exist in connection with the activities on its other properties. The Company has calculated the present value of the closure and reclamation provision at September 30, 2021 using a pre-tax discount rate of 1.50% and inflation rate of 2.00% (December 31, 2020 – 0.67% and 2.00%, respectively). The estimated total future undiscounted, but inflation-adjusted, cash flows to settle the provision for closure and reclamation at September 30, 2021 is \$23,182 (December 31, 2020 - \$23,528). The Company has estimated that payments will be made in 2032 (December 31, 2020 – 2032).

	September 30, 2021	December 31, 2020
Balance, beginning of the period	\$ 21,715	\$ 16,509
New estimated cash flows and changes in estimates	-	5,241
Effect of changes in discount rate	(2,291)	(197)
Accretion on discounted obligation	180	162
<b>Balance, end of the period</b>	<b>\$ 19,604</b>	<b>\$ 21,715</b>

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 11. LEASES

#### a. Right-of-use assets

The Company leases assets such as office space, mobile equipment and equipment. These assets are classified as property, plant and equipment in the statement of financial position.

Balance – January 1, 2020	\$	573
Additions		5,565
Depreciation		(284)
Balance – December 31, 2020		5,854
Additions		5,687
Depreciation		(1,047)
<b>Balance – September 30, 2021</b>	<b>\$</b>	<b>10,494</b>

The Company's lease with respect to its head office premises is held and paid by Oxygen (Note 15) pursuant to the Oxygen Agreement (Note 15).

#### b. Lease liabilities

The following table relates to all leases identified under IFRS 16:

Balance – December 31, 2019	\$	571
Additions		5,565
Principal payments		(963)
Finance charge		159
Balance – December 31, 2020		5,332
Additions		5,687
Principal payments		(3,186)
Finance charge		472
<b>Balance – September 30, 2021</b>		<b>8,305</b>
Less: current portion		(4,585)
<b>Long term lease liability – September 30, 2021</b>	<b>\$</b>	<b>3,720</b>

Minimum lease payments in respect of the above lease liabilities and the effects of discounting are as follows:

	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Minimum lease payments	\$ 4,974	\$ 3,842	\$ 8,816
Finance charge	(389)	(122)	(511)
<b>Total principal payments</b>	<b>\$ 4,585</b>	<b>\$ 3,720</b>	<b>\$ 8,305</b>

Total undiscounted lease payments excludes leases that are classified as short-term and leases for low-value assets, which are not recognized as lease liabilities.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

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### 11. LEASES (continued)

For the three and nine months ended September 30, 2021, the Company recognized \$137 and \$472, respectively, in interest expense on lease liabilities (September 30, 2020 - \$29 and \$50, respectively) of which \$93 and \$109, respectively, was recognized in the statement of loss and comprehensive loss (September 30, 2020 - \$29 and \$50, respectively) and \$44 and \$363, respectively, was capitalized to mine development within mineral properties, plant and equipment (September 30, 2020 – nil). Subsequent to the date of commercial production of August 1, 2021, all interest expense has been expensed to the Statement of Loss and Comprehensive Loss

The Company's lease with respect to its head office premises includes variable payments that do not depend on an index or rate. As such, these payments have been excluded from the lease liability. The Company expensed \$22 and \$69, respectively, of variable lease payments during the three and nine months ended September 30, 2021 (September 30, 2020 - \$29 and \$85, respectively).

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### 12. EQUITY

#### a. Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without par value.

#### b. Equity Financings

On September 28, 2021, the Company completed a bought-deal offering of 21,905,200 units at a price of \$1.05 per unit (the "Units") for gross proceeds of \$23,000. Each Unit consists of one common share of the Company (a "Unit Share") and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant is transferrable and entitles the holder to acquire one common share of the Company until March 28, 2023 at a price of \$1.36 per Warrant. In connection with the bought-deal offering, the Company paid the underwriters a cash commission equal to 5% of the gross proceeds.

On May 5, 2021, the Company completed a bought-deal offering of 11,348,700 Flow Through Shares (the "FT Shares") at a price of CAD \$1.52 per FT Share, for gross proceeds of \$17,300. In connection with the bought-deal, the Company paid commissions, legal fees and filing fees totaling \$1,200, and recognized a flow-through premium liability of \$3,400 (Note 17).

