



(formerly Columbus Gold Corp.)

**1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada**

**Condensed Interim Consolidated Financial Statements
(Unaudited)**

**For the Nine Months Ended
June 30, 2021**

(Stated in Canadian Dollars)

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim consolidated financial statements for the nine months ended June 30, 2021, which follow this notice, have not been reviewed by an auditor.

Orea Mining Corp. (formerly Columbus Gold Corp.)
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in thousands of Canadian Dollars)



| | June 30, 2021 (\$) | September 30, 2020 (\$) |
|--|--------------------------|-------------------------------|
| Assets | | |
| Current Assets | | |
| Cash | 1,700 | 2,602 |
| Marketable securities (note 3) | 808 | 162 |
| Receivables | 37 | 6 |
| Note receivable from Allegiant Gold Ltd. (note 8) | - | 1,345 |
| Prepaid expenses (note 8) | 246 | 276 |
| | 2,791 | 4,391 |
| Non-Current Assets | | |
| Investment in Compagnie Minière Montagne d'Or SAS (note 4) | 34,991 | 38,220 |
| Exploration and evaluation asset (note 5) | 2,604 | 1,701 |
| Property and Equipment (note 6) | 205 | 136 |
| | 40,591 | 44,448 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable (notes 6 and 8) | 239 | 232 |
| Accrued liabilities (note 8) | 77 | 392 |
| | 316 | 624 |
| Non-Current Liabilities | | |
| Lease liabilities (note 6) | 62 | 30 |
| | 378 | 654 |
| Shareholders' Equity | | |
| Share capital (note 7) | 72,186 | 70,974 |
| Reserves (note 7e) | 11,434 | 13,982 |
| Deficit | (43,407) | (41,162) |
| | 40,213 | 43,794 |
| | 40,591 | 44,448 |

Nature of operations and going concern (note 1)
Commitments (note 10)
Subsequent event (note 12)

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

Approved by the Board of Directors

"Robert Giustra"

Robert Giustra – Director

"Peter Gianulis"

Peter Gianulis - Director

Orea Mining Corp. (formerly Columbus Gold Corp.)

Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

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

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|-----------------|--------------------------|-----------------|
| | June 30, | June 30, | June 30, | June 30, |
| | 2021 | 2020 | 2021 | 2020 |
| | (\$) | (\$) | (\$) | (\$) |
| Operating Expenses | | | | |
| Administration and office (note 8) | 291 | 380 | 882 | 1,063 |
| Directors fees (note 8) | 36 | 48 | 108 | 127 |
| General exploration | - | - | 19 | 228 |
| Investor relations | 17 | 64 | 81 | 233 |
| Management fees (note 8) | 23 | 23 | 68 | 78 |
| Professional fees | 194 | 99 | 669 | 287 |
| Share-based payments (note 7b) | (1) | 8 | 485 | 25 |
| Transfer agent and filing fees | 19 | 22 | 86 | 93 |
| Travel | 8 | 5 | 39 | 65 |
| Amortization (note 6) | 22 | 7 | 62 | 25 |
| Cost recoveries (note 8) | (39) | (100) | (72) | (326) |
| Loss before other items | (570) | (556) | (2,427) | (1,898) |
| Other Items | | | | |
| Finance income (note 8) | - | 84 | 3 | 288 |
| Finance expense | (4) | (1) | (23) | (5) |
| Other income | 6 | 10 | 6 | 7 |
| Unrealized gain on marketable securities (note 3) | 441 | 1,656 | 646 | 1,839 |
| Gain (Loss) from sale of marketable securities (note 3) | 153 | - | 153 | (27) |
| Loss from equity accounted investment (note 4) | (65) | (50) | (222) | (197) |
| Loss on settlement of note receivable | - | - | (272) | - |
| Bad debt expense | - | - | (103) | - |
| Foreign exchange loss | (2) | (2) | (6) | (8) |
| Net income (loss) for the period | (41) | 1,141 | (2,245) | (1) |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation | (145) | (893) | (3,208) | 2,844 |
| Comprehensive income (loss) for the period | (186) | 248 | (5,453) | 2,843 |
| Loss per share (note 7d) | | | | |
| Basic | (0.00) | 0.01 | (0.01) | (0.00) |
| Diluted | (0.00) | 0.01 | (0.01) | (0.00) |

