GENERATIONMINING

Unaudited Interim Condensed Consolidated Financial Statements

For the Three and Six Months Ended June 30, 2022 and 2021

(expressed in Canadian dollars)

GENERATIONMINING

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim condensed consolidated financial statements of Generation Mining Limited (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited interim condensed consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim condensed consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited interim condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim condensed consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Jamie Levy” (signed)	“Brian Jennings” (signed)
President and Chief Executive Officer	Chief Financial Officer

NOTICE TO READER
The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2022 and 2021 have not been reviewed by the Company's auditors.

GENERATIONMINING

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		June 30, 2022		December 31, 2021
Assets				
Current:				
Cash and cash equivalents	$	**17,569,640**	$	5,397,171
Marketable securities (note 8)		**378,000**		1,242,000
Receivables (note 12)		**768,068**		727,966
Prepaid expenses and other		**113,067**		100,311
		18,828,775		7,467,448
Non-Current:				
Restricted cash and cash equivalents (note 9)		**38,229**		38,229
Land, buildings and equipment (note 7)		**934,595**		508,682
Right-of-use asset (note 9)		**226,184**		158,747
		1,199,008		705,658
Total Assets	$	**20,027,783**	$	8,173,106
Liabilities				
Current:				
Accounts payable and accrued liabilities (note 10)	$	**4,182,144**	$	2,308,183
Lease liability (note 9)		**56,882**		39,920
		4,239,026		2,348,103
Non-Current:				
Precious metals purchase agreement (note 14)		**19,161,762**		-
Lease liability (note 9)		**224,766**		151,495
Total Liabilities		**23,625,554**		2,499,598
Shareholders' Equity				
Capital stock (note 11)		**66,299,907**		38,932,422
Reserve for warrants (note 11)		**-**		2,664,776
Reserve for share-based payments (note 11)		**5,663,995**		4,917,724
Deficit		**(75,561,673)**		(40,841,414)
Total Shareholders' Equity (Deficit)		**(3,597,771)**		5,673,508
Total Liabilities and Shareholders' Equity	$	**20,027,783**	$	8,173,106

Nature of operations and going concern uncertainty (note 1)
Commitments and contractual obligations (notes 6 and 13)
Subsequent events (note 15)

Approved on behalf of the Board of Directors on August 11, 2022

(signed) "*Jamie Levy*", Director

(signed) "*Paul Murphy*", Director

The accompanying notes are an integral part of the financial statements.
The external auditors have not reviewed these unaudited interim condensed consolidated statements.

GENERATIONMINING

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	**2022**	2021
Expenses				
Acquisition, evaluation and exploration expenditures (note 6)	**$6,049,988**	$2,976,786	**$30,844,426**	$5,845,795
Share-based compensation (note 11c)	**391,518**	1,448,594	**746,271**	1,673,182
Audit, legal and advisory fees	**206,556**	39,388	**1,017,425**	69,863
Management and corporate administration	**1,303,138**	561,411	**1,889,855**	702,726
Shareholder and investor communications	**222,921**	341,630	**441,761**	599,997
Occupancy cost (note 9)	**28,129**	33,440	**58,439**	71,298
Interest (note 9)	**14,329**	7,998	**21,390**	16,276
	(8,216,579)	(5,409,247)	**(35,019,567)**	(8,979,137)
Other Income (Expenses)				
Unrealized loss on marketable securities	**(297,000)**	(1,609,200)	**(864,000)**	(404,425)
Fair value gain on financial liability (note 14)	**838,238**	-	**838,238**	-
Realized gain on marketable securities (note 8)	**-**	1,167,690	**-**	1,293,190
Interest income	**66,839**	2,500	**76,080**	6,080
Foreign exchange loss	**(791)**	-	**(791)**	-
Net Loss and Comprehensive Loss	**$(7,609,293)**	$(5,848,257)	**$(34,970,040)**	$(8,084,292)
Loss per share:				
Basic and diluted loss per share	**$(0.04)**	$(0.04)	**$(0.20)**	$(0.06)
Weighted average number of common shares outstanding	**179,917,408**	143,035,426	**175,834,105**	141,169,840

The accompanying notes are an integral part of the financial statements.
The external auditors have not reviewed these unaudited interim condensed consolidated statements.

