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**GUERRERO VENTURES INC.  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS  
THREE MONTHS ENDED MARCH 31, 2020  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Guerrero Ventures Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2020 have not been reviewed by the Company's auditor.

**Guerrero Ventures Inc.**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

	As at March 31, 2020	As at December 31, 2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 602,729	\$ 956,483
Marketable securities (note 3)	37,500	61,250
Amounts receivable and other assets	35,730	14,398
Deferred costs (note 9)	1,128,723	-
<b>Total assets</b>	<b>\$ 1,804,682</b>	<b>\$ 1,032,131</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities	\$ 1,074,199	\$ 209,189
<b>Total liabilities</b>	<b>1,074,199</b>	<b>209,189</b>
<b>Equity</b>		
Share capital (note 4)	23,360,273	23,360,273
Reserves	1,504,000	1,504,000
Shares subscription receivable	-	(5,000)
Accumulated deficit	(24,133,790)	(24,036,331)
<b>Total equity</b>	<b>730,483</b>	<b>822,942</b>
<b>Total liabilities and equity</b>	<b>\$ 1,804,682</b>	<b>\$ 1,032,131</b>

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

**Nature of operations and going concern** (note 1)  
**Contingency** (note 8)  
**Subsequent events** (note 9)

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**Guerrero Ventures Inc.****Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian dollars)****(Unaudited)**

<b>Three months ended March 31,</b>	<b>2020</b>	<b>2019</b>
<b>Expenses</b> (note 6)	<b>\$ 73,709</b>	<b>\$ 28,038</b>
<b>Operating loss before interest expense</b>	<b>(73,709)</b>	<b>(28,038)</b>
Change in fair value of marketable securities	<b>(23,750)</b>	-
Interest expense	-	<b>(18,777)</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (97,459)</b>	<b>\$ (46,815)</b>
<b>Basic and diluted net loss per share</b> (note 5)	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b> (note 5)	<b>33,282,236</b>	<b>5,575,196</b>

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

**Guerrero Ventures Inc.**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Canadian dollars)**  
**(Unaudited)**

<b>Three months ended March 31,</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net loss for the period	\$ (97,459)	\$ (46,815)
Adjustments for:		
Unrealized loss on marketable securities	23,750	-
Accrued interest on loan payable	-	17,852
Changes in non-cash working capital items:		
Amounts receivable and other assets	(21,332)	(2,020)
Amounts payable and other liabilities	(74,318)	10,948
Deferred cost (note 9)	(189,395)	-
<b>Net cash used in operating activities</b>	<b>(358,754)</b>	<b>(20,035)</b>
<b>Financing activities</b>		
Share subscription received	5,000	-
Advances from Medalist Capital Ltd. (note 4(b)(ii))	-	27,500
<b>Net cash provided by financing activities</b>	<b>5,000</b>	<b>27,500</b>
<b>Net change in cash</b>	<b>(353,754)</b>	<b>7,465</b>
<b>Cash, beginning of period</b>	<b>956,483</b>	<b>841</b>
<b>Cash, end of period</b>	<b>\$ 602,729</b>	<b>\$ 8,306</b>

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**Guerrero Ventures Inc.****Consolidated Statements of Changes in Equity****(Expressed in Canadian dollars)****(Unaudited)**

