

ALERIO GOLD CORP.
(Formerly Project One Resources Ltd.)

Financial Statements
For the six months ended February 28, 2022
(Expressed in Canadian Dollars)

(Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED 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 interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the six months ended February 28, 2022 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

ALERIO GOLD CORP.
(Formerly Project One Resources Ltd.)
Condensed Interim Statements of Financial Position
As at February 28, 2022 and August 31, 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	February 28, 2022	August 31, 2021
Assets		
Current		
Cash	\$ 621,046	\$ -
Receivables	28,985	-
Prepaid expenses (note 10)	295,400	-
	945,431	-
Exploration and evaluation assets (note 4)	1	1
	\$ 945,432	\$ 1
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 272,383	\$ -
	272,383	-
Shareholders' Equity		
Common Shares (note 6)	5,747,345	-
Reserves (note 6)	229,587	1
Deficit	(5,303,883)	-
	673,049	1
Total Liabilities and Shareholders' Equity	\$ 945,432	\$ 1

Nature of Operations – Note 1

Subsequent event – Note 10

Approved on behalf of the Board:

“Jonathan Challis” (signed)
Director

“Geoff Balderson” (signed)
Director

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

ALERIO GOLD CORP.
(Formerly Project One Resources Ltd.)
Condensed Interim Statements of Comprehensive Loss
For the three and six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	For the three months ended February 28,		For the six months ended February 28,	
	2022	2021	2022	2021
Expenses				
Accounting and audit fees	\$ 22,775	\$ -	\$ 26,318	\$ -
Consulting fees (note 7)	220,015	-	275,112	-
Exploration costs	25,672	-	25,672	-
Filing fees	2,950	-	5,750	-
Interest and bank charges	1,024	-	1,198	-
Legal fees	24,075	-	187,109	-
Marketing	65,868	-	94,818	-
Office expense	494	-	2,410	-
Shareholder communications	5,000	-	5,200	-
Transfer agent	9,771	-	9,771	-
	(377,644)	-	(633,358)	-
Other item				
Transaction costs (note 5)	-	-	(4,670,525)	-
Net Loss and Comprehensive Loss for Period	\$ (377,644)	\$ -	\$ (5,303,883)	\$ -
Basic and Diluted Loss per Share	\$ (0.01)	\$ -	\$ (0.11)	\$ -
Weighted Average Number of Common Shares Outstanding	66,176,512	-	49,265,492	-

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ALERO GOLD CORP.
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Condensed Interim Statements of Changes in Shareholders' Equity
For the six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Shares				Total Shareholders' Equity
	Number Outstanding	Amount	Reserves	Deficit	
Balance, August 31, 2020	-	\$ -	\$ 1	\$ -	\$ 1
Net loss and comprehensive loss for the period	-	-	-	-	-
Balance, February 28, 2021	-	\$ -	\$ 1	\$ -	\$ 1
Balance, August 31, 2021	-	\$ -	\$ 1	\$ -	\$ 1
Share capital issued on reverse acquisition	19,709,027	4,947,259	210,240	-	5,157,499
Share capital issued to Vendors	50,000,000	1	(1)	-	-
Private placement	3,441,800	860,450	-	-	860,450
Share issue cost cash	-	(41,018)	-	-	(41,018)
Agent's warrants issued	-	(19,347)	19,347	-	-
Net loss and comprehensive loss for the period	-	-	-	(5,303,883)	(5,303,883)
Balance, February 28, 2022	73,230,827	\$ 5,747,345	\$ 229,587	\$ (5,303,883)	\$ 673,049

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ALERIO GOLD CORP.
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Condensed Interim Statements of Cash Flows
For the six months ended February 28, 2022 and 2021
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the six months ended February 28,	
	2022	2021
Cash Provided by (Used In)		
Operating Activities		
Net loss for the period	\$ (5,303,883)	\$ -
Items not affecting cash:		
Listing cost	4,670,525	
Change in working capital balances:		
Receivables	57,434	-
Prepaid expenses	(270,400)	-
Accounts payable and accrued liabilities	150,620	-
Cash Used in Operating Activities	(695,704)	-
Investing Activity		
Cash acquired on acquisition of Alerio	497,316	-
Cash Provided by Investing Activity	497,316	-
Financing Activity		
Proceeds from issuance of shares, net share issuance costs	819,434	
Cash Provided by Financing Activity	819,434	-
Change in cash for the period	621,046	-
Cash, beginning of period	-	-
Cash, end of period	\$ 621,046	\$ -
Supplemental Cash Flow Information		
Amounts paid for interest	\$ -	\$ -
Amounts paid for taxes	\$ -	\$ --