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

Orea Mining Corp. (formerly Columbus Gold Corp.)
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in thousands of Canadian Dollars)



| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | (\$) | (\$) | (\$) | (\$) |
| Operating Activities | | | | |
| Net income (loss) for the period | (41) | 1,141 | (2,245) | (1) |
| Items not involving cash | | | | |
| Unrealized gain on marketable securities (note 3) | (441) | (1,656) | (646) | (1,839) |
| Loss from equity accounted investment (note 4) | 65 | 50 | 222 | 197 |
| Loss from settlement of note receivable | - | - | 272 | - |
| Finance income from note receivable | - | (83) | - | (280) |
| (Gain) Loss from sale of marketable securities | (153) | - | (153) | 27 |
| Finance expense from lease liabilities (note 6) | 4 | 1 | 23 | 5 |
| Share-based payments | (1) | 8 | 485 | 25 |
| Amortization | 22 | 7 | 62 | 25 |
| Unrealized foreign exchange (gain) loss | (9) | 9 | (44) | 19 |
| | (554) | (523) | (2,024) | (1,822) |
| Changes in non-cash working capital | | | | |
| Receivables and prepaid expenses | 53 | 87 | (4) | (139) |
| Accounts payable and accrued liabilities | (37) | 81 | (346) | (4) |
| Cash used in operating activities | (538) | (355) | (2,374) | (1,965) |
| Investing Activities | | | | |
| Exploration and evaluation asset | (129) | (194) | (1,043) | (821) |
| Sale of marketable securities | 1,225 | - | 1,225 | 41 |
| Equipment | (4) | - | (5) | (5) |
| Interest received | - | 1 | 3 | 8 |
| Cash from (used in) investing activities | 1,092 | (193) | 180 | (777) |
| Financing Activities | | | | |
| Net proceeds from share offerings (note 7) | - | (18) | 1,387 | 3,830 |
| Payment of lease liabilities | (25) | (4) | (81) | (13) |
| Cash from (used in) financing activities | (25) | (22) | 1,306 | 3,817 |
| Effect of foreign exchange on cash | (2) | (13) | (14) | 8 |
| Increase (decrease) in cash | 527 | (583) | (902) | 1,083 |
| Cash, beginning of period | 1,173 | 2,169 | 2,602 | 503 |
| Cash, end of period | 1,700 | 1,586 | 1,700 | 1,586 |

On October 21, 2020 the Company and Allegiant Gold Ltd. (“Allegiant”) agreed to settle a note receivable from Allegiant with a face value of \$1,604 in exchange for 3,201,766 shares of Allegiant (the “Settlement Shares”) (note 8). The market value of the Settlement Shares received on October 21, 2020 was \$1,073.

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

Orea Mining Corp. (formerly Columbus Gold Corp.)

Condensed Interim Consolidated Statements of Shareholders' Equity (Unaudited)

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

| | Share Capital | | Reserves | | | | |
|--|--------------------------------|--------------------------|---|--|---------------|-----------------|---------------|
| | Number of Shares (000's) | Share Capital (\$) | Share Options and Warrants (\$) | Accumulated Other Comprehensive Income (Loss) (\$) | Total (\$) | Deficit (\$) | Total (\$) |
| Balance, October 1, 2019 | 171,609 | 67,421 | 8,476 | 1,212 | 9,688 | (39,456) | 37,653 |
| Private placement of common shares (note 7a) | 7,813 | 1,208 | - | - | - | - | 1,208 |
| Private placement of units – February 2020 (note 7a) | 7,813 | 1,078 | 172 | - | 172 | - | 1,250 |
| Private placement of units – March 2020 (note 7a) | 8,688 | 1,278 | 94 | - | 94 | - | 1,372 |
| Share-based payments (note 7b) | - | - | 25 | - | 25 | - | 25 |
| Comprehensive income (loss) | - | - | - | 2,844 | 2,844 | (1) | 2,843 |
| Rounding adjustment | (2) | - | - | - | - | - | - |
| Balance, June 30, 2020 | 195,921 | 70,985 | 8,767 | 4,056 | 12,823 | (39,457) | 44,351 |
| Balance, October 1, 2020 | 195,921 | 70,974 | 8,766 | 5,216 | 13,982 | (41,162) | 43,794 |
| Private placement of units (note 7a) | 8,784 | 1,212 | 175 | - | 175 | - | 1,387 |
| Share-based payments (note 7b) | - | - | 485 | - | 485 | - | 485 |
| Comprehensive loss | - | - | - | (3,208) | (3,208) | (2,245) | (5,453) |
| Balance, June 30, 2021 | 204,705 | 72,186 | 9,426 | 2,008 | 11,434 | (43,407) | 40,213 |

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

1. Nature of Operations and Going Concern

Orea Mining Corp. (the “Company” or “Orea”) was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. On May 14, 2020, the Company changed its name from Columbus Gold Corp. to Orea Mining Corp. The Company is currently listed on the Toronto Stock Exchange (the “TSX” or “Exchange”) and the OTCQX International.

The Company’s principal business activities are the exploration and development of resource properties in South America. The Company is in the process of exploring and developing its resource properties. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company’s exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required.