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	Share capital	Reserves		Share subscription receivable	Accumulated deficit	Total
		Warrants	Share-based compensation			
<b>Balance, December 31, 2019</b>	<b>\$23,360,273</b>	<b>\$15,000</b>	<b>\$1,489,000</b>	<b>\$(5,000)</b>	<b>\$(24,036,331)</b>	<b>\$822,942</b>
Share subscription received (note 4(b)(iii))	-	-	-	5,000	-	5,000
Net loss for the period	-	-	-	-	(97,459)	(97,459)
<b>Balance, March 31, 2020</b>	<b>\$23,360,273</b>	<b>\$15,000</b>	<b>\$1,489,000</b>	<b>-</b>	<b>\$(24,133,790)</b>	<b>\$730,483</b>
<b>Balance, December 31, 2018</b>	<b>\$21,457,421</b>	<b>\$15,000</b>	<b>\$1,022,792</b>	<b>-</b>	<b>\$(23,417,082)</b>	<b>\$(921,869)</b>
Net loss for the period	-	-	-	-	(46,815)	(46,815)
<b>Balance, March 31, 2019</b>	<b>\$21,457,421</b>	<b>\$15,000</b>	<b>\$1,022,792</b>	<b>-</b>	<b>\$(23,463,897)</b>	<b>\$(968,684)</b>

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

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# Guerrero Ventures Inc.

## Notes to Interim Condensed Consolidated Financial Statements Three Months Ended March 31, 2020 (Expressed in Canadian dollars) (Unaudited)

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### 1. Nature of operations and going concern

Guerrero Ventures Inc. ("the Company") was incorporated in British Columbia, Canada. The Company's registered office is 1275 Av. des Canadiens de Montréal, Suite 500, Montréal, Quebec, H3B 0G4.

The Company is engaged in the acquisition, exploration, development and subsequent production relating to mineral properties.

On January 7, 2020, Company announced that it has been continued as a federal corporation subject to the provisions of the *Canada Business Corporations Act* (the "Continuance"). The Continuance was approved by the shareholders of the Company at the Company's annual and special shareholder meeting held on August 19, 2019. Prior to the Continuance, the Company was subject to the Business Corporations Act (British Columbia). As a result of the Continuance, the Company is now a Canadian federal corporation. The registered office of the Company was changed from Vancouver, British Columbia to Montreal, Québec.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to meet its obligations, and continue its operations for the next twelve months. Should the Company be unable to continue as a going concern, asset realization values may be substantially different from carrying values as currently disclosed. These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to carrying values, and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. At March 31, 2020, the Company had not yet achieved profitable operations, had working capital of \$730,483 (December 31, 2019 – working capital of \$822,942), had an accumulated deficit of \$24,133,790 (December 31, 2019 - \$24,036,331) and expects to incur further losses in the development of its business. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to raise adequate funding through equity or debt financings to discharge its liabilities as they come due. The Company has capital management process in place to safeguard the Company's ability to continue as a going concern. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

### 2. Significant accounting policies

#### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2019, except as noted below.

The Board of Directors approved the unaudited condensed interim consolidated financial statements on May 22, 2020.

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## Guerrero Ventures Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2020  
(Expressed in Canadian dollars)  
(Unaudited)

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### 2. Significant accounting policies (continued)

#### New accounting standard adopted

##### IFRS 3 - Business combinations

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's financial statements.

##### IAS 1 - Presentation of financial statements

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's financial statements.

##### IAS 8 - Accounting policies, changes in accounting estimates and errors

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's financial statements.

### 3. Marketable securities

Marketable securities consist of equity investment in a junior exploration company for the following periods indicated:

	Three Months Ended March 31, 2020	Year Ended December 31, 2019
<b>(Fair value through profit or loss)</b>		
<b>Balance, beginning of period</b>	\$ 61,250	\$ -
Acquisition	-	50,000
Change in fair value	(23,750)	11,250
<b>Balance, end of period</b>	<b>\$ 37,500</b>	<b>\$ 61,250</b>

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## Guerrero Ventures Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2020  
(Expressed in Canadian dollars)  
(Unaudited)

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### 4. Share capital

#### a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value.

#### b) Common shares issued

As at March 31, 2020, the issued share capital amounted to \$23,360,273. Changes in issued share capital for the periods presented are as follows:

	Number of common shares	Amount
<b>Balance, December 31, 2018</b>	<b>5,225,196</b>	<b>\$ 21,457,421</b>
Shares for debt (i)	17,507,040	875,352
Conversion of additional debt (ii)	550,000	27,500
Private placement (iii)	10,000,000	1,000,000
<b>Balance, December 31, 2019 and March 31, 2020</b>	<b>33,282,236</b>	<b>\$ 23,360,273</b>