On June 17, 2020, the Company completed a non-brokered private placement of 9,868,421 Charity Flow Through Shares (the "Charity FT Shares") at a price of CAD \$1.52 per Charity FT Share, for gross proceeds of \$15,000. In connection with the private placement, the Company paid commissions, legal fees and filing fees totaling \$1,000, and recognized a flow-through premium liability of \$3,300. In February 2021, the Company filed its renunciation forms for the qualifying expenditures, and as at September 30, 2021 had incurred \$9,500 of qualifying expenditures to date. The Company decreased its flow-through premium liability and recognized a deferred tax recovery of \$2,100 relating to the proportion of qualifying expenditures that had been incurred to date at September 30, 2021 (Note 17).

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 12. EQUITY (continued)

#### c. Share Purchase Warrants

Details of share purchase warrants issued, exercised, expired and outstanding as at and during the nine months ended September 30, 2021 and the year ended December 31, 2020 are as follows:

	Number of Warrants	Weighted Average Exercise Price (CAD)
Outstanding Balance – December 31, 2019	57,672,000	\$0.85
Exercised	(22,794,000)	\$0.85
Outstanding Balance – December 31, 2020	34,878,000	\$0.85
Issued	10,952,600	\$1.36
Exercised	(2,485,000)	\$0.85
<b>Outstanding Balance – September 30, 2021</b>	<b>43,345,600</b>	<b>\$0.98</b>

#### Exercise of warrants

In connection with the warrants exercised during the nine months ended September 30, 2021, the related fair value amount of \$281 (Year ended December 31, 2020 – \$2,624) was transferred from equity reserves to share capital.

#### d. Stock Options

The Company has established a share purchase option plan (the “Stock Option Plan”) whereby the board of directors may, from time to time, grant options to directors, officers, employees, consultants or technical and administrative company employees. Options granted must be exercised no later than five years from the date of grant or such lesser or greater period as may be determined by the Company’s board of directors and in accordance with the policies of the TSX-V. The exercise price of an option must be determined by the board of directors and in accordance with the Plan and the policies of the TSX-V. Subject to the policies of the TSX-V, the board of directors may determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist. The Company applies the fair value based method of accounting for options.

At September 30, 2021, the following options are outstanding and exercisable:

Expiry Date	Weighted Average Exercise Price Options Outstanding	Number of Options Outstanding	Weighted Average Remaining Life in Years	Number of Options Exercisable
November 14, 2021	\$0.72	75,000	0.12	75,000
December 21, 2021	\$0.44	1,900,000	0.22	1,900,000
July 24, 2022	\$0.54	100,000	0.81	100,000
December 15, 2022	\$0.49	4,375,000	1.21	4,475,000
May 6, 2024	\$0.54	133,334	2.60	-
November 18, 2024	\$0.64	250,000	3.14	83,333
December 13, 2024	\$0.74	4,575,001	3.21	3,550,001
February 19, 2025	\$0.77	350,000	3.39	350,000
December 17, 2025	\$2.84	1,880,000	4.33	975,000
January 1, 2026	\$2.60	400,000	4.26	100,000
May 27, 2026	\$1.60	300,000	4.66	-
	<b>\$0.96</b>	<b>14,338,335</b>	<b>2.36</b>	<b>11,608,334</b>

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 12. EQUITY (continued)

#### d. Stock Options (continued)

The options exercisable at September 30, 2021 have a weighted average exercise price of \$0.77.

Details of options granted, exercised, expired and forfeited nine months ended September 30, 2021 and the year ended December 31, 2020 are as follows:

	Number of Options	Weighted Average Exercise Price
Balance – December 31, 2019	19,855,000	\$0.49
Granted during the year	2,605,000	\$2.41
Exercised during the year	(6,351,664)	\$0.31
Expired during the year	(350,000)	\$0.28
Forfeited during the year	(115,001)	\$0.65
Balance – December 31, 2020	15,643,335	\$0.86
Granted during the period	700,000	\$2.17
Exercised during the period	(1,630,000)	\$0.50
Forfeited during the period	(375,000)	\$1.80
<b>Balance – September 30, 2021</b>	<b>14,338,335</b>	<b>\$0.96</b>

#### Granting of Options

The fair value of newly granted options are calculated using the Black-Scholes option pricing model. For all grants, the assumed dividend yield and forfeiture rate were nil and nil, respectively. Other conditions and assumptions for options granted in the nine months ended September 30, 2021 and the year ended December 31, 2020 were as follows:

Grant Date	Expected Life of Options in Years	Exercise Price	Risk-free Interest Rate	Volatility	Weighted Average Black-Scholes Fair Value
Feb 19, 2020	5.0	\$0.77	1.36%	50.94% <sup>1</sup>	\$0.35
June 24, 2020	5.0	\$1.54	0.38%	49.25% <sup>1</sup>	\$0.65
December 17, 2020	4.6	\$2.84	0.45%	41.75% <sup>1</sup>	\$1.01
January 1, 2021	4.6	\$2.60	0.39%	41.33% <sup>1</sup>	\$0.91
May 27, 2021	4.8	\$1.60	0.90%	33.75% <sup>1</sup>	\$0.49

<sup>1</sup>Volatility was determined using the average historic volatility of the Company, calculated over the same period as the expected life of the option.

