
TEMBO GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2022

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2022 \$	December 31, 2021 \$
ASSETS			
Current assets			
Cash		229,664	650,480
GST receivable		27,749	30,019
Prepaid expenses		<u>55,447</u>	<u>22,024</u>
Total current assets		<u>312,860</u>	<u>702,523</u>
Non-current assets			
Plant and equipment	5	208,452	159,576
Exploration and evaluation assets	6	<u>6,803,625</u>	<u>6,722,872</u>
Total non-current assets		<u>7,012,077</u>	<u>6,882,448</u>
TOTAL ASSETS		<u>7,324,937</u>	<u>7,584,971</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	662,077	519,611
Advances payable	7	<u>56,496</u>	<u>44,000</u>
TOTAL LIABILITIES		<u>718,573</u>	<u>563,611</u>
SHAREHOLDERS' EQUITY			
Share capital	8	42,251,621	42,251,621
Share-based payments reserve		15,591,545	15,580,002
Foreign currency translation reserve		5,736,598	5,738,410
Deficit		<u>(56,973,400)</u>	<u>(56,548,673)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>6,606,364</u>	<u>7,021,360</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>7,324,937</u>	<u>7,584,971</u>

Nature of Operations and Going Concern - See Note 1

Events after the Reporting Date - See Note 12

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on May 26, 2022 and are signed on its behalf by:

/s/ David Scott
David Scott
Director

/s/ Simon Benstead
Simon Benstead
Director

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended	
		March 31,	
		2022	2021
		\$	\$
Expenses			
Accounting and administration	8(c)	24,737	9,000
Audit		-	29,960
Corporate development		58,900	-
Depreciation	4	-	6,348
Executive management compensation	8(a)	129,541	81,000
Investor relations		38,616	-
Legal		25,152	2,608
Office		6,946	512
Professional fees		73,581	8,909
Regulatory		1,800	1,475
Rent and housing	8(b)	16,802	8,550
Share-based compensation	7(c)	11,543	75,000
Shareholder costs		1,045	-
Transfer agent		1,611	1,215
Travel		6,965	-
Website design and maintenance		30,891	-
		<u>428,130</u>	<u>224,577</u>
Loss before other item		(428,130)	(224,577)
Other item			
Foreign exchange		<u>3,403</u>	<u>533</u>
Net loss for the period		(424,727)	(224,044)
Other comprehensive loss			
Change in currency translation of foreign subsidiary		<u>(1,812)</u>	<u>(100,530)</u>
Comprehensive loss for the period		<u>(426,539)</u>	<u>(324,574)</u>
Basic and diluted loss per common share			
		<u>\$(0.00)</u>	<u>\$(0.00)</u>
Weighted average number of common shares outstanding			
		<u>95,167,581</u>	<u>79,490,884</u>

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

TEMBO GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited - Expressed in Canadian Dollars)*

Three Months Ended March 31, 2022						
Share Capital						
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at December 31, 2021	95,167,581	42,251,621	15,580,002	5,738,410	(56,548,673)	7,021,360
Share-based compensation	-	-	11,543	-	-	11,543
Currency translation adjustment	-	-	-	(1,812)	-	(1,812)
Net loss for the period	-	-	-	-	(424,727)	(424,727)
Balance at March 31, 2022	<u>95,167,581</u>	<u>42,251,621</u>	<u>15,591,545</u>	<u>5,736,598</u>	<u>(56,973,400)</u>	<u>6,606,364</u>
Three Months Ended March 31, 2021						
Share Capital						
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Shareholders' Equity \$
Balance at December 31, 2020	79,490,884	39,920,141	15,116,248	5,789,435	(54,645,419)	6,180,405
Share-based compensation	-	-	75,000	-	-	75,000
Currency translation adjustment	-	-	-	(100,530)	-	(100,530)
Net loss for the period	-	-	-	-	(224,044)	(224,044)
Balance at March 31, 2021	<u>79,490,884</u>	<u>39,920,141</u>	<u>15,191,248</u>	<u>5,688,905</u>	<u>(54,869,463)</u>	<u>5,930,831</u>