GENERATIONMINING

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

	Capital stock		Reserves for			
	Shares	Amount	Warrants	Share-based payments	Accumulated deficit	Total Equity
Balance, December 31, 2020	136,315,292	$ 28,372,920	$ 6,363,638	$ 2,722,866	$ (23,758,002)	$ 13,701,422
Issued on exercise of warrants	8,891,241	6,972,738	(2,424,749)	-	-	4,547,989
Issued on exercise of finders' warrants	2,158,249	1,393,958	(568,707)	-	-	825,251
Fair value of options vested	-	-	-	1,673,182	-	1,673,182
Issued on exercise of options	300,000	201,000		(79,000)	-	122,000
Net loss and comprehensive loss	-	-	-	-	(8,084,292)	(8,084,292)
Balance, June 30, 2021	**147,664,782**	**$ 36,940,616**	**$ 3,370,182**	**$ 4,317,048**	**$ (31,842,294)**	**$ 12,785,552**

	Capital stock		Reserves for			
	Shares	Amount	Warrants	Share-based payments	Accumulated deficit	Total Equity
Balance, December 31, 2021	150,414,599	$ 38,932,422	$ 2,664,776	$ 4,917,724	$ (40,841,414)	$ 5,673,508
Issued for property acquisition	21,759,332	19,289,426	-	-	-	19,289,426
Issued on exercise of warrants	7,115,025	8,182,278	(2,846,010)	-	-	5,336,268
Issued on exercise of finders' warrants	628,452	597,029	(270,233)	-	-	326,796
Share issue cost	-	(701,248)	701,248	-	-	-
Unexercised warrants	-	-	(249,781)	-	249,781	-
Fair value of options vested	-	-	-	746,271	-	746,271
Issued on exercise of options	-	-	-	-	-	-
Net loss and comprehensive loss	-	-	-	-	(34,970,040)	(34,970,040)
Balance, June 30, 2022	**179,917,408**	**$ 66,299,907**	**$ -**	**$ 5,663,995**	**$ (75,561,673)**	**$ (3,597,771)**

The accompanying notes are an integral part of the financial statements.
The external auditors have not reviewed these unaudited interim condensed consolidated statements.

GENERATIONMINING

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	**2022**	2021
Operating Activities:				
Net loss for the period	**$(7,609,293)**	$(5,848,257)	**$(34,970,040)**	$(8,084,292)
Add items not affecting cash:				
Share-based compensation	**391,517**	1,448,594	**746,271**	1,673,182
Shares issued for property acquisition	**-**	-	**19,289,426**	-
Unrealized loss on marketable securities	**297,000**	1,609,200	**864,000**	404,425
Realized gain on marketable securities	**-**	(1,167,690)	**-**	(1,293,190)
Depreciation of buildings and equipment	**13,990**	15,432	**40,931**	30,863
Depreciation of right of use asset	**25,857**	10,353	**49,744**	20,706
Unrealized gain on revaluation financial liability (note 14)	**(838,238)**	-	**(838,238)**	-
Changes in non-cash working capital:				
Receivables	**(250,694)**	(43,604)	**(40,101)**	77,199
Prepaid expenses and other	**29,633**	239,425	**(12,756)**	56,974
Accounts payable and accrued liabilities	**(602,799)**	976,515	**1,873,961**	583,285
Cash used in operating activities	**(8,543,027)**	(2,760,032)	**(12,996,802)**	(6,530,848)
Investing Activities:				
Acquisition of land, buildings, and equipment	**-**	-	**(466,845)**	-
Right of use asset addition	**-**	-	**(117,181)**	-
Proceeds from sale of marketable securities	**-**	1,359,930	**-**	1,513,590
Cash provided from (used in) investing activities	**-**	1,359,930	**(584,026)**	1,513,590
Financing Activities:				
Proceeds precious metals purchase agreement (note 14)	**-**	-	**20,000,000**	-
Proceeds from exercise of warrants	**-**	2,912,328	**5,336,268**	4,547,989
Proceeds from exercise of finders' warrants	-	360,862	**326,796**	825,251
Proceeds from exercise of options	-	87,000	**-**	122,000
Repayment of lease liability	**(13,536)**	(7,646)	**90,233**	(15,013)
Cash provided from financing activities	**(13,536)**	3,352,544	**25,753,297**	5,480,227
Increase (Decrease) in cash	**(8,556,563)**	1,952,442	**12,172,469**	462,969
Cash at beginning of period	**26,126,203**	10,172,887	**5,397,171**	11,662,360
Cash at end of period	**$17,569,640**	$12,125,329	**$17,569,640**	$12,125,329

The accompanying notes are an integral part of the financial statements.
The external auditors have not reviewed these unaudited interim condensed consolidated statements.