Options granted are typically subject to vesting provisions whereby one third vest one year from the grant date, one third vest two years from the grant date, and one third vest three years from the grant date.

During the three months ended September 30, 2021, the Company recognized \$286 of share-based compensation (September 30, 2020 - \$219), of which \$98 (September 30, 2020 - \$83) was capitalized to mine development within mineral properties, plant and equipment, and \$188 (September 30, 2020 - \$135) was expensed to the statement of loss and comprehensive loss. Subsequent to the date of commercial production of August 1, 2021, all share-based compensation has been expensed to the Statement of Loss and Comprehensive Loss.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 12. EQUITY (continued)

#### d. Stock Options (continued)

During the nine months ended September 30, 2021, the Company recognized \$972 of share-based compensation (September 30, 2020 - \$736), of which \$285 (September 30, 2020 - \$243) was capitalized to mine development within mineral properties, plant and equipment, and \$687 (September 30, 2020 - \$493) was expensed to the statement of loss and comprehensive loss. Subsequent to the date of commercial production of August 1, 2021, all share-based compensation has been expensed to the Statement of Loss and Comprehensive Loss.

#### *Exercise of Options*

The weighted average share price on the date stock options were exercised during the nine months ended September 30, 2021 was CAD \$1.74 (September 30, 2020 – CAD \$1.93). In connection with these option exercises, the related fair value amount of \$453 (September 30, 2020 - \$631) was transferred from equity reserves to share capital.

#### e. Deferred Share Units (“DSU”)

The Company has established a deferred share unit plan (the “DSU Plan”) whereby the board of directors may, from time to time, grant DSUs to non-employee directors of the Company. The DSUs vest immediately and can be redeemed by the holder during the period commencing immediately following a termination of the holders’ position as a director and ending on the 90<sup>th</sup> day following such termination date. The current maximum number of common shares authorized for issue under the DSU plan is 3,000,000.

A summary of DSU activity during the period is as follows:

	Number of DSUs
Outstanding Balance – December 31, 2019	-
Granted	1,078,306
<b>Outstanding Balance – December 31, 2020 and September 30, 2021</b>	<b>1,078,306</b>

There was no DSU expense recognized during the nine month period ended September 30, 2021 (2020 - \$nil).

#### f. Restricted Share Units (“RSU”)

The Company has established a restricted share unit plan (the “RSU Plan”) whereby the board of directors may, from time to time, grant RSUs to employees of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, or that no vesting restriction shall exist. The current maximum number of common shares authorized for issue under the RSU plan is 7,000,000.



# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 12. EQUITY (continued)

#### f. Restricted Share Units (“RSU”) (continued)

A summary of RSU activity during the period is as follows:

	Number of RSUs
Outstanding Balance – December 31, 2019	-
Granted	1,134,930
Outstanding Balance – December 31, 2020	1,134,930
Exercised	(46,479)
Forfeited	(75,000)
<b>Outstanding Balance – September 30, 2021</b>	<b>1,013,451</b>

RSU expense for the three and nine months ended September 30, 2021 was \$382 and \$1,146, respectively (September 30, 2020 - \$nil) of which \$135 and \$406, respectively, was capitalized to mine development within mineral properties, plant and equipment, and \$247 and \$740, respectively, was recorded within Share-based payment expense in the Statement of Loss and Comprehensive Loss. Subsequent to the date of commercial production of August 1, 2021, all RSU expense has been recognized in the Statement of Loss and Comprehensive Loss.