All figures in these consolidated financial statements are expressed in thousands of Canadian Dollars except for share, per share amounts, warrants, per warrant amounts, units, per unit amounts or noted otherwise. References to “US\$” are to thousands of US Dollars. At June 30, 2021, the Company had working capital of \$2,475 (September 30, 2020 – \$3,767) and an accumulated deficit of \$43,410 (September 30, 2020 - \$41,162). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19. The Company may need to delay or suspend future field work if required by the French Government relating to COVID-19 measures.

The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending September 30, 2020. Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on August 9, 2021.

Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

3. Marketable Securities

| | June 30, 2021 (\$) | September 30, 2020 (\$) |
|--------------------------------|--------------------------|-------------------------------|
| Organto Foods Inc. ("Organto") | 808 | 162 |
| | 808 | 162 |

During the three and nine months ended June 30, 2021, the Company recorded an unrealized gain on marketable securities of \$441 and \$646 respectively (2020 – \$1,656 and \$1839 respectively).

4. Investment in Compagnie Minière Montagne d'Or SAS ("CMMO")

The Company entered into an agreement with Nord Gold plc ("Nordgold") on March 13, 2014 (the "Option Agreement"), under which Nordgold was granted the right to acquire a 50.01% interest in the Montagne d'Or Project (formerly known as the "Paul Isnard Project") in French Guiana, France, which includes the Montagne d'Or gold deposit, and the exploration permits, held by the Company's subsidiary at the time, CMMO.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Montagne d'Or Project (the "5% Sale") for \$7,870 (US\$6,000) (received). The formal acquisition and transfer of the 5% interest would not occur until Nordgold earned the initial 50.01% interest in the Montagne d'Or Project under the Option Agreement.

On September 14, 2017, the Company's interest in CMMO was diluted to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in CMMO was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest in CMMO, and Nordgold owning the remaining 55.01% interest.

Upon recognition of Nordgold's earn-in, the Company recorded the carrying value of its investment in CMMO at its fair value of \$36,701, resulting in a gain on deconsolidation of \$14,116. The fair value of the Company's investment in CMMO was determined using the consideration it received for an aggregate interest of 55.01%, which was \$44,875 (US\$36,000).

The Company accounts for its investment in CMMO as an equity accounted investment.

Investment in CMMO continuity table:

| | (\$) |
|------------------------------------|---------------|
| Balance, September 30, 2019 | 34,613 |
| Proportionate share of losses | (261) |
| Foreign exchange gain | 3,868 |
| Balance, September 30, 2020 | 38,220 |
| Proportionate share of losses | (222) |
| Foreign exchange loss | (3,007) |
| Balance, June 30, 2021 | 34,991 |

CMMO's title to the Montagne d'Or Project was initially held in 8 mining concessions (each, a "Concession") plus 2 exclusive exploration permits covering a total area of 190 km². Historically, the Concessions were granted to the original applicant and all subsequent title holders in perpetuity, in accordance with a French Imperial Law of the year 1810. As such, when the Concessions were first granted, they had the benefit of never expiring.

4. Investment in Compagnie Minière Montagne d'Or SAS– continued

In 1994, the French Mining Code was amended to provide that all mining concessions granted under the Imperial Law of 1810 would expire on December 31, 2018, including CMMO's Concessions, but can be subject to successive extensions not exceeding 25 years. In accordance therewith, and after extensive exploration work, CMMO submitted renewal applications for a 25-year period for the core project Concessions (2 of the 8 Concessions), two years prior to the expiration date. Exploration results did not justify renewal applications for the other 6 Concessions.

Renewal of the two CMMO Concessions involved a national public enquiry, which was carried out in November and December 2018. The Commission of Mines in French Guiana was expected to provide a non-binding opinion to the French Minister of Economy in charge of mines, which makes a renewal decision. The renewal of the Concessions was on the agenda of the Commission of Mines on October 16, 2019, but was removed from the agenda prior to the Commission's meeting and the Prefect of French Guiana indicated that it would be considered at a future meeting following some complementary legal analysis.

The Mining Code provides that there is an implicit (deemed) refusal of the renewal applications if no response is received by the Minister in charge of mines within two years of the date the applications were submitted. On December 21, 2018, the Minister informed CMMO, and all other holders of former historical concessions in French Guiana, that the assessment of their application might not be finalized upon the deadline and notified each applicant that exceeding this deadline will not preclude an explicit (formal) decision at a later date. The letter stated further that the French Supreme Administrative Court (Conseil d'État) had provided that the operator "may continue its works until an explicit (formal) decision of its request for renewal." Conditions for renewal include the requirement that the concessions be exploited on December 31, 2018, and the examination by the administrative authority of the technical and financial capacities of the title holder as well as the foreseeable duration of the exploitation of the deposit.