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINITY:

Generation Mining Limited ("Generation Mining" or the "Company") is an exploration and development company with various property interests throughout Canada. The Company was incorporated on January 11, 2018 under the Business Corporations Act (Ontario). On May 28, 2019, the Company incorporated a wholly owned subsidiary, Generation PGM Inc. ("Generation PGM"), to operate the Marathon property ("Marathon Property") (note 6). The Company's registered office is located at 100 King Street West, Suite 7010, Toronto, Ontario M5X 1B1. The Company's shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol GENM, and on the OTC Markets (the "OTCQB") under the symbol GENMF.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in future profitable mining operations. The Company's continued existence is dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to explore and develop potential ore reserves or by way of entering into joint venture arrangements, future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

The Company is at an early stage of development and, as is common with many exploration companies, it relies on financings to fund its exploration and acquisition activities. The Company had a surplus of current assets over current liabilities of $14,589,749 at June 30, 2022; had not yet achieved profitable operations; had accumulated losses of $75,561,673 at June 30, 2022; and expects to incur further losses in the development of its business. Generation Mining does not have adequate cash resources to fund its operations over the next twelve months and will require additional financing in order to conduct its planned work programs on its mineral properties, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Additionally, the Company may enter into certain financial commitments for long lead capital equipment required for the development of the Marathon Project, see note 13 for further detail. There can be no certainty as to the ability of the Company to raise sufficient additional financing in order to continue to operate, and accordingly, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Such adjustments could be material.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. BASIS OF PREPARATION AND PRESENTATION:

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in the Company's annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the IASB have been condensed or omitted. These condensed consolidated interim financial statements should be read in conjunction with the Company's last annual consolidated financial statements for the year ended December 31, 2021, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 3: Significant Accounting Policies to the consolidated financial statements for the year ended December 31, 2021.

2. BASIS OF PREPARATION AND PRESENTATION (continued):

These unaudited interim condensed financial statements were authorized and approved for issue by the Board of Directors on August 11, 2022.

Basis of presentation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Generation PGM. The financial statements of the subsidiaries are prepared for the same period as the Company using consistent accounting policies for all periods presented. All intercompany balances and transactions have been eliminated. Subsidiaries are entities controlled by the Company.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and discharge of all liabilities in the normal course of business. The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain assets and liabilities which are measured at their fair values, as disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended December 31, 2021.

Risk and uncertainty as a result of the global COVID-19 pandemic

Consistent with other businesses globally, the Company's operations could be significantly adversely affected by the effects of the widespread global outbreak of COVID-19. During the three months ended March 31, 2021 the Marathon Project camp and operations were not materially impacted by COVID-19. While the Company continues to conduct an exploration program and advance its work related to the Environmental Assessment, the timelines for future studies, permitting and exploration could be impacted depending on both the continued duration and severity of the COVID-19 pandemic and, in particular, the Company's ability to safely access the project site.

Beyond the potential impact to various schedules, the economic impact of COVID-19 could affect the company's ability to access capital markets and secure sufficient financing to move the project forward on previously planned timelines.

Critical accounting judgments, estimates and assumptions in applying the entity's accounting policies

Areas of judgment that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are disclosed in Note 2 of the Company's annual consolidated financial statements for the year ended December 31, 2021.

3. RECENT ACCOUNTING PRONOUNCEMENTS:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020, the IASB issued amendments to IAS 1, "Presentation of Financial Statements" to clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and is unaffected by expectations about whether or not an entity will exercise their right to defer settlement of a liability. The amendments further clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. These amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The adoption of these amendments is not expected to have a significant impact on the consolidated financial statements.

(Expressed in Canadian dollars)

4. FINANCIAL RISK FACTORS AND FAIR VALUE

The Company manages its exposure to a number of different financial risks arising from operations as well as from the use of financial instruments, including market risks (foreign currency exchange rate, interest rate and other price risk), credit risk and liquidity risk, through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility. Financial risks are primarily managed and monitored through operating and financing activities. The Company does not use derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in key economic indicators and to up-to-date market information. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash and receivables. The Company reduces its credit risk by maintaining its cash with a Canadian chartered bank. The Company's maximum exposure to credit risk as at June 30, 2022 is the carrying value of cash and cash equivalents, restricted cash and cash equivalents and receivables. The credit risk on receivables is deemed low as the majority is related to federal government refunds.