### 13. COST OF SALES

Cost of sales are comprised of the following:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Labour wages and benefits	\$ 7,206	\$ -	\$ 7,206	\$ -
Raw materials and consumables	3,621	-	3,621	-
Contractors	4,636	-	4,636	-
Site administrative costs	1,276	-	1,276	-
Depreciation and depletion	2,217	-	2,217	-
Share based payments	155	-	155	-
Production costs	19,111	-	19,111	-
Change in inventory	(453)	-	(453)	-
Inventory writedown	3,216	-	3,216	-
<b>Total</b>	<b>\$ 21,874</b>	<b>\$ -</b>	<b>\$ 21,874</b>	<b>\$ -</b>

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 14. CORPORATE ADMINISTRATIVE COSTS

Corporate administrative costs are comprised of the following:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Wages, consulting and director fees	\$ 510	\$ 537	\$ 1,754	\$ 1,458
Share-based compensation	373	357	1,229	714
Professional fees	86	528	298	1,103
Investor relations	90	306	585	830
Office costs	126	180	595	472
Corporate listing and filing fees	168	100	435	266
Depreciation	38	41	124	117
<b>Total</b>	<b>\$ 1,391</b>	<b>\$ 2,049</b>	<b>\$ 5,020</b>	<b>\$ 4,960</b>

### 15. INTEREST AND FINANCING COSTS

Interest and financing costs are comprised of the following:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Credit Facility interest expense	\$ 2,200	\$ -	\$ 2,200	\$ -
Deferred transaction costs amortization	44	-	44	-
Financing fees on leases	93	29	109	50
Reclamation accretion expense	70	29	181	131
<b>Total</b>	<b>\$ 2,407</b>	<b>\$ 58</b>	<b>\$ 2,534</b>	<b>\$ 181</b>

Prior to the start of commercial production on August 1, 2021, Credit Facility interest expense and deferred transaction costs were capitalized to Mineral Properties, plan and equipment.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 16. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

Details of the Company's exploration and evaluation expenditures, which have been expensed in the statement of income (loss) and comprehensive income (loss), are as follows:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
PureGold Mine <sup>(1)</sup>				
Drilling	\$ 16	\$ 2,458	\$ 2,404	\$ 2,528
Geophysics and geology	18	170	715	170
Salaries, wages and benefits	61	76	293	117
Geographic modelling	-	-	120	-
Depreciation	22	21	65	65
Administrative and other	-	81	20	141
<b>Expenditures for the period</b>	<b>\$ 117</b>	<b>\$ 2,806</b>	<b>\$ 3,617</b>	<b>\$ 3,021</b>

<sup>(1)</sup> Subsequent to August 7, 2019, exploration expenditures at the PureGold Mine relate to expenditures on satellite deposits that were not part of the original PureGold Mine feasibility study and for which the technical feasibility and commercial viability have not yet been determined.

<sup>(2)</sup> Other properties include Van Horne and generative projects.

### Van Horne Property, Ontario

The Company has an option agreement with KG Exploration Canada Inc. ("Kinross") a subsidiary of Kinross Gold Corp. whereby Kinross has the option to acquire up to a 70% interest in the Company's Van Horne property. To earn its 70% interest Kinross must spend a total of \$4,000 on Van Horne over a four year period, commencing March 2018, with a committed minimum of \$750 in year one (completed), and pay the Company \$100 (completed). Kinross may also satisfy the expenditures by making a cash payment to the Company. During the first quarter of 2021, Kinross provided notice to the Company that it had completed its earn-in to 70% of the project.

### 17. RELATED PARTY TRANSACTIONS

#### Oxygen Capital Corp ("Oxygen").

Oxygen is a private company partially owned by one director and one officer of the Company. Oxygen provides technical and administrative services to the Company under an Amended Technical and Administrative Services Agreement (the "Oxygen Agreement") at cost, including providing some staff who are seconded to the Company, office facilities and other administrative functions. As at September 30, 2021, Oxygen holds a refundable deposit of \$396 on behalf of the Company (December 31, 2020 - \$396). During the nine months ended September 30, 2021, a total of \$1,363 (September 30, 2020 - \$1,378) was paid or accrued to Oxygen as a reimbursement of costs incurred by Oxygen on behalf of the Company. As at September 30, 2021, the Company has a payable amount to Oxygen of \$141 (December 31, 2020 - \$144).

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

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(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 17. RELATED PARTY TRANSACTIONS (continued)

The Oxygen Agreement may be terminated by either party giving at least 180 days' prior written notice of such termination. Upon termination, by the Company, of the Oxygen Agreement, the Company shall pay to Oxygen an amount equal to the average general and administrative monthly costs incurred under the Agreement for the previous six month period, the Company's share of committed lease costs, any employee termination fees due under the Agreement as a result of the termination as such term is defined under the Agreement, and the Company's share of any contractual obligations entered into on its behalf by Oxygen.