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended	
	March 31	
	2022	2021
	\$	\$
Operating activities		
Net loss for the period	(424,727)	(224,044)
Adjustments for:		
Depreciation	-	6,348
Share-based compensation	11,543	75,000
Changes in non-cash working capital items:		
GST receivable	2,270	12,250
Prepaid expenses and deposits	(33,852)	81,144
Accounts payable and accrued liabilities	145,731	84,911
Net cash (used in) provided by operating activities	<u>(299,035)</u>	<u>35,609</u>
Investing activities		
Expenditures on exploration and evaluation assets	(170,222)	(87,911)
Additions to plant and equipment	(53,861)	-
Net cash used in investing activities	<u>(224,083)</u>	<u>(87,911)</u>
Financing activity		
Advances received	12,496	19,930
Net cash provided by financing activity	<u>12,496</u>	<u>19,930</u>
Effect of exchange rate changes on cash	<u>89,806</u>	<u>392</u>
Net change in cash	(420,816)	(31,980)
Cash at beginning of period	<u>650,480</u>	<u>47,175</u>
Cash at end of period	<u>229,664</u>	<u>15,195</u>

Supplemental cash flow information - See Note 10

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

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Tembo Gold Corp. (the “Company”) is a public company incorporated on March 3, 1937 pursuant to the laws of the Province of Ontario, Canada. The Company is a publicly listed company with its common shares listed on the TSX Venture Exchange (“TSXV”) under the symbol “TEM”.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Tanzania. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company’s material mineral properties are located in Tanzania and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

These condensed consolidated interim financial statements have been prepared on a going concern basis. As at March 31, 2022 the Company had a working capital deficit of \$405,713 and an accumulated deficit of \$56,973,400. The Company has not yet produced any revenues from its mineral interests and further funds will be required to fund existing levels of overhead and planned exploration expenditures over the course of the next twelve months. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its operations or obtain financing at unfavourable terms. The material uncertainty may cast significant doubt about the Company’s ability to continue as a going concern. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

On April 22, 2022 the Company completed the disposition of its non-core prospecting licences for gross proceeds of US \$6,000,000 and conducted a private placement of its common shares for \$1,500,000, as described in Notes 5 and 12.

The recent spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company has been monitoring the COVID-19 outbreak and the potential impact at all of its operations and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Company works while continuing to operate. Fieldwork had been halted on the Tembo Project and all corporate personnel travel had been restricted to absolute minimum requirements and employees encouraged to work remotely. In October 2021 the Company determined to recommence field and exploration activities on the Tembo Project.

With respect to the Company’s operations or work locations in Tanzania, the Company has implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Company. The Company expects that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended December 31, 2021.

Basis of Measurement

The Company’s condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

3. Subsidiaries

As at March 31, 2022 the subsidiaries of the Company are:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Tembo Gold (T) Ltd.	Tanzania	100%
Mineral Industry Promotion & Consulting Company Ltd.	Tanzania	100%

4. Plant and Equipment

Cost:	Exploration Equipment and Camp Facility \$	Vehicles \$	Total \$
Balance at December 31, 2020	459,871	29,256	489,127
Foreign exchange movement	<u>(1,951)</u>	<u>(124)</u>	<u>(2,075)</u>
Balance at December 31, 2021	457,920	29,132	487,052
Additions	53,861	-	53,861
Foreign exchange movement	<u>(6,575)</u>	<u>(419)</u>	<u>(6,994)</u>
Balance at March 31, 2022	<u>505,206</u>	<u>28,713</u>	<u>533,919</u>
Accumulated Depreciation:			
Balance at December 31, 2020	(280,290)	(23,056)	(303,346)
Depreciation	(19,028)	(6,106)	(25,134)
Foreign exchange movement	<u>974</u>	<u>30</u>	<u>1,004</u>
Balance at December 31, 2021	(298,344)	(29,132)	(327,476)
Depreciation	(2,729)	-	(2,729)
Foreign exchange movement	<u>4,319</u>	<u>419</u>	<u>4,738</u>
Balance at March 31, 2022	<u>(296,754)</u>	<u>(28,713)</u>	<u>(325,467)</u>

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

4. Plant and Equipment (continued)

Carrying Value:	Exploration Equipment and Camp Facility \$	Vehicles \$	Total \$
Balance at December 31, 2021	159,576	-	159,576
Balance at March 31, 2022	208,452	-	208,452

5. Exploration and Evaluation Assets

	Total \$
Balance at December 31, 2020	<u>6,361,872</u>
Exploration costs	
Geological	134,609
Technical services	<u>202,737</u>
	<u>337,346</u>
Acquisition costs	
Property / concession payments	74,643
Foreign exchange movement	<u>(50,989)</u>
Balance at December 31, 2021	<u>6,722,872</u>
Exploration costs	
Depreciation	2,729
Technical services	<u>170,222</u>
	<u>172,951</u>
Foreign exchange movement	<u>(92,198)</u>
Balance at March 31, 2022	<u>6,803,625</u>

Tembo Project

The Tembo Project consists of seven prospecting licences located in northwest Tanzania.