Liquidity Risk

Liquidity risk encompasses the risk that the Company cannot meet its financial obligations in full. The Company's main source of liquidity is its cash and marketable securities. These funds are primarily used to finance working capital, exploration expenditures, capital expenditures, and acquisitions. The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash. As at June 30, 2022, the Company has current assets of $18,828,775 (December 31, 2021 - $7,467,448) to cover current liabilities of $4,239,026 (December 31, 2021 - $2,348,103). The current assets include cash and cash equivalents, marketable securities, receivables and prepaid expenses. The Company also manages liquidity risk on the basis of expected maturity dates. The following table analyzes financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	Undiscounted lease liability – base contract	Undiscounted lease liability – operating costs	Accounts payable and accrued liabilities	Total
Less than 1 year	$ 104,463	$ 25,581	$ 4,182,144	$ 4,312,188
1-5 years	153,551	172,237	-	325,788
Balance at June 30, 2022	**$ 258,014**	**$ 197, 818**	**$ 4,182,144**	**$ 4,637,976**

Subsequent to quarter end, the Company announced it had entered into an option agreement to purchase a construction camp as well as unused ball and SAG mills. See Note 15 for further details.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rate, foreign exchange rates, and commodity and equity prices affecting its cash and cash equivalents, receivables and marketable securities.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of a change in foreign exchange rates. The Company has no significant exposure to foreign currency exchange risk as it has no significant transaction balances denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing asset or liability as a result of fluctuations in interest rates. The Company has no significant exposure to interest rate risk as it has no material interest bearing assets or liabilities.

4. FINANCIAL RISK FACTORS AND FAIR VALUE (continued):

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. The Company is exposed to fluctuations in market prices of its marketable securities from a quoted mining exploration company. The fair value of these financial instruments represents the maximum exposure to price risk.

If the quoted price of these instruments had changed by 10% as at June 30, 2022, comprehensive loss would have changed by approximately $37,800.

Fair Value

The carrying value of cash and cash equivalents, restricted cash receivables, accounts payable and accrued liabilities and lease liabilities are considered to be representative of their fair value due to their short-term nature.

Marketable securities are recorded at fair value as of June 30, 2022 and classified as Level 1 in the fair value hierarchy as they are recorded at fair value by reference to market quoted prices.

Financial liability associated with the Company's Precious Metal Purchase Agreement is recorded at fair value and classified as Level 3 in the fair value hierarchy as some of the inputs do not have an observable or corroborated market data. The fair value of the stream obligation is calculated using the risk-free interest rate derived from the Bank of Canada long term treasury rate, consensus metal prices, company specific credit spread based on various debt term sheets received and expected gold and platinum ounces to be delivered from the current life of mine plan for the Marathon Project. See note 14 for further details.

5. CAPITAL MANAGEMENT:

The Company manages its capital structure and makes adjustments to it, based on the funds required and available to the Company, in order to support the acquisition, exploration and development of mineral properties. As at June 30, 2022 the Company's capital consists of shareholder's deficit in the amount of $3,597,771 (December 31, 2021 shareholder's equity - $5,673,508). The Board of Directors does not establish quantitative return on capital criteria for the Company, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned and future exploration, and pay for administrative costs, the Company intends to raise additional amounts of working capital as needed. The Company may continue to assess new properties and seek to acquire an interest in additional properties if 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. The Company is not subject to externally imposed capital requirements.

6. MINERAL PROPERTIES AND AGREEMENTS:

Marathon, Ontario: On July 10, 2019, the Company, through Generation PGM, completed the acquisition of a 51% initial interest in the Marathon PGM deposit near Marathon, Ontario ("Marathon Property") and entered into a joint venture agreement with Stillwater Canada Inc. ("Stillwater"). The Company paid $3,000,000 in cash and issued 11,053,795 common shares of the Company at a deemed price of $0.2714 per common share (totaling $3,000,000), for total consideration of $6,000,000. Pursuant to the joint venture agreement Generation Mining had the right to increase its interest in the Marathon Property to 80% by sole funding $10,000,000 in exploration, evaluation and development expenditures and preparing a preliminary economic assessment ("PEA") within four years ("Ownership Increase Right").

(Expressed in Canadian dollars)

6. MINERAL PROPERTIES AND AGREEMENTS (continued):

Marathon, Ontario (continued):

On February 19, 2020, the Company filed a PEA and in November 2020 incurred $10,000,000 in exploration and evaluation expenditures fulfilling the Ownership Increase Right. On November 27, 2020, the Company increased its ownership interest to hold a 80% interest in the Marathon Property. On December 14, 2020 Stillwater elected to forgo its proportionate share of joint venture funding and dilute pursuant to the provisions of the joint venture agreement ("Dilution Provisions"). On July 21, 2021, Stillwater elected to not exercise its ownership increase right to expand its ownership in the Marathon Property to 51%.