In order to protect its rights to the CMMO Concessions, in February and March 2019, CMMO filed proceedings in the Administrative Court of Cayenne in French Guiana to invalidate any implicit (deemed) refusal as a result of the French government having failed to respond within the prescribed deadline, and to expedite a clear and definitive formal written decision from the Minister in charge of mines. On December 24, 2020, the Administrative Court of Cayenne in French Guiana concluded the implicit refusals were cancelled and ordered the State to extend the Concessions and to set the duration of these extensions within a period of six months from the notification of the court judgement. The Minister of Economy, and a non-governmental organization (NGO) permitted to intervene in the case, had two months to appeal the decision.

The French Government issued a press release on February 3, 2021 announcing that it had filed an appeal with the Administrative Court of Appeal of Bordeaux on January 25, 2021 from the Administrative Court of Cayenne ruling on December 24, 2020, which had ordered the renewal of the Concessions. The press release also reaffirms the Government's view that the Montagne d'Or Project, as it has been presented to it, is not compatible with the Government's environmental ambitions.

On July 16, 2021, the Administrative Court of Appeal of Bordeaux rejected the French Government's appeal and request for a stay of execution of the court rulings of December 24, 2020. In its ruling, the Court of Appeal of Bordeaux concluded that the arguments put forth by the French Government were without merit and that CMMO submitted complete applications and met all requirements for the renewal of the Concessions. This ruling provides strong arguments in support of the additional court claim by CMMO made on June 25th for the French Government to pay 10,000 Euro a day in penalties, for every day that the Concessions are not renewed.

The Government has two months to file one final appeal to the Supreme Court (Conseil d'Etat). An appeal, if filed, would, in principle, have no suspensive effect; the Supreme Court would not reconsider the facts and would limit its review to interpretation of relevant law

5. Exploration and Evaluation Asset

On July 19, 2018, the Company entered into an agreement (the "Maripa Option") with a subsidiary of IAMGOLD Corporation ("IAMGOLD") to acquire up to a 70% interest in two stages in the Maripa Gold Project ("Maripa"), located in French Guiana, France. The terms of the Maripa Option are as follows:

5. Exploration and Evaluation Asset – continued

- Option to earn up to a 70% interest in Maripa:
 - Initial option (the “First Option”) to acquire a 50% interest by incurring \$6,199 (US\$5,000) in expenditures within 5 years from the date of deemed non-objection of the French Government of the Maripa Option (the “Effective Date”), with Orea acting as Operator. The Effective Date was set to April 10, 2019, corresponding to the date on which the deemed non-objection of the agreement was received from the French Government.
 - Firm spending commitment of \$248 (US\$200) by December 31, 2018 (requirement met);
 - \$1,860 (US\$1,500) firm cumulative spending commitment by the 2nd anniversary of the Effective Date (requirement met);
 - \$3,409 (US\$2,750) cumulative spending by the 3rd anniversary of the Effective Date;
 - \$4,959 (US\$4,000) cumulative spending by the 4th anniversary of the Effective Date; and
 - \$6,199 (US\$5,000) cumulative spending and the completion of an internal scoping study by the 5th anniversary of the Effective Date.
 - Additional 20% interest:
 - Following exercise of the First Option, Orea may provide notice to IAMGOLD under certain conditions, of preparing a Preliminary Feasibility Study (“PFS”);
 - If IAMGOLD does not elect to contribute its pro-rata share of the cost of preparing the PFS, then Orea may elect to earn an additional 20% interest by completing the PFS within an additional 3 years; and
 - A 70:30 joint venture will be formed upon completion of the PFS by Orea within the 3 years period, otherwise a 50:50 joint venture will be formed.
 - If any party’s interest in the joint venture falls below 10% it will convert to a 2% NSR, of which 1% can be purchased by the other party for \$3,719 (US\$3,000).

On October 23, 2019, the Company closed the first tranche of a private placement fully subscribed by Sandstorm Gold Ltd. (“Sandstorm”), raising gross proceeds of \$1,250 through the issuance of 7,812,500 common shares of Orea, at a price of \$0.16 per share and granting to Sandstorm a 0.5% net smelter returns royalty from Orea’s ownership interest on gold production from Maripa, if and when Orea earns its interest in the project, and increasing up to 1% depending on Orea’s interest in the project.