On December 7, 2021 the Company and Barrick Gold Corporation (“Barrick”) entered into an asset purchase agreement whereby the Company has agreed to sell to Barrick six of its non-core prospecting licences (the “Non-core Licences”) in the Tembo Gold Project for an agreed amount of US \$6,000,000 (the “Sale Transaction”). Concurrent with the Sale Transaction, Barrick also agreed to subscribe for the issuance of 5,518,764 common shares of the Company (the “Barrick Private Placement”) for cash proceeds of \$1,500,000.

Barrick has also agreed to conduct minimum exploration expenditures totalling US \$9,000,000 (the “Expenditure Commitment”) on the Non-core Licences, as follows:

Date	US \$
First year after closing	1,000,000
Second year after closing	2,000,000
Third year after closing	3,000,000
Fourth year after closing	<u>3,000,000</u>
	<u>9,000,000</u>

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

5. Exploration and Evaluation Assets (continued)

Any underfunded exploration work commitment may be made up in the following years. In the event that the Expenditure Commitment is not funded by the end of the fourth year after closing, then Barrick must pay the Company the deficiency.

Barrick has also agreed to pay the Company contingent payments, calculated based on the inferred, indicated and measured gold mineral resources ("Mineral Resources") identified on the Non-core Licences, as follows:

- (i) US \$20 per ounce for the initial 1,000,000 ounces of Mineral Resources;
- (ii) US \$10 per ounce for the second 1,000,000 ounces of Mineral Resources; and
- (iii) US \$5 per ounce for the remaining ounces of Mineral Resources,

for a total maximum aggregate of US \$45,000,000.

See also Note 12.

6. Advances Payable

	\$
Balance December 31, 2020	77,418
Advances received	47,118
Repayment of advances	(49,536)
Advances settled	<u>(31,000)</u>
Balance December 31, 2021	44,000
Advances received	<u>12,496</u>
Balance March 31, 2022	<u>56,496</u>

The Company has received ongoing advances from directors and shareholders of the Company. Through December 31, 2019 the advances bore interest. Effective January 1, 2020 the advances ceased to bear interest and, accordingly, the advances are now non-interest bearing and due on demand. As at March 31, 2022 accrued interest of \$13,054 (December 31, 2021 - \$13,054) from past interest charges remained outstanding and has been included in accounts payable and accrued liabilities.

7. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares. All issued common shares are fully paid.

(b) ***Reconciliation of Changes in Share Capital***

Three Months Ended March 31, 2022

During the three months ended March 31, 2022 the Company did not complete any financing. See also Note 12.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

Fiscal 2021

During fiscal 2021 the Company completed a non-brokered private placement financing and issued 14,810,031 common shares at \$0.15 per share for \$2,221,505. Directors and officers of the Company and private corporations controlled by certain directors participated in this private placement and purchased a total of 1,753,315 common shares for \$262,997. The Company also issued 500,000 common shares for finder's fees at a value of \$75,000 on a portion of the private placement.

The Company incurred a total of \$11,858 for filing and other costs associated with the financing.

(c) Share Option Plan

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the three months ended March 31, 2022 the Company recorded share-based compensation expense of \$11,543 on the vesting of share options previously granted. No share options were granted by the Company during the three months ended March 31, 2022.

During the three months ended March 31, 2021 the Company granted share options to purchase 500,000 common shares and recorded share-based compensation expense of \$75,000.

The fair value of share options granted and/or vested during the three months ended March 31, 2022 and 2021 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2022</u>	<u>2021</u>
Risk-free interest rate	1.92%	0.28%
Estimated volatility	127%	171%
Expected life	2.5 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The estimated volatility was based on the historical share prices of the Company. The weighted average grant date fair value of all share options granted and/or vested during the three months ended March 31, 2022 was \$0.12 (2021 - \$0.15) per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

A summary of the Company's share options at March 31, 2022 and 2021 and the changes for the three months ended on those dates, is as follows:

	2022		2021	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	8,957,334	0.19	6,235,000	0.16
Granted	-	-	500,000	0.17
Balance, end of period	<u>8,957,334</u>	0.19	<u>6,735,000</u>	0.16

The following table summarizes information about the share options outstanding and exercisable at March 31, 2022:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
5,150,000	5,150,000	0.15	July 27, 2023
885,000	885,000	0.20	July 27, 2023
1,550,334	1,450,334	0.15	August 27, 2024
<u>1,372,000</u>	<u>1,372,000</u>	0.185	September 1, 2024
<u>8,957,334</u>	<u>8,857,334</u>		

8. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

- (a) During the three months ended March 31, 2022 the Company incurred \$159,932 (2021 - \$81,000) for executive management compensation. Of this amount \$30,391 (2021 - \$nil) has been capitalized to exploration and evaluation assets based on the nature of the expenditures and \$129,541 (2021 - \$81,000) has been expensed to executive management compensation. As at March 31, 2022 \$303,809 (December 31, 2021 - \$192,737) remained unpaid and has been included in accounts payable and accrued liabilities.
- (b) The Company had a rental agreement with an arms-length party (the "Landlord") for housing accommodation in Tanzania provided to the President of the Company. The housing arrangement was terminated on July 31, 2021 and, commencing August 1, 2021, the Company provided the President with a monthly housing allowance of US \$2,500. During the three months ended March 31, 2022 the Company paid or accrued \$nil (2021 - \$8,550) to the Landlord and \$9,544 to the President. As at March 31, 2022 \$3,124 (December 31, 2021 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

8. Related Party Disclosures (continued)

- (c) During the three months ended March 31, 2022 the Company incurred \$16,000 (2021 - \$9,000) for accounting and administration services provided by a private corporation owned by the Corporate Secretary of the Company. As at March 31, 2022 \$13,000 (December 31, 2021 - \$6,000) remained unpaid and has been included in accounts payable and accrued liabilities.
- (d) See also Notes 6 and 7.

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	March 31, 2022 \$	December 31, 2021 \$
Cash	Amortized cost	229,664	650,480
Accounts payable and accrued liabilities	Amortized cost	(662,077)	(519,611)
Advances payable	Amortized cost	(56,496)	(44,000)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, accounts payable and accrued liabilities and advances payable approximate their fair value due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the potential loss related to the credit risk included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. There is no interest rate risk associated with the advances payable as they are non-interest bearing. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's significant subsidiaries are located in Tanzania and have considered the US Dollar as their functional currency. The Company also maintains cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At March 31, 2022, 1 Canadian Dollar was equal to 0.80 US Dollar (2021 - 0.80 US Dollar).

Balances are as follows:

	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	US \$	CDN \$ Equivalent	US \$	CDN \$ Equivalent
Cash	178,321	222,901	752	940
Accounts payable	(393,978)	(492,473)	(328,681)	(410,851)
Advances payable	<u>(10,000)</u>	<u>(12,496)</u>	<u>(28,000)</u>	<u>(35,000)</u>
	<u>(225,657)</u>	<u>(282,068)</u>	<u>(355,929)</u>	<u>(444,911)</u>

Based on the net exposures as of March 31, 2022 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net income or loss being approximately \$28,000 (2021 - \$47,000) higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and cash equivalents. As at March 31, 2022 total amount of capital was \$42,481,285 (December 31, 2021 - \$42,902,101). The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Unaudited - Expressed in Canadian Dollars)

10. Supplemental Cash Flow Information

During the three months ended March 31, 2022 and 2021 non-cash activities were conducted by the Company as follows:

	2022 \$	2021 \$
Operating activity		
Accounts payable and accrued liabilities	<u>(33,248)</u>	<u>41,292</u>
Investing activity		
Exploration and evaluation assets	<u>33,248</u>	<u>(41,292)</u>

11. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Tanzania and its corporate assets are located in Canada.

The Company's total assets are segmented geographically as follows:

	<u>As at March 31, 2022</u>		
	Canada \$	Tanzania \$	Total \$
Current assets	63,555	249,305	312,860
Plant and equipment	-	208,452	208,452
Exploration and evaluation assets	<u>-</u>	<u>6,803,625</u>	<u>6,803,625</u>
	<u>63,555</u>	<u>7,261,382</u>	<u>7,324,937</u>
	<u>As at December 31, 2021</u>		
	Canada \$	Tanzania \$	Total \$
Current assets	689,569	12,954	702,523
Plant and equipment	-	159,576	159,576
Exploration and evaluation assets	<u>-</u>	<u>6,722,872</u>	<u>6,722,872</u>
	<u>689,569</u>	<u>6,895,402</u>	<u>7,584,971</u>

12. Events after the Reporting Date

On April 22, 2022 the Company closed on the Sale Transaction and received gross proceeds of US \$6,000,000. The Company also completed the Barrick Private Placement and issued 5,518,764 common shares of the Company to Barrick for \$1,500,000 cash.

The Company paid \$300,000 for financial advisory services rendered and assistance provided associated with the Sale Transaction.