On December 8, 2021 Generation entered into an acquisition agreement with Stillwater pursuant to which Generation would acquire Stillwater's remaining 16.5% interest in the Marathon Project. On January 26, 2022, Generation completed the acquisition whereby Generation issued 21,759,332 common shares of the Company to Stillwater. The Company now holds 100% of the Marathon Project, and the joint venture agreement dated July 10, 2019 between Stillwater and the Company has been terminated in accordance with its terms.

Darnley Bay, Northwest Territories:

The Company held the exclusive rights to a mineral concession covering the Inuvialuit Settlement Region's lands where the Inuvialuit hold the mineral and surface rights and an exploration and development agreement with the Inuvialuit Regional Corporation (the "IRC"). The Company was in default under the various agreements with the IRC. In October 2021, the IRC agreed in principle that the exclusive rights to the mineral rights will be reinstated and an amended exploration agreement will be negotiated. Pursuant to the agreement in principle, the Company will pay $150,000 per year to the IRC upon finalization of the amended agreements.

Davidson, British Columbia: The Company has an option to acquire a 100% interest in a property hosting a molybdenum-tungsten deposit. The option agreement was signed on April 1, 2016 and cumulative payments totalling $714,266 were made as at June 30, 2022 meeting all spending requirements. There is an ongoing commitment of $100,000 payable on each anniversary of the agreement until commercial production is achieved or the agreement is terminated. Upon commercial production, the vendor will be entitled to a net smelter return royalty of 3%.

Mineral Property Expenditures:

Below are the acquisition, evaluation and exploration expenditures for the three and six months ended June 30, 2022 compared with the equivalent periods in 2021.

	Three months ended June 30		**Six months ended June 30**	
	2022	2021	**2022**	2021
Davidson	**$ 6,520**	$ 104,281	**$ 135,266**	$ 128,765
Marathon	**6,043,468**	2,872,505	**30,709,160**	5,717,030
Total mineral property expenditures	**$ 6,049,988**	$ 2,976,786	**$ 30,844,426**	$ 5,845,795

Below are the cumulative acquisition, evaluation and exploration expenditures as at June 30, 2022.

	Cumulative December 31, 2021	**Acquisition**	**Evaluation and exploration**	**Cumulative June 30, 2022**
Darnley Bay	$ 576,941	**$ -**	**$ -**	**$ 576,941**
Davidson	579,752	**135,266**	**-**	**715,018**
Marathon	29,718,094	**18,949,720**	**11,759,440**	**60,427,254**
Total expenditures in the year	30,874,787	**19,084,986**	**11,759,440**	**61,719,213**
Mineral properties acquired	1,216,848	**-**	**-**	**1,216,848**
Total mineral property expenditures	$ 32,091,635	**$ 19,084,986**	**$ 11,759,440**	**$ 62,936,061**

(Expressed in Canadian dollars)

7. LAND, BUILDINGS AND EQUIPMENT:

	Land and buildings (1)		Vehicles		Total	
Cost						
As at December 31, 2020	$	600,965	$	51,113	$	652,078
Disposals		-		(23,205)		(23,205)
As at December 31, 2021	$	600,965	$	27,908	$	628,873
Additions		466,845		-		466,845
As at June 30, 2022	**$**	**1,067,810**	**$**	**27,908**	**$**	**1,095,718**
Accumulated depreciation						
As at December 31, 2020	$	66,812	$	20,660	$	87,472
Depreciation expense		44,542		(11,823)		32,719
As at December 31, 2021	$	111,354	$	8,837	$	120,191
Depreciation expense		38,140		2,791		40,931
As at June 30, 2022	**$**	**149,494**	**$**	**11,628**	**$**	**161,123**
Net book value						
As at December 31, 2020	$	534,153	$	30,453	$	564,606
As at December 31, 2021	$	489,611	$	19,071	$	508,682
As at June 30, 2022	**$**	**918,315**	**$**	**16,280**	**$**	**934,595**

(1) The land, buildings and equipment were acquired through the acquisition of the Marathon property and are recorded in proportion to the Company's interest which is 100% as at June 30, 2022.