A summary of the Company’s exploration and evaluation asset for the nine months ended June 30, 2021 and year ended September 30, 2020 is set out below:

| | Maripa Gold Project |
|--------------------------------------|----------------------------|
| | \$ |
| Balance at October 1, 2019 | 573 |
| Geology and geophysics | 295 |
| Salaries and consulting | 506 |
| Supplies | 66 |
| Equipment | 63 |
| Permitting | 27 |
| Transportation | 30 |
| Assays and analysis | 20 |
| Other | 30 |
| Foreign exchange | 91 |
| Balance at September 30, 2020 | 1,701 |
| Drilling | 287 |
| Geology and geophysics | 44 |
| Salaries and consulting | 446 |
| Supplies | 75 |
| Equipment | 21 |
| Permitting | 52 |
| Assays and analysis | 78 |
| Other | 40 |
| Foreign exchange | (140) |
| Balance at June 30, 2021 | 2,604 |

6. Property and Equipment

| | Office Furniture and Equipment (\$) | Right of Use Assets (\$) | Total (\$) |
|---|---|--------------------------------|---------------|
| Cost | | | |
| Balance, October 1, 2019 | 163 | - | 163 |
| Adoption of IFRS 16 | - | 26 | 26 |
| Additions | 11 | 95 | 106 |
| Foreign exchange | 5 | 1 | 6 |
| Balance, September 30, 2020 | 179 | 122 | 301 |
| Additions | 5 | 128 | 133 |
| Foreign exchange | (4) | (2) | (6) |
| Balance, June 30, 2021 | 180 | 248 | 428 |
| Accumulated Amortization | | | |
| Balance, October 1, 2019 | (124) | - | (124) |
| Amortization | (20) | (18) | (38) |
| Foreign exchange | (2) | (1) | (3) |
| Balance, September 30, 2020 | (146) | (19) | (165) |
| Amortization | (11) | (51) | (62) |
| Foreign exchange | 3 | 1 | 4 |
| Balance, June 30, 2021 | (154) | (69) | (223) |
| Net book value, September 30, 2020 | 33 | 103 | 136 |
| Net book value, June 30, 2021 | 26 | 179 | 205 |

Lease liability

The estimated fair value of lease liabilities is based on an incremental borrowing rate of 15%. Leases include an office lease, office equipment and vehicles.

Maturity Analysis

| | (\$) |
|---|------------|
| Contractual undiscounted cash flows: | |
| Less than one year | 124 |
| Two to three years | 65 |
| Total undiscounted lease liabilities as at June 30, 2021 | 189 |
| Lease liabilities in Consolidated Statements of Financial Position as at June 30, 2021 | |
| Current (included in accounts payable) | 118 |
| Non-current (included in lease liabilities) | 62 |
| | 180 |

6. Property and Equipment - continued*Amounts Recognized in Consolidated Statements of Comprehensive Income (Loss)*

| | Three Months Ended | | Nine Months Ended | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| Interest expense on lease liabilities | 4 | 1 | 23 | 5 |
| Expenses relating to short-term leases | 4 | 28 | 4 | 82 |
| | 8 | 29 | 27 | 87 |

7. Share Capital**(a) Common Shares**

Authorized - unlimited common shares without par value.

At June 30, 2021, the Company had 204,704,925 (September 30, 2020 – 195,921,160) common shares issued and outstanding.

On January 21, 2021, the Company closed an oversubscribed private placement, raising gross proceeds of \$1,400 through the issuance of 8,235,294 units at a price of \$0.17 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder, on exercise, to purchase one share at a price of \$0.30 for a period of 18 months from the closing date of the private placement. An aggregate of 548,471 units has been paid in finders' fees, with a fair value of \$93. Total warrants issued have a fair value of \$175. Additional share issue costs totalled \$13.

On March 26, 2020, the Company closed a non-brokered private placement, raising gross proceeds of \$1,390 through the issuance of 8,687,500 units at a price of \$0.16 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.24, for a period of 18 months from the closing date of the private placement. The warrants have a fair value of \$94. OCIM Finance, a Company managed by a former director of Orea, Laurent Mathiot, was amongst the subscribers in the private placement. OCIM Finance acquired an aggregate of 7,812,500 units for total consideration of \$1,250. Share issue costs for this private placement totalled \$29.

On February 4, 2020, the Company closed a non-brokered private placement, raising gross proceeds of \$1,250 through the issuance of 7,812,500 units at a price of \$0.16 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder, on exercise, to purchase one common share at a price of \$0.24, for a period of 18 months from the closing date of the private placement. The warrants have a fair value of \$172. The private placement was fully subscribed by OCIM Finance.

On October 23, 2019, the Company closed a non-brokered private placement fully subscribed by Sandstorm (the "Sandstorm Private Placement"), raising gross proceeds of \$1,250 through the issuance of 7,812,500 common shares, at a price of \$0.16 per share and granting to Sandstorm a 0.5% net smelter returns royalty from Orea's ownership interest on gold production from the Maripa gold project in French Guiana, if and when Orea earns its interest in the project, and increasing up to 1% depending on Orea's interest in the project. No finders' fees have been paid in connection with this private placement. The Sandstorm Private Placement was closed on January 31, 2020. Share issue costs for the Sandstorm Private Placement totalled \$42.