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ALERIO GOLD CORP.
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Notes to the Condensed Interim Financial Statements
For the six months ended February 28, 2022 and 2021
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1. NATURE OF OPERATIONS AND GOING CONCERN

Alerio Gold Corp. (the “Company”) (formerly, Project One Resources Ltd.) was incorporated under the *Business Corporations Act* (British Columbia) on March 22, 2018. On June 11, 2019, the Company completed its initial public offering (“IPO”). On October 28, 2021, the Company changed its name to Alerio Gold Corp. from Project One Resources Ltd. and is now publicly traded on the Canadian Securities Exchange (“CSE”) under the ticker ALE. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. On November 22, 2021, the Company have been accepted for listing and commenced trading on the Frankfurt Stock Exchange under the symbol “3FRO” with a WKN number of A3C6XZ.

The Company's head office address is Suite 459 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and its registered office address is Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

On October 28, 2021, the Company completed an asset purchase agreement (the “Transaction”) with Goldeneye Capital Ltd. and Chatradharee Mohan (the “Vendors”). The Transaction was accounted for as a reverse acquisition (Note 5).

The Company will continue with its principal business of acquisition, exploration and evaluation of resource properties with its main focus in Guyana, South America.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company has no operating income. The Company incurred a net loss of \$5,303,883 during the period ended February 28, 2022 and, as of that date, had a deficit of \$5,303,883. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These condensed interim financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus (“COVID-19”) a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activity, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, but it is believed that the COVID-19 pandemic will likely have only a minimal impact on the Company's activities, most notably in curtailment of travel and access to projects due to travel and social distancing restrictions. There is no material disruption to the Company's current operations.

The Company's business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

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2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 27, 2022.

(b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The condensed interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at August 31, 2021.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Critical Judgments

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

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3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Significant Estimates and Assumptions

Recoverability of mineral properties

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral property. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, economic assessments/ studies, accessible facilities and existing permits.

Impairment of mineral property

The carrying value of the Company's mineral property and the likelihood of future economic recoverability of the carrying value is subject to significant management estimates and judgments. The application of the Company's accounting policy for and determination of recoverability of the mineral property is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

4. EXPLORATION AND EVALUATION ASSETS

Tassawini and Harpy properties, Guyana

On November 18, 2021, the Company acquired 100% of the right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties (the "Transaction") from Goldeneye Capital Ltd. ("Goldeneye").

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5. REVERSE ACQUISITION

On October 28, 2021, the Company closed the October 5, 2021, asset purchase agreement (the “Transaction”) between Goldeneye Capital Ltd. and Chatradharee Mohan (the “Vendors”). On closing the Company paid a one-time payment of US\$500,000, issued 50,000,000 common shares of the Company and granted a net smelter return (“NSR”) of 3% with respect to the Tassawini property with the option to repurchase 1.5% of the NSR for a one-time payment of US\$3,000,000, the Vendors agreed to transfer to the Company 100% right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties. After completion of the transaction the Vendors will own approximately 57.2% of the issued and outstanding common shares of the Company. 42,200,000 common shares will be placed into escrow and will be released over time.

In accordance with IFRS3, Business Combinations, the substance of the transaction is a reverse acquisition of a non-operating entity. The transaction does not constitute a business combination as the Company does not meet the definition of a business under the standards. As a result, the transaction is accounted for as a capital transaction with the Vendor being identified as the accounting acquirer.

The resulting condensed interim statement of financial position is presented as a continuance of the Vendor and the comparative figures presented in the financial statements prior to the reverse acquisition are those of the Vendor.

As a result of the transaction, the Vendor assumed 1,170,000 stock options and 162,900 agent’s warrants valued at \$210,240. The stock options and agent’s warrants were valued using the Black-Scholes Option Pricing model using the following assumptions: Risk free rate of 0.98%; Volatility of 100%; Stock price of \$0.25; Exercise prices ranging from \$0.19 to \$0.40.; Dividend yield of Nil% and expected life of 0.79 to 3.60 years.

On October 28, 2021, the Company changed its name to Alerio Gold Corp.

The resulting operations of the Company are included in these financial statements from the date of the reverse acquisition of October 28, 2021.

Fair value consideration		
19,789,027 notional common shares of the Company at \$0.25 per share	\$	4,947,259
Fair value of stock options and agent’s warrants assumed		210,240
	\$	5,157,499
Allocated to the fair value of the Company’s net assets as follows:		
Cash	\$	497,316
Accounts receivable		86,420
Prepaid expenses		25,000
Liabilities		(121,762)
		486,974
Allocated to transaction cost		4,660,525
	\$	5,157,499

The Vendor has continued with the accounting policies and the fiscal year end of the Company.