#### Compensation of key management personnel

Key management includes members of the Board, the President and Chief Executive Officer, the VP of Exploration, the VP of Operations, the Chief Financial Officer, and the Corporate Secretary. The total compensation paid or payable to key management for employee services directly or via Oxygen is as follows:

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Salaries and other short-term employee benefits	\$ 1,219	\$ 935
Directors fees	369	414
Share-based compensation	1,356	702
<b>Total</b>	<b>\$ 2,944</b>	<b>\$ 2,051</b>

### 18. SEGMENTED INFORMATION

The Company conducts its business in a single operating segment which is the operations of the PG Mine. All of the Company's exploration and evaluation assets are located in Canada. Any investment revenues were earned principally from Canadian sources.

### 19. COMMITMENTS & CONTINGENCIES

	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+ years
Loans and borrowings	<b>\$150,494</b>	14,525	23,109	30,175	27,579	55,206	-
Accounts payable and accrued liabilities	<b>\$17,198</b>	17,198	-	-	-	-	-
Production linked payments	<b>\$ 6,174</b>	1,052	1,305	1,163	1,864	790	-

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

(Unaudited – Prepared by Management)

(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

### 19. COMMITMENTS & CONTINGENCIES (continued)

As at September 30, 2021, the Company is committed to incur, on a best-efforts basis, qualifying expenditures pursuant to the May 2021 and June 2020 financings (Note 12b). In respect of the May 2021 financing, the Company must incur \$17,300 of Canadian development expenses (“CDE”). Planned expenditures will be used on development expenses on the PureGold Mine. These costs must be incurred before January 1, 2022. In respect of the June 2020 financing, the Company must incur \$15,000 of Canadian exploration expenditures (“CEE”), before January 1, 2023. If the Company does not spend these funds in compliance with the Government of Canada flow-through regulations, it may be subject to litigation from various counterparties. As at September 30, 2021, the Company had incurred \$19,900 in qualifying expenditures in respect to the above noted financings, with \$12,400 remaining to be spent in 2021/2022.

### 20. FINANCIAL INSTRUMENTS

#### Fair value measurements

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk.

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are described below:

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

At September 30, 2021, the carrying amounts of cash, short-term investments, deposits, accounts payable and accrued liabilities are considered to be a reasonable approximation of their fair values, due to their short-term nature.

	September 30, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Credit Facility	\$ 109,560	\$ 109,383	\$ 87,626	\$ 88,936
Production Payment Agreement	4,710	4,710	4,507	4,722
Interest rate floor derivative	8,387	8,387	8,275	8,275
Gold stream derivative liabilities	\$ 44,092	\$ 44,092	\$ 44,192	\$ 44,192

At September 30, 2021 the fair values of the embedded derivatives in the Credit Facility and the Gold Stream are determined using Level 3 inputs.

# Pure Gold Mining Inc.

## Notes to the Condensed Interim Financial Statements

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(Expressed in thousands of Canadian Dollars, except for per share and share amounts, unless otherwise noted)

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### 20. FINANCIAL INSTRUMENTS (continued)

#### Fair value measurements (continued)

The fair value of the embedded derivatives in the Credit Facility was determined using the Hull-White valuation model. Key inputs include: the US dollar swap curve and the Company's credit spread and the Company's life of mine production profile.

The fair value of the Gold Stream was determined using a discounted cash flow model. Components to fair value at each reporting date include:

- Change in the risk-free interest rate
- Change in the Company's credit spread
- Change in any expected ounces to be delivered
- Change in expected future metal prices
- Life of mine production profile

A 1% change in discount rate would have a \$1,500 impact on the fair value of the Gold Stream derivative. A 1% change in gold price would have a \$44 impact on the fair value of the Gold Stream derivative.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between levels in the fair value hierarchy during the nine months ended September 30, 2021.

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### 21. SUPPLEMENTAL CASH FLOW INFORMATION

<b>Non-Cash Investing and Financing Activities</b>	Nine months ended	
	September 30, 2021	September 30, 2020
Recognition of lease liability	\$ 5,687	\$ 1,746
Change in estimate of provision for closure and reclamation	\$ 2,291	\$ 5,208
Shares issued in debt financing	\$ 1,086	\$ -

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### 22. SUBSEQUENT EVENTS

The following items occurred after September 30, 2021:

- On October 15, 2021, the Company completed a non-brokered private placement whereby the Company issued a total of 3,307,619 units of the Company at a price of \$1.05 per unit for total proceeds of \$3,500. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant is exercisable at a price of \$1.36 per warrant, with an expiry date of April 15, 2023.
  - A total of 350,000 employee stock options and 200,000 RSU's were granted to a director of the Company and 300,000 employee stock options were cancelled on the termination of employment of an employee.
  - A total of 150,000 stock options and 615,499 warrants were exercised for total proceeds of \$79 and \$523, respectively.
-