7. Share Capital - continued**(b) Share Options**

The Company has a share option plan to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

The continuity of the Company's share options is as follows:

| | Number of Options | Weighted Average Exercise Price (\$) |
|------------------------------------|------------------------------|---|
| Balance, October 1, 2019 | 8,007,500 | 0.42 |
| Granted | 1,000,000 | 0.25 |
| Forfeited | (2,075,000) | 0.37 |
| Balance, September 30, 2020 | 6,932,500 | 0.41 |
| Granted | 7,725,000 | 0.25 |
| Forfeited | (4,300,000) | 0.36 |
| Cancelled | (56,250) | 0.25 |
| Expired | (632,500) | 0.40 |
| Balance, June 30, 2020 | 9,668,750 | 0.26 |

A summary of the Company's options at June 30, 2021 is as follows:

| Exercise Price (\$) | Options Outstanding | | Options Exercisable | |
|------------------------------------|--|--|--|--|
| | Number of Options Outstanding | Weighted Average Remaining Contractual Life (Years) | Number of Options Exercisable | Weighted Average Remaining Contractual Life (Years) |
| 0.25 | 700,000 | 2.71 | 700,000 | 2.71 |
| 0.25 | 7,668,750 | 4.60 | 7,668,750 | 4.60 |
| 0.30 | 500,000 | 0.83 | 500,000 | 0.83 |
| 0.30 | 100,000 | 1.78 | 100,000 | 1.78 |
| 0.30 | 650,000 | 2.18 | 650,000 | 2.18 |
| 0.48 | 50,000 | 1.63 | 50,000 | 1.63 |
| 0.25-0.48 | 9,668,750 | 4.06 | 9,668,750 | 4.06 |

The fair value of vested share options recognized as an expense during the three and nine months ended June 30, 2021 was \$2 and \$488 respectively (2020 - \$8 and \$25 respectively).

7. Share Capital - continued

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during fiscal 2021 and 2020 are as follows:

| Grant Date | Number of Share Options | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value Per Option (\$) | Total Fair Value (\$) |
|------------------|-------------------------|---------------------------|-------------------------|-----------------------|-------------------------|----------------------------|-----------------------|
| February 3, 2021 | 7,725,000 | 79% | 0.17% | 2.96 | - | 0.06 | 484 |
| March 30, 2020 | 1,000,000 | 75% | 0.47% | 2.96 | - | 0.03 | 34 |

(c) Warrants

Warrants issued were as follows:

| | Number of Warrants | Fair Value (\$) |
|------------------------------------|--------------------|-----------------|
| January 21, 2021 Private Placement | 4,391,882 | 175 |
| March 26, 2020 Private Placement | 4,343,750 | 94 |
| February 4, 2020 Private Placement | 3,906,250 | 172 |

The continuity of the Company's warrants is as follows:

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|------------------------------------|--------------------|--------------------------------------|
| Balance, October 1, 2019 | 6,387,139 | 0.38 |
| Issued | 8,250,000 | 0.24 |
| Expired | (4,893,389) | 0.40 |
| Balance, September 30, 2020 | 9,743,750 | 0.25 |
| Issued | 4,391,882 | 0.30 |
| Expired | (1,493,750) | 0.32 |
| Balance, June 30, 2021 | 12,641,882 | 0.26 |

The fair value of each warrant is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of warrants issued represents the period of time which those warrants are expected to be outstanding.

7. Share Capital - continued

The risk-free rate of periods within the contractual life of the warrants is based on the Canadian government bond rate. Assumptions used for warrants issued during 2021 and 2020 are as follows:

| Issue Date | Number of Warrants | Expected Price Volatility | Risk Free Interest Rate | Expected Life (Years) | Expected Dividend Yield | Fair Value per Warrant (\$) | Total Fair Value (\$) |
|------------------|--------------------|---------------------------|-------------------------|-----------------------|-------------------------|-----------------------------|-----------------------|
| January 21, 2021 | 4,391,882 | 84% | 0.17% | 1.50 | - | 0.04 | 175 |
| March 26, 2020 | 4,343,750 | 76% | 0.64% | 1.50 | - | 0.02 | 94 |
| February 4, 2020 | 3,906,250 | 76% | 1.51% | 1.50 | - | 0.04 | 172 |

As at June 30, 2021, all outstanding warrants are exercisable and expire 18 months from the date of issue.