8. MARKETABLE SECURITIES:

As of June 30, 2022, the Company held 5,400,000 Major Precious Metals Shares (December 31, 2021 - 5,400,000) valued at $378,000 (December 31, 2021 - $1,242,000). The fair value was determined using the market value on June 30, 2022 and December 31, 2021. The fair value adjustments resulted in an unrealized loss of $297,000 for the three months ended June 30, 2022 (June 30, 2021 - unrealized loss $1,609,200) and an unrealized loss of $864,000 for six months ended June 30, 2022 (June 30, 2021 – unrealized loss of $404,425).

During the three months ended June 30, 2022, the Company sold nil shares (June 30, 2021 – 2,403,000) for total proceeds of nil (June 30, 2021 - $1,359,930), and a realized gain of nil (June 30, 2021 - $1,167,690). During the six months ended June 30, 2022, the Company sold nil shares (June 30, 2021 - 2,755,000) for total proceeds of nil (June 30, 2021 - $1,513,590), and a realized gain of nil (June 30, 2021 - $1,293,190).

9. RIGHT-OF-USE ASSET AND LEASE LIABILITY:

The Company has entered into an office and vehicle leases. Accordingly, the Company recognized a right-of-use asset as follows:

		June 30, 2022		December 31, 2021
Opening balance	**$**	**158,747**	$	200,159
Additions		**117,181**		-
Depreciation		**(49,744)**		(41,412)
Ending Balance	**$**	**226,184**	$	158,747

(Expressed in Canadian dollars)

9. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued):

At the commencement date of the lease, the lease liabilities were measured at the present value of the lease payments. The lease payments are discounted using an interest rate of 15%, which is considered the Company's unsecured incremental borrowing rate. The continuity of lease liabilities is outlined below:

		June 30, 2022		December 31, 2021
Opening balance	**$**	**151,495**	$	223,172
Additions		**157,102**		-
Accretion of interest		**21,390**		31,386
Payments		**(48,339)**		(63,143)
Total lease liability	**$**	**281,648**	$	191,415
Less: current portion		**(56,882)**		(39,920)
Non-current portion of lease liability	**$**	**224,766**	$	151,495

The occupancy cost and vehicle least cost in the statement of loss and comprehensive loss for the quarter ended June 30, 2022 is $44,260 (June 30, 2021 - $33,440) and includes $24,593 on short term leases and $45,524 of variable lease payments related to additional rental amounts and services less depreciation on the right of use asset of $25,857. For the six months ended June 30, 2022 the occupancy cost and vehicle lease cost is $90,177 (June 30, 2021 - $71,298) and includes $48,339 on short term leases and $91,582 of variable lease payments related to additional rental amounts and services less depreciation on the right of use asset of $49,744.

As required under the office lease agreement, the Company has $38,229 of funds held in GICs as security for the lease as at June 30, 2022 (December 31, 2021 - $38,229).

10. RELATED PARTY TRANSACTIONS:

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Three months ended June 30,		**Six months ended June 30,**	
	2022	2021	**2022**	2021
Salaries and bonuses	**$ 1,643,108**	$ 1,072,625	**$ 1,947,483**	$ 1,323,500
Share-based payments - options	**206,970**	1,273,454	**279,327**	1,467,181
Total compensation to key management	**$ 1,850,078**	$ 2,346,079	**$ 2,226,810**	$ 2,790,681

As at June 30, 2022, accounts payable includes $205,299 (June 30, 2021 - $488,640) due to key management of the Company.

(Expressed in Canadian dollars)

11. CAPITAL STOCK:

Common shares

The Company's authorized share capital consists of an unlimited number of common shares.

The following table summarizes the continuity of common shares for the six month period ended June 30, 2022.

	Number of shares	$
Balance as at December 31, 2020	136,315,292	28,372,920
Shares issued for exercise of warrants [(1)]	13,799,307	10,358,502
Shares issued for exercise of options	300,000	201,000
Balance as at December 31, 2021	**150,414,599**	**38,932,422**
Issued for property acquisition [(2)]	21,759,332	19,289,426
Shares issued for exercise of warrants [(1)]	7,743,477	8,078,059
Balance as at June 30, 2022	**179,917,408**	**66,299,907**

Warrants

The following table summarizes the continuity of warrants for the six month period ended June 30, 2022.

	Number of warrants
Outstanding, December 31, 2020	**22,068,284**
Warrants issued [(1)]	639,711
Warrants exercised [(1)]	(13,799,307)
Warrants expired [(1)]	(38,437)
Outstanding, December 31, 2021	**8,870,251**
Warrants exercised [(1)]	(7,743,477)
Warrants expired [(1)]	(1,126,774)
Outstanding, June 30, 2022	**-**

[(1)] The exercise and share issuance or expiry of warrants relate to financings completed on June 5, 2019, August 29, 2019, and February 13, 2020.