(i) On October 18, 2019, the Company announced the completion of the transactions contemplated by the debt consolidation agreement (the "Agreement") with certain third parties, former directors and officers of the Company, and a company controlled by the spouse of the former President (collectively, the "Debt Assignees"). Pursuant to the Agreement, an aggregate of \$875,352 of debt owed by the Company to various creditors, \$650,733 of which were owed to former directors and officers of the Company and a company controlled by the spouse of the former President, was assigned to the Debt Assignees. Subsequent to the closing of the transactions contemplated by the Agreement, each of the Debt Assignees exercised their respective right to convert the assigned debt into common shares in the capital of the Company ("Common Shares") at a price of \$0.05 per Common Share. All Common Shares issued to the Debt Assignees are subject to a four-month hold period from the date of issuance. An aggregate of 17,507,040 Common Shares were issued to the Debt Assignees, of which 17,017,860 Common Shares will be subject to the value security escrow requirements under Policy 5.4 of the TSX Venture Exchange Corporate Finance Manual.

(ii) In 2019, Medalist Capital Ltd., ("Medalist") advanced \$27,500 to the Company. On October 18, 2019, Medalist converted the advance into 550,000 Common Shares in the capital of the Company at a price of \$0.05 per Common Share.

(iii) On November 28, 2019, the Company announced that it has closed its private placement of 10,000,000 Common Shares of the Company at a price of \$0.10 per Common Share for gross proceeds of \$1,000,000 (the "Offering"). All securities issued under the Offering are subject to a four-month hold period, which will expire March 28, 2020. The following related parties subscribed for Common Shares under the Offering: Chief Executive Officer ("CEO") 1,000,000 Common Shares; Chief Investment Officer 1,000,000 Common Shares; spouse of a Director 199,980 Common Shares; and a company controlled by the former President and CEO 50,490 Common Shares. As at March 31, 2020, the Company has a share subscription receivable of \$nil (December 31, 2019 \$5,000) related to common shares issued from the private placement.

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## Guerrero Ventures Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2020 (Expressed in Canadian dollars) (Unaudited)

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#### 5. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2020 was based on the loss attributable to common shareholders of \$97,459 (three months ended March 31, 2019 - loss of \$46,815) and the weighted average number of Common Shares outstanding of 33,282,236 (three months ended March 31, 2019 - 5,575,196). Diluted loss per share did not include the effect of 2,425,000 stock options (March 31, 2019 - 350,000 stock options) as they are anti-dilutive.

#### 6. Expenses

Three months ended March 31,	2020	2019
Foreign exchange (gain) / loss	\$ -	\$ (401)
Professional fees	38,618	22,258
Rent, telephone, office expenses	30,642	66
Shareholders' communications	3,168	4,751
Transfer agent and filing fees	1,281	1,364
	<u>\$ 73,709</u>	<u>\$ 28,038</u>

#### 7. Related party transactions and balances

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at March 31, 2020, \$6,400 of fees and expenses payable to related parties were included in amounts payable and accrued liabilities (December 31, 2019 \$54,875).

During the three months ended March 31, 2020, the Company paid professional fees of \$7,027 (three months ended March 31, 2019 \$nil) to companies controlled by the former Chief Financial Officer.