(d) Loss per Share

| | Three Months Ended | | Nine Months Ended | |
|-------------------------|--------------------|---------------|-------------------|---------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | (\$) | (\$) | (\$) | (\$) |
| Basic loss per share | (0.00) | 0.01 | (0.01) | (0.00) |
| Diluted loss per share | (0.00) | 0.01 | (0.01) | (0.00) |
| Net loss for the period | (41) | 1,141 | (2,245) | (1) |

| (in thousands) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|----------------|-------------------|----------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| Shares outstanding, beginning of period | 204,705 | 179,421 | 195,921 | 171,609 |
| Effect of share offerings | - | - | 5,180 | 14,481 |
| Basic weighted average number of shares outstanding | 204,705 | 179,421 | 201,101 | 186,090 |
| Effect of dilutive share options | - | - | - | - |
| Effect of dilutive warrants | - | - | - | - |
| Diluted weighted average number of shares outstanding | 204,705 | 179,421 | 201,101 | 186,090 |

As at June 30, 2021, there were 9,668,750 (June 30, 2020 – 7,932,500) share options and 12,641,882 (June 30, 2020 – 9,743,750) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

(e) Reserves

Share Options and Warrants

The share options and warrants reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Accumulated Other Comprehensive Income (Loss)

The accumulated other comprehensive income (loss) reserve records unrealized exchange differences arising from translation of foreign operations that have a functional currency other than the Company's reporting currency.

8. Related Party Transactions

The Company had a note receivable of \$1,604 (the “Grid Note”) from Allegiant, a company with certain directors in common, originally due on the later of March 1, 2019 or when Allegiant has completed one or more equity financings with collective proceeds of a minimum of \$4,000 subsequent to the date on which Allegiant lists on the TSX-V. On March 5, 2019, the Company received 1,000,000 common shares (the “Extension Shares”) of Allegiant in exchange for extending the due date of the Grid Note to December 31, 2020 (the “Extended Grid Note”). The fair value of the Extension Shares was \$190 at the time of issuance. The fair value of the Extended Grid Note is \$1,220, based on a 15% discount rate. The fair value of the Grid Note has been further reduced by the fair value of the Extension Shares, resulting in a carrying value of \$1,030 on initial recognition. The Extended Grid Note was to be accreted to its face value of \$1,604 by the due date. The Grid Note was non-interest bearing and unsecured.

On October 21, 2020 the Extended Grid Note was settled in exchange for 3,201,766 shares (the “Settlement Shares”) of Allegiant. Consequently, the Company impaired the carrying value of the Extended Grid Note to \$1,345, and recorded an impairment charge of \$166 which corresponds to the fair value of the Settlement Shares as at September 30, 2020. The market value of the Settlement Shares received on October 21, 2020 was \$1,073, resulting in a loss of \$272 on settlement.

A summary of the Grid Note is presented in the following table:

| | (\$) |
|------------------------------------|--------------|
| Balance, October 1, 2019 | 1,142 |
| Finance income | 369 |
| Impairment | (166) |
| Balance, September 30, 2020 | 1,345 |
| Settlement | (1,073) |
| Loss on settlement | (272) |
| Balance, June 30, 2021 | - |

The Company entered into a cost sharing agreement (the “Xebra Cost Sharing Agreement”) with Xebra Brands Ltd. (“Xebra”) effective October 1, 2019, whereby certain overhead and administration costs were shared, which Xebra reimbursed to the Company on a periodic basis and is included in cost recoveries. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020 and replaced with a fixed fee agreement (the “Xebra Services Agreement”), whereby the Company provided certain overhead and administration services in exchange for a fixed fee of \$10 per month and a reduction in compensation of \$8 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020 and replaced with an updated services agreement (the “Updated Services Agreement”) effective January 1, 2021 for \$2 per month. Effective June 1, 2021, the Updated Services Agreement was amended whereby the monthly fee is increased to \$30 per month. The Company and Xebra has a director and certain officers in common.

The following is a summary of related party transactions:

| | Three Months Ended | | Nine Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2021 | June 30, 2020 | June 30, 2021 | June 30, 2020 |
| | (\$) | (\$) | (\$) | (\$) |
| Management fees paid to Columbus Capital Corporation, a company controlled by the Chairman of the Company | 23 | 23 | 68 | 78 |
| Management fees paid to the President and CEO of the Company | 66 | 66 | 198 | 218 |
| Accounting fees paid to the CFO of the Company | 48 | 48 | 144 | 160 |
| Directors fees paid or accrued | 36 | 48 | 108 | 127 |
| Finance income from Grid Note | - | (83) | - | (280) |
| Administration cost recoveries received or accrued from Xebra | (34) | (96) | (58) | (292) |
| Administration cost recoveries received or accrued from Allegiant | (5) | (4) | (14) | (30) |
| | 134 | 2 | 446 | (19) |

8. Related Party Transactions - continued

The following summarizes advances or amounts that remain receivable from or payable to each related party:

| | June 30, 2021 (\$) | September 30, 2020 (\$) |
|--|--------------------------|-------------------------------|
| Note receivable from Allegiant | - | 1,345 |
| Advances to the Chairman of the Company | - | 20 |
| Advances to Columbus Capital Corporation | 8 | - |
| Directors fees payable | (24) | (91) |
| | (16) | 1,274 |