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5. REVERSE ACQUISITION – (cont'd)

A total of 50,000,000 common shares were issued to the Vendors in exchange for the transfer to the Company 100% right, title and interest to two gold properties in Guyana known as the Tassawini and Harpy properties. The shares were assigned a value of \$1 equal to the sum of the capital contribution prior to the acquisition.

6. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

73,230,827 common shares without par value.

During January 2022, the Company issued 3,441,800 units pursuant to a private placement at \$0.25 per unit for gross proceeds of \$860,450. Each unit consisted of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at \$0.40 per share for a period of two years. In addition, the Company paid cash finders fee of \$41,018 and issued a total of 164,070 agent's warrants at a price of \$0.40 until January 20, 2024. The Company fair valued the agent's warrant at \$19,347 using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 1.26%; dividend yield of 0%; volatility of 112% and expected life of two years and a stock price of \$0.25.

(c) Escrow shares

The Company has the following shares held in escrow:

- i) On August 28, 2018, the Company executed an escrow agreement with an escrow agent and a security holder where they have agreed to deposit 2,650,777 common shares in escrow. Under the escrow agreement, 10% of the shares were released upon completion of the IPO and 15% of the shares will be released every six months following listing. As at February 28, 2022, the Company has 397,616 common shares held in escrow which will be released on June 10, 2022.
- ii) On October 28, 2021, the Company executed an escrow agreement with an escrow agent and a security holders where they have agreed to deposit 42,200,000 common shares in escrow. Under the escrow agreement, 10% of the shares were released on November 3, 2021 and 15% of the shares will be released every six months following. As at February 28, 2022, the Company has 31,800,000 common shares held in escrow with the next release of 6,360,000 on May 3, 2022.

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6. SHAREHOLDERS' EQUITY – (cont'd)

(d) Stock options

The Company's stock option plan authorizes the issuance of options up to a maximum of 10% of the Company's issued shares. The exercise price of any option granted shall not be less than the fair market value of the shares at the time of the grant. The expiry date for each option, set by the Board of Directors at the time of issue, shall not be more than ten years after the grant date. Unless stipulated by the Board of Directors, options granted generally vest fully on the date of grant.

	February 28, 2022		August 31, 2021	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding and exercisable, beginning	-	-	-	-
Assumed from Alerio	1,170,000	0.21	-	-
Outstanding and exercisable, ending	1,170,000	0.21	-	-

Number of options outstanding	Weighted average exercise price	Expiry dates	Weighted average remaining life (years)
400,000	\$0.19	August 13, 2024	2.46
770,000	\$0.25	June 2, 2025	3.26

(e) Share purchase warrants

	February 28, 2022		August 31, 2021	
	Number of share purchase warrants	Weighted average exercise price \$	Number of share purchase warrants	Weighted average exercise price \$
Outstanding, beginning of period	-	-	-	-
Assumed from Alerio	2,871,900	0.12	-	-
Issued	3,605,870	0.40	-	-
Outstanding, end of period	6,477,770	0.27	-	-

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6. SHAREHOLDERS' EQUITY – (cont'd)

(e) Share purchase warrants – (cont'd)

Number of warrants outstanding	Weighted average exercise price	Expiry dates	Weighted average remaining life (years)
2,709,000	\$0.10	August 12, 2022	0.45
162,900	\$0.40	August 12, 2022	0.45
2,974,070	\$0.40	January 11, 2024	1.87
631,800	\$0.40	January 20, 2024	1.89
<hr/>			
6,477,770			

7. RELATED PARTY TRANSACTIONS

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

	February 28, 2022	February 28, 2021
Consulting fees		
Harmony Corporate Services Ltd. a company controlled by the CFO	\$ 12,000	\$ -
	12,000	\$ -

8. RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash and receivables. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company is not exposed to significant liquidity risk.

As at February 28, 2022, the Company has cash of \$621,046 available to apply against short-term business requirements and current liabilities of \$272,383.

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8. RISK MANAGEMENT – (cont'd)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

9. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares and loans from related parties. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company did not change its approach to capital management during the period ended February 28, 2022.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

10. SUBSEQUENT EVENT

Subsequent to February 28, 2022:

On February 9, 2022, the Company entered into a Letter of Intent ("LOI") with Puruni Partnership ("Puruni") to acquire 100% of the right, title and interest to five gold prospecting licenses in Guyana, known as the Puruni Gold project. As consideration, the Company will pay a refundable cash payment of \$200,000 (paid and included in prepaid expenses at February 28, 2022) and issue 25,000,000 common shares. This LOI will be replaced by a definitive agreement upon its execution. Closing of the transaction is subject to the approval of the CSE, completion of a satisfactory due diligence, and the entering of a definitive agreement.