[(2)] On January 26, 2022, the Company completed the acquisition of the remaining interest in the Marathon Project from Stillwater whereby the Company issued 21,759,332 common shares of the Company to Stillwater at a price of $0.89 per common share, or total consideration $19,289,426. The Company now holds 100% of the Marathon Project, and the joint venture agreement dated July 10, 2019 between Stillwater and Generation PGM has been terminated in accordance with its terms.

Stock Option Plan

On May 9, 2018, the Company adopted an incentive Stock Option Plan (the "Plan"). The Plan was amended in July 2020. Under the Plan, options are non-assignable and may be granted for a term not exceeding ten years. The total number of common shares that may be reserved for issuance may not exceed ten percent of outstanding common shares at the grant date and may not exceed five percent for any one person in any 12-month period. The exercise price of an option may not be lower than the market price of the common shares on the Toronto Stock Exchange. The options are non-transferable. Outstanding options may be adjusted by the Board in certain events, as to exercise price and number of common shares, to prevent dilution or enlargement.

(Expressed in Canadian dollars)

11. CAPITAL STOCK (continued):

Stock Option Plan (continued)

The continuity of outstanding stock options for the six month period ended June 30, 2022 is as follows:

	Number of options
Outstanding, December 31, 2020	**11,225,000**
Options granted	3,875,000
Options exercised	(300,000)
Options forfeited	(50,000)
Outstanding, December 31, 2021	**14,750,000**
Options granted	2,075,000
Options exercised	-
Outstanding, June 30, 2022	**16,825,000**

The fair value of options granted under the Plan is measured on the date of grant using the Black-Scholes pricing model and expensed to net income (loss) using the following inputs and assumptions at the measurement date:

Date	Number of Options	Exercise Price ($)	Market Price ($)	Expected Volatility (%) [1]	Risk-free Interest Rate (%)	Expected Life (years)/ Dividend Yield (%)	Fair Value of Options ($)	Vesting
08-Mar-21	500,000	1.00	0.95	132	0.92	2.5 - 3 / 0%	343,333	1/3rd vesting
12-May-21	1,550,000	1.06	1.02	129	0.53	3 / 0%	1,162,500	Immediate
12-May-21	575,000	1.06	1.02	129	0.53	1.5 - 2 / 0%	419,750	1/3rd vesting
21-Sept-21	1,250,000	0.80	0.67	108	0.55	3 / 0%	525,000	1/3rd vesting
18-Feb-22	900,000	0.85	0.85	97	1.57	3 / 0%	468,000	1/3rd vesting
12-Apr-22	975,000	0.99	0.99	92	2.39	3 / 0%	575,250	1/3rd vesting
21-Jun-22	200,000	0.80	0.61	86	3.34	3 / 0%	62,000	1/3rd vesting

[1] Based on the Company's historical volatility.

Options to purchase common shares carry exercise prices and terms to maturity as follows:

Exercise price $	Options Outstanding	Options Exercisable	Expiry date	Remaining contractual life (years)
0.52	600,000	600,000	July 31, 2022	0.1
0.52	75,000	75,000	September 11, 2022	0.2
0.52	100,000	100,000	November 6, 2022	0.4
0.10	2,400,000	2,400,000	May 11, 2023	0.9
1.06	2,075,000	2,075,000	May 12, 2024	1.9
0.30	3,100,000	3,100,000	July 16, 2024	2.0
0.30	200,000	200,000	August 7, 2024	2.1
0.80	1,250,000	833,000	September 21, 2024	2.2
0.65	500,000	500,000	February 5, 2025	2.6
0.85	900,000	300,000	February 18, 2025	2.6
0.45	750,000	750,000	March 18, 2025	2.7
0.99	975,000	325,000	April 13, 2025	2.8
0.52	2,750,000	2,750,000	April 20, 2025	2.8
0.80	200,000	67,000	June 21, 2025	3.0
0.52	450,000	450,000	November 6, 2025	3.4
1.00	500,000	500,000	March 8, 2026	3.7
0.57[1]	**16,825,000**	**15,025,000**		**2.1[1]**

[1] Weighted average

(Expressed in Canadian dollars)

12. RECEIVABLES:

The Company's receivables primarily arise from harmonized sales tax ("HST") due from the Canadian government.

