

MEDINAH MINERALS, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDING SEPTEMBER 30, 2021

Note 1 – Business and History

The Company was incorporated October 6, 1989 under the laws of the State of Nevada as Medinah Energy, Inc. In 2001, it changed its name to Medinah Mining, Inc. and in 2008, to Medinah Minerals, Inc. (Medinah). The Company was previously in the business of acquiring, exploring and developing mining properties. On May 16, 2016, Medinah completed an agreement for the sale of substantially all its mining properties to AURYN Mining Chile SpA (AURYN) in exchange for 25,000,000 shares of AURYN. Medinah has ceased its mining operations and is essentially a company holding stock in private or public companies.

In 2018, AURYN mining entered into an agreement with Cerro Dorado, Inc. (CDCH) in which 95% of AURYN Mining's assets were transferred to CDCH in exchange for 6,650,000,000 shares of CDCH Stock. After this transaction, Medinah Minerals owned 24.848% of the AURYN Mining.

In August 2018, Cerro Dorado, Inc. announced a 100-to-1 reverse split, a name change and symbol change. For a twenty-day period beginning August 14, 2018, AURYN traded with the ticker symbol CDCHD, after which time they began trading under the ticker AUMC. With the implantation of the 100-to-1 reverse split, AURYN mining has 70,000,000 common shares authorized and issued, and 5,000 preferred shares authorized and issued. With the reverse stock split, Medinah's investment in AUMC through its ownership in AURYN decreased from 1,652,420,000 shares to 16,524,200 shares.

In December 2018, a contract was finalized between AURYN and Hochschild Mining PLC after Hochschild completed its due diligence on the Las Dos Marias project ("LDM"). Hochschild has an option to invest US \$7,000,000 into the LDM project over a 5-year period to earn a 51% joint venture interest in the LDM properties. An option to invest an additional US \$23,000,000 is available to Hochschild to gain an additional 9% interest. If all US \$30,000,000 is invested, Hochschild will own 60% of the LDM project with AURYN holding the remaining 40% as a joint venture partner. Hochschild performed various field works and an IP Geophysical survey. Hochschild did not perform any drilling however recommended that AUMC should undertake a 3-hole exploration drill program in order to evaluate the potential or lack thereof of mineralization.

AUMC is exploring opportunities to raise funds to complete this drilling program, in the way of private financing, equity, share issuance or rights offering.

Note 2 – Accounting Policies

- The Company uses the accrual accounting method as required by Generally Accepted Accounting Principles.
- The Company has no depreciable assets, so there is no depreciation or depreciation policy.
- The Company considers that "cash and cash equivalents" is composed of cash on hand, demand deposits, and time deposits with less than ninety days to maturity.
- The Company has significant operating loss carry-forwards available to apply against future taxable earnings. However, there is no deferred tax asset because any future benefit is considered to be impaired by the Company's history of unprofitability.

- The Company rarely has bad debts. Consequently, there is no allowance for doubtful accounts, and any bad debts expense is the result of specific accounts being written off.
- Prior to 2018, Medinah Minerals had reported its investment in AURYN Mining at cost as the company was privately held and not traded on the open market. In 2018, approximately 95% of AURYN mining assets have been transferred to CDCH (now AUMC) in exchange for 6,650,000,000 shares, which has a value in an active market place. After the transfer, Medinah owned 1,652,420,000 shares in CDCH through its 24.48% investment in AURYN. The shares were valued using the share value of CDCH in the open market.
- In August 2018, Cerro Dorado, Inc. announced a 100-to-1 reverse split, a name change and symbol change to AUMC. With the reverse stock split, Medinah's investment in AUMC through its 24.48% ownership in AURYN decreased from 1,652,420,000 shares to 16,524,200 shares. The gain related to this change was reported as gain on investment on the unaudited Statement of Income and Expense.
- In December 2018, the members of the Board of Directors for Medinah were compensated for their services through payment of 600,000 shares of AURYN stock. The value of the stock as of the date of transfer has been charged to operating expenses on the unaudited Statement of Income and Expense. As a result of the stock transfer, the number of AUMC shares owned by Medinah through its ownership in AURYN dropped from 16,524,200 to 16,104,200 and reduced Medinah's percentage ownership to 24.217%.

Note 3 – Investments

Medinah is essentially a company that holds stock in different companies.

Medinah has no business operations other than owning a 24.217% equity stake in AURYN and smaller stakes in two additional public companies. AURYN is a private Chilean mining company that owned 100% of the Altos de Lipangue Mining District. In 2018, AURYN mining entered into an agreement with Cerro Dorado, Inc. (CDCH) in which 95% of AURYN Mining's assets were transferred to CDCH in exchange for 6,650,000,000 shares of CDCH Stock.

In August 2018, Cerro Dorado, Inc. announced a 100-to-1 reverse split, a name change and symbol change. In the third quarter 2018, CDCH began trading under the ticker AUMC. With the implantation of the 100-to-1 reverse split, AURYN mining has 70,000,000 common shares authorized and issued, and 5,000 preferred shares authorized and issued. With the reverse stock split, Medinah's investment in AUMC through its ownership in AURYN decreased from 1,652,420,000 shares to 16,524,200 shares. On October 1, 2018, Medinah transferred 600,000 of its AURYN shares to the Board of Directors for Medinah in exchange for services performed, reducing their share ownership to 16,104,200 and reducing its percentage ownership to 24.217%.