9. Segmented Disclosure

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

| | June 30, 2021 (\$) | September 30, 2020 (\$) |
|------------------------|--------------------------|-------------------------------|
| Current assets | | |
| Canada | 2,619 | 3,999 |
| Luxembourg | 21 | 8 |
| France (French Guiana) | 151 | 384 |
| | 2,791 | 4,391 |
| Non-current assets | | |
| Canada | 184 | 106 |
| France (French Guiana) | 37,616 | 39,951 |
| | 37,800 | 40,057 |
| Total assets | | |
| Canada | 2,803 | 4,105 |
| Luxembourg | 21 | 8 |
| France (French Guiana) | 37,767 | 40,335 |
| | 40,591 | 44,448 |

10. Commitments

The Company has commitments as follows:

| | 1 year (\$) | 2-3 years (\$) | 4-5 years (\$) | Total (\$) |
|----------------------|----------------|-------------------|-------------------|---------------|
| Office lease payment | 120 | 60 | - | 180 |
| Equipment | 4 | 5 | - | 9 |
| | 124 | 65 | - | 189 |

11. Financial Risk and Capital Management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at June 30, 2021 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks and an investment firm. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and trade receivables. Management believes that the credit risk with respect to cash and receivables as it relates to goods and services tax are low, and medium as it relates to remaining other receivables.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at June 30, 2021, the Company has working capital of \$2,475 (September 30, 2020 – \$3,767).

(c) Market Risks

(i) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its French subsidiary, Orea Guyane SAS. The Company also has assets and liabilities denominated in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

(ii) Commodity Price Risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

(iii) Interest Rate Risk

The Company does not have any interest-bearing debt and is therefore not exposed to interest rate risk.

Sensitivity Analysis

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables and accounts payables in US Dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately \$20 to profit or loss.

11. Financial Risk and Capital Management - continuedCapital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration and development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors approves the annual and updated budgets. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

Fair Value

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The fair value of marketable securities is based on quoted market prices for publicly traded shares.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method, and accreted accordingly.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Marketable securities are classified as Level 1. At June 30, 2021, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

| Financial Instrument | Measurement Method | Associated Risks | Fair value at June 30, 2021 (\$) |
|-----------------------------|---------------------------|--------------------------|---|
| Cash | FVTPL (Level 1) | Credit and currency | 1,700 |
| Marketable securities | FVTPL (Level 1) | Exchange | 808 |
| Receivables | Amortized cost | Credit and concentration | 37 |
| Accounts payable | Amortized cost | Currency | (239) |
| | | | 2,306 |

12. Subsequent Event

Subsequent to June 30, 2021, the Company announced the signing of a binding term sheet (the “BTS”) to acquire up to a 75% interest in an advanced-stage gold exploration project (the “Suriname Project”) in Suriname, South America with terms as follows:

- First Option Stage for 51% Interest
 - Orea to acquire an initial 51% interest in the Suriname Project within three years of the Commencement Date (defined below) by:
 - Making cash payments totaling \$2,046 (US\$1,650), of which only \$434 (US\$350) is payable within the first year;
 - Issuing common shares of Orea totaling 3,400,000;
 - Incurring a minimum of \$7,438 (US\$6,000) in exploration expenditures; and
 - Completing a NI 43-101 Technical Report containing a minimum of 500,000 oz of gold in any category.
- Second Option Stage for an Additional 19% Interest for a Total of 70%
 - Orea to acquire an additional 19% interest in the Suriname Project, for a total of 70%, within two years of completion of the First Option Stage by:
 - Making cash payments totaling \$1,860 (US\$1,500);
 - Issuing common shares of Orea totaling 200,000;
 - Incurring a minimum of \$12,397 (US\$10,000) in exploration expenditures; and
 - Completing a positive preliminary economic assessment (PEA).
 - In the event that Orea does not proceed with the completion of the Second Option Stage, Orea will transfer its interest in the Suriname Project back to the optionor.
- Third Option Stage for an Additional 5% for a Total of 75%
 - Orea to acquire an additional 5% interest in the Suriname Project, for a total of 75%, within three years of completion of the Second Option Stage by:
 - Incurring a minimum of \$12,397 (US\$10,000) in exploration expenditures; and
 - Completing a bankable feasibility study (BFS).

The Commence Date starts when certain conditions have been met, including:

- Due diligence - Within 90 days of signing the BTS, Orea having completed its technical (including site visit), environmental, land, legal (including labor), financial and tax due diligence to its satisfaction; and
- Regulatory approvals - Receiving any regulatory approvals required to consummate the transaction, including stock exchange approval and approvals required by any Government Agency under applicable law.

Upon successful earn-in of the Suriname Project, Orea and the optionor will form a joint venture with the objective to accelerate the Project into commercial production.