The amounts receivable are as follows:

		June 30, 2022		December 31, 2021
HST receivable	$	**756,568**	$	709,595
Miscellaneous		**11,499**		18,371
Total	**$**	**768,067**	$	727,966

13. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

On February 20, 2019, the Company co-signed a lease for office space commencing on May 1, 2019 for a term of six years and six months. The Company has an average monthly commitment of $11,067 for its share of the basic and additional rent. Commitments pursuant to various property option agreement are outlined under note 6.

The Company indemnifies subscribers of flow-through share offerings against any tax related amounts that may become payable.

Subsequent to quarter end, the Company announced it had entered into an option agreement to purchase a construction camp as well as unused ball and SAG mills. See Note 15 for further details.

14. PRECIOUS METALS PURCHASE AGREEMENT

The Company and its 100% owned subsidiary Generation PGM entered into a definitive Precious Metal Purchase Agreement ("PMPA") with Wheaton Precious Metals Corp. ("Wheaton") in respect to the Marathon Project which became effective on January 26, 2022. On March 31, 2022 Generation received, through Generation PGM Inc., the first $20,000,000 payment pursuant to the PMPA ("Early Deposit").

Pursuant to the PMPA, Wheaton will pay the Company total upfront cash consideration of $240,000,000, $40,000,000 million of which will be paid on an Early Deposit basis prior to construction to be used for development of the Marathon Project, with the remainder payable in four staged instalments during construction, subject to various customary conditions being satisfied. Generation Mining and its subsidiary Generation PGM, which is the owner of the Marathon Project, have provided Wheaton a first ranking security interest over all their assets.

Under the PMPA, Wheaton will purchase 100% of the payable gold production until 150 thousand ounces ("koz") have been delivered, thereafter dropping to 67% of payable gold production for the life of the mine; and 22% of the payable platinum production until 120 koz have been delivered, thereafter dropping to 15% for the life of mine.

Wheaton will make ongoing payments for the gold and platinum ounces delivered equal to 18% of the spot prices ("Production Payment") until the value of gold and platinum delivered less the Production Payment is equal to the upfront consideration of $240,000,000, at which point the Production Payment will increase to 22% of the spot price.

The term of the agreement is 20 years, renewable at WPM's election for an additional 10 years.

(Expressed in Canadian dollars)

14. PRECIOUS METALS PURCHASE AGREMENT (continued)

The Company has designated the stream obligation as a financial liability at fair value through profit or loss ("FVTPL") under the scope of IFRS 9. Fair value adjustments as a result of the Company's own credit risk are recorded in the consolidated statement of other comprehensive income, as required by IFRS 9 for financial liabilities designated as at FVTPL.

Accordingly, the Company values the liability at the present value of its expected future cash flows at each reporting period with changes in fair value reflected in the consolidated income statements and consolidated statements of comprehensive income. Fair value adjustments represent the net effect on the stream obligation of changes in the variables included in the Company's valuation model reporting dates.

On initial recognition, and until the full amount of the stream proceeds are received by the Company, the pro-rata portion of liability will be recognized based on deposits received.

Components of the adjustment to fair value for the non-current derivative financial liabilities at each reporting date include:

- Accretion expense due to passage of time
- Change in the risk-free interest rate
- Change in any expected ounces to be delivered
- Change in future metal prices
- Change in future foreign exchange assumptions
- Change in the Company specific credit spread

The following is a summary of the change in non-current derivative financial liability:

Stream Obligation, December 31, 2021	**$ -**
Deposit received	20,000,000
Fair value gain through profit and loss	(838,238)
Stream Obligation, June 30, 2022	**$ 19,161,762**

15. SUBSEQUENT EVENTS

On July 12, 2022 Generation PGM announced that it had entered into an agreement with Valard Equipment LP for the lease of a construction camp located in Marathon, Ontario until June 30, 2023 (the "Lease Term") and an option, exercisable at Gen PGM's discretion, to purchase the Camp on or before the end of the Lease Term. In connection with this agreement, Gen PGM has also leased the existing serviced camp site from the Town of Marathon.

On August 8, 2022 Generation PGM announced that it had entered into an agreement with Hycroft Mining Holding Corporation ("Hycroft") for the purchase of an unused, surplus SAG mill and ball mill (the "Mills") currently stored in Nevada and Texas, USA for US$12,000,000, of which US$500,000 was due on signing and the second payment of US$500,000 being due not later than September 30, 2022, and a final payment of US$11,000,000 due not later than March 31, 2023. Generation PGM will also assume certain costs related to the Mills, including storage, insurance and financing charges, if any, until completion of the sale.