#### 8. Contingency

##### COVID-19

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of essential supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

At the date of the approval of these unaudited condensed interim consolidated financial statements, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

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## Guerrero Ventures Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2020  
(Expressed in Canadian dollars)  
(Unaudited)

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### 9. Subsequent events

The Company announced on February 23, 2020, that it has entered into an acquisition agreement (the "Orion Vend In Agreement") with Orion Mine Finance Fund II LP, Orion Mine Finance Fund III LP and OMF Fund II (LI) LP (collectively the "Orion Group") and Royalty and Contingent Payment Purchase Agreement (collectively with the Orion Vend In Agreement, the "Vend In Agreements") with Yamana Gold Inc. ("Yamana") and Serra Da Borda Mineração E Metalurgia S.A., a subsidiary of Yamana (collectively with Yamana, the "Yamana Group"), pursuant to which the Company agreed to purchase portfolios comprised of an aggregate of six royalty, stream and gold loan assets (the "Orion Fund II Portfolio" and the "Bonikro Gold Stream") from the Orion Group for a consideration of US\$268.3 million (the "Orion Vend In") and a portfolio comprised of three royalties and a contingent payment from the Yamana Group (the "Yamana Portfolio") for a consideration of US\$65.0 million (collectively with the Orion Vend In, the "Vend In Transactions"). The acquisition of the Orion Fund II Portfolio will constitute a "Reverse Takeover" of the Company under Policy 5.2 - *Changes of Business and Reverse Takeovers* of the TSX Venture Exchange (the "RTO Transaction"). Upon completion of the Vend In Transactions and the Private Placement (as defined below), the Orion Group and Yamana are expected to hold approximately 77.58% and 13.01%, respectively, of the Company's common shares.

Guerrero held an annual and special meeting of shareholders on April 14, 2020 to, among other things, approve amendments to its Articles of Continuation to (i) change of its corporate name to Nomad Royalty Company Ltd. ("Nomad" or the "Resulting Issuer") in the context of the completion of the RTO Transaction; and (ii) allow the Board of Directors of the Company to appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders, subject to the condition that the total number of directors so appointed not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

Guerrero will satisfy the purchase price of the Orion Fund II Portfolio and the Bonikro Gold Stream by issuing 396,455,965 common shares to the Orion Group at a price of \$0.90 per common share. Additionally, Guerrero will satisfy the purchase price of the Yamana Portfolio by issuing 66,500,000 common shares to Yamana at a price of \$0.90 per share and by making a cash payment in the amount of US\$20 million, (the "Yamana Cash Consideration"), a maximum of US\$10 million of which may be deferred pursuant to the deferred payment agreement to be entered into at the closing of the Vend In Transactions between the Company and Yamana, which deferred payment will have a term of two years (subject to early redemption features), will bear interest at an annual rate of 3% and will be convertible at the option of Yamana into common shares of the Resulting Issuer at a price of \$0.90 per common share.

As a condition precedent to the completion of the Vend In Transactions, Guerrero, the Orion Group and Yamana have negotiated a definitive investor rights agreement ("Investor Rights Agreement") to govern the relationship of the Resulting Issuer with the Orion Group and Yamana as shareholders. The Investor Rights Agreement will provide the Orion Group and Yamana with, among other things, certain nomination and participation rights, and will contain lock-up restrictions with respect to their shareholdings in the Resulting Issuer. The lock-up restrictions contained in the Investor Rights Agreement will subject the Orion Group to a 12-month lockup period in respect of its common shares of the Resulting Issuer and subject Yamana to a similar six-month lockup period.

In the context of the RTO Transaction, on April 2, 2020, Guerrero entered into an agency agreement (the "Agency Agreement") with a syndicate of dealers comprised of Scotia Capital Inc. and BMO Nesbitt Burns Inc. CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Desjardins Securities Inc., Haywood Securities Inc. and National Bank Financial Inc. (collectively, the "Agents") for a private placement of subscription receipts (the "Subscription Receipts") on a "best efforts" basis. The Company issued an aggregate of 14,777,778 Subscription Receipts at a price of \$0.90 per subscription receipt in connection with the private placement for total gross proceeds to the Company of \$13.3 million (the "Private Placement"). Each subscription receipt entitled the holder thereof to receive, without any further action or payment, one common share of the Resulting Issuer upon the satisfaction of escrow release conditions provided for in the Subscription Receipt Agreement (as defined below), including completion or the satisfaction or waiver of all the conditions precedent to the Vend In Transactions in accordance with the Vend In Agreements (the "Escrow Release Conditions").