As a minority shareholder in AURYN, Medinah's rights are limited. Medinah is responsible for its pro-rata share of AURYN's capital costs and Medinah's ownership in AURYN is subject to dilution should Medinah not be able to meet any cash calls.

In addition to shares in AURYN, Medinah owns 9,950,000 shares of American Sierra Golf Corp (AMNP) and 171,000 shares of AuryN Mining Corporation (AUMC). Through a settlement with Leslie Price, Medinah will own an additional 600,000 of AMNP and 165,000 of AUMC which are expected to be converted to Medinah's name in Q4 2021.

Once converted, Medinah will own 10,550,000 shares of AMNP and 16,440,200 shares of AUMC.

Note 4 – Long-Term Debt

During the quarter ended September 30, 2021, the Company received loans from shareholders totaling \$26,460. The loans were provided for working capital purposes, are unsecured, non-interest bearing and have no specific repayment terms. The loan remains outstanding as of September 30, 2021.

Loans from Stockholders in the amount of \$139,534 represent funds advanced by a previous Board of Director member to assist in funding litigation the Company is involved with. The loan has no specific repayment terms and is outstanding as of September 30, 2021.

On February 15, 2017 AURYN informed its shareholders of AURYN's plan to capitalize its debt by issuing a capital call to its shareholders. Any shareholders unable to meet the capital call would retain their current shares but be diluted in their overall position.

On April 15, 2017, Medinah signed an agreement to finance Medinah's portion of the raised capital. The basic terms of the agreement were as follows.

- AURYN Holdings Corporation covered the payment of \$1,648,140 that Medinah owed to AURYN.
- Medinah pledged its newly issued shares in AURYN as collateral against the loan.
- The loan is a 0% interest loan payable in full on December 31, 2021.
- The loan payment date can be extended upon the agreement of both parties.
- Should the shares held as collateral become publicly traded, the loan will convert to an interest only balloon note with a four-year term and a simple interest rate of 4% annually.
- Until the loan is paid in full, the shares remain as collateral securing the debt.
- If AURYN sells or transfers its rights to any other party and Medinah receives shares in another entity because of the sale or transference, the new shares that Medinah receives will serve as the collateral for the term of the loan, effectively replacing the shares in AURYN.

In the Q4 2017 Medinah fully satisfied this agreement by reducing its holdings in AURYN.

Note 5 – Preferred Stock

In 2012, the company created a class of preferred stock with preferential terms. As of September 30, 2021, 0 shares of this class remain outstanding.

Note 6 – Directors Fees

The Board of Directors passed a resolution on October 1, 2018, to compensate Board Members and Corporate Officers with a total of 600,000 shares of AURYN stock. The issuance of the shares reduced the Company's holding of AURYN shares to 16,104,200. The expense for the Board of Directors fees was recorded using the change in value of Medinah's investment in AURYN due to the decrease in the number of shares owned and charged to operating expenses on the unaudited Statement of Income and Expense.

The Board of Directors passed a resolution on March 1, 2017, to compensate Board Members and Corporate Officers with a total of 1,000,000 shares of AURYN stock.

Note 7 – Commitments and Contingencies

The Company was involved in several legal disputes which have now been resolved. It still remains party to one. In addition, the length and nature of the share issuance discrepancies mentioned above in

“Disclosure Warnings” leaves the Company open to further litigation. As such, the Company is at risk of expending a significant portion of its resources on litigation.

The Company has no other commitments or contingencies of which it is aware.

Note 8 – Change in Accounting Principal

Previously, exploration expenditures related to mining properties were capitalized and deferred to be recovered from future operations. Now the Company is electing to expense those costs in the period incurred until there is persuasive evidence that the exploration costs are economical and will contribute to the Companies planned operations. In previous financial statements those capitalized costs contributed to the carrying value of the AURYN stock in valuing a non-cash exchange. Now that stock valuation is assigned a value equal to Medinah’s debt for the shares (See note 3). Prior financial statements have not been restated to reflect this change in accounting principal.

Note 9 – Prior Period Adjustments

As disclosed in Note 7 above, the Company was involved in litigation with a previous Company executive who violated a subsequent fiduciary responsibility. The Company is unable to access prior financial records and is unable to account for the existence or proper disposition of Company assets held under that individual’s care. Additionally, the carrying value of investments held by the Company were not reflected at their market value in previous financial presentations.

The value of these assets has been reduced, along with a purported debt obligation to that individual. The Company cannot determine the timing of when these issues arose but is confident most of the financial impact was in a prior period. These matters and disputes have been reflected to the best of management’s ability, as a prior period adjustment in the current financial statements. The previous financial statements have not been restated.

Note 10 – Subsequent Events

Management has reviewed events between September 30, 2021 and November 10, 2021 and no significant events were identified.