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## **Guerrero Ventures Inc.**

### **Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended March 31, 2020**

**(Expressed in Canadian dollars)**

**(Unaudited)**

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#### **9. Subsequent events (continued)**

The completion of the RTO Transaction is expected to occur by the end of May 2020 and is subject to a number of conditions including, but not limited to: (i) closing conditions customary in transactions of this nature; (ii) receipt of regulatory approvals, including the approval of the Toronto Stock Exchange ("TSX"); (iii) completion of the Vend In Transactions; and (iv) other necessary actions. There can be no assurance that the Transaction will be completed as proposed or at all. In connection with the Transaction, the Company is seeking approval from the Toronto Stock Exchange to graduate from the TSX Venture Exchange and list its common shares on the TSX.

On April 2, 2020, the Company completed the first tranche of the Private Placement, whereby the Company issued 3,420,800 Subscription Receipts at a price of \$0.90 per Subscription Receipt for gross proceeds of approximately \$3.08 million.

On April 24, 2020, the Company completed the second tranche of the Private Placement, whereby the Company issued 6,623,469 Subscription Receipts at a price of \$0.90 per Subscription Receipt for gross proceeds of approximately \$5.96 million. At the second closing, three directors and officers of Guerrero purchased an aggregate of 510,000 Subscription Receipts for total gross proceeds of \$459,000.

On May 21, 2020, the Company completed the third and final tranche of the Private Placement, whereby the Company issued 4,733,509 Subscription Receipts at a price of \$0.90 per Subscription Receipt for gross proceeds of approximately \$4.26 million. At the third closing, an officer and director of Guerrero as well as a control person of the Company purchased an aggregate of 453,622 Subscription Receipts for total gross proceeds of \$408,260.

The gross proceeds from the sale of the Subscription Receipts, less 50% of the Agents' commission and Agents' expenses payable on the closing of each tranche of the Private Placement is being held in escrow by Computershare Trust Company of Canada in accordance with a subscription receipt agreement dated April 2, 2020 among the Company, Computershare Trust Company of Canada, Scotia Capital Inc. and BMO Nesbitt Burns Inc. (the "Subscription Receipt Agreement") and will be released to the Company upon satisfaction and/or waiver of the Escrow Release Conditions. The escrowed proceeds from the Private Placement will be released to the Company upon satisfaction or waiver of the Escrow Release Conditions. If the Escrow Release Conditions are not satisfied or waived prior to August 3, 2020 (the "Release Deadline"), as such Release Deadline may be extended in accordance with the terms of the Subscription Receipts and the Subscription Receipt Agreement, all of the Subscription Receipts will be cancelled and terminated and the escrowed funds plus a pro rata share of the earned interest and the deemed interest earned thereon (less any withholding tax required to be withheld in respect thereof), if any, will be refunded to the holders of the Subscription Receipts.

In connection with the Private Placement, the Company paid the Agents a cash commission representing 6% of the gross proceeds raised through the Agents, which commission was reduced to 3% of the gross proceeds realized from sales of Subscription Receipts to a certain pre identified investor, and to nil on the gross proceeds realized from sales of Subscription Receipts to certain pre identified insiders of the Company. 50% of the Agents' commission has been deposited into escrow pursuant to the terms of the Subscription Receipt Agreement. The remaining 50% of the Agents' commission and will be released to the Agents upon satisfaction and/or waiver of the Escrow Release Conditions.

Subject to satisfaction and/or waiver of the Escrow Release Conditions, the Company expects to use the net proceeds from the Private Placement for working capital purposes and to pay a portion of the Yamana Cash Consideration.

Deferred costs related to RTO Transaction, the Vend In Transactions and the Private Placement noted above amounted to \$1,128,723 as at March 31, 2020.