GOLDREA RESOURCES CORP.

Interim Unaudited Condensed Consolidated Financial Statements
(Expressed in Canadian dollars unless otherwise stated)

January 31, 2021 and 2020

GOLDREA RESOURCES CORPORATION.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars Unless Otherwise Stated)

	Note	January 31 2021	July 31 2020
Assets			
Current assets			
Cash and cash equivalents		$ 100,253	$ 77,534
Marketable securities	7	-	16,500
Accounts receivable	5	3,731	-
Prepaid expenses		17,500	17,500
		121,484	111,534
Non-current Assets			
Investment	6	-	6,909
Long-term deposits	9	28,500	28,000
Equipment	10	2,715	3,116
Exploration and evaluation assets	11	144,433	1
		175,648	38,526
Total Assets		$ 297,132	$ 150,060
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 150,160	$ 168,997
Loan Payable	11	-	-
Other liabilities		9,150	9,150
Due to related parties	8	2,873	14,373
		162,183	199,020
Equity			
Share capital	13	31,231,219	30,988,597
Subscription (receivable) received	13	79,949	(14,000)
Reserves	13	2,616,290	2,497,155
Accumulated other comprehensive income		6,205	6,205
Accumulated deficit		(33,798,714)	(33,526,917)
Total (deficiency) equity		134,949	(48,960)
Total liabilities and equity		$ 297,132	$ 150,060

Going concern (Note 1)

Subsequent events (Note 17)

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

On behalf of the Board of Directors:

"Larry Reaugh" Director

"Jim Elbert" Director

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		Three months ended January 31,		Six months ended January 31,	
	Note	**2021**	**2020**	**2021**	**2020**
Expenses:					
Depreciation	10	**$ 200**	$ -	400	$ -
Consulting fees		**24,000**	24,000	**48,000**	48,000
Office and administration		**(628)**	454	**5,592**	465
Professional fees		**-**	16,278	**23,250**	16,278
Rent		**-**	12,973	**-**	40,628
Shareholder communication		**22,972**	2,9209	**67,620**	11,003
Transfer agent and filing fees		**-**	-	**-**	-
Stock based compensation		**94,723**	21,435	**119,135**	21,435
Loss before other items		**141,266**	78,060	**263,996**	137,809
Other items:					
Investment income (loss)		**(1,615)**	-	**(1,615)**	1,680
Fair Value Adjustment on Warrants		**-**	-	**(6,909)**	-
Interest income		**75**	-	**174**	159
Foreign exchange gain (loss)		**-**	(1,206)	**551**	(588)
Net loss of the period before income tax		**(142,807)**	$(79,266)	**(271,796)**	$(136,558)
Deferred income tax recovery		**-**	-		
Net loss for the year		**$(142,807)**	$(79,266)	**(271,796)**	$(136,558)
Loss per share - basic and diluted		**$(0.00)**	$(0.00)	**$(0.00)**	$(0.00)
Weighted average number of common shares outstanding – basic and diluted		**61,160,441**	41,642,760	**56,422,003**	40,374,505

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

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars Unless Otherwise Stated)

	Share capital						
	Number of shares	**Share capital**	**Reserves**	**Share subscription received (receivable)**	**Accumulated comprehensive income (loss)**	**Deficit**	**Total equity (deficiency)**
	#	$	$	$	$	$	$
Balance, July 31, 2019	39,947,108	30,586,174	2,384,958	54,450	6,205	(32,879,982)	151,805
Private placements, net of finders' fees	2,000,000	100,000	-	-	-	-	100,000
Shares Issues for flow-through shares	305,000	27,450	-	(27,450)	-	-	-
Share subscriptions received	-	-	-	30,000	-	-	30,000
Share-based compensation	-	-	21,435	-	-	-	21,435
Net loss	-	-	-	-	-	(136,558)	(136,558)
Other comprehensive income	-	-	-	-	-	-	-
Balance, January 31, 2020	40,252,108	30,713,624	2,406,393	57,000	6,205	(33,016,540)	166,682
Private placements, net of finders' fees	10,173,333	274,973	41,982	(436,000)	-	-	(119,045)
Share subscriptions received	-	-	-	395,000	-	-	395,000
Share-based compensation	-	-	48,780	-	-	-	48,780
Net loss	-	-	-	-	-	(510,378)	(510,378)
Other comprehensive income	-	-	-	-	-	-	-
Balance, July 31, 2020	52,425,441	30,988,597	2,497,155	(14,000)	6,205	(33,526,918)	(48,961)
Private placements, net of finders' fees	8,735,000	242,622		-	-	-	242,622
Allocation of proceeds to warrants	-	-	-	-	-	-	-
Share subscriptions received	-	-	-	93,949	-	-	119,135
Share-based compensation	-	-	119,135	-	-	-	24,412
Net loss	-	-	-	-	-	(271,796)	(271,796)
Other comprehensive income	-	-	-	-	-	-	-
Balance, January 31, 2021	61,160,441	31,231,219	2,616,290	79,949	6,205	(33,798,714)	134,949

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

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Three months ended January 31, **2021**	2020	Six months ended January 31, **2021**	2020
Cash Flow from Operating Activities:				
Net loss for the year before income tax	**(142,807)**	$(79,266)	(271,796)	$(136,558)
Items not affecting cash:				
Depreciation	**200**	-	400	-
(Gain) loss on disposal of marketable securities	**1,615**	-	1,615	(1,680)
Stock-based compensation	**94,723**	21,435	119,135	21,435
	(46,269)	(57,831)	(150,646)	(116,803)
Changes in non-cash working capital:				
Amounts receivable	**(1,587)**	8,093	(3,731)	608
Prepaid expenses	**-**	66,667	-	
Accounts payable and accrued liabilities	**(8,919)**	3,926	(25,337)	(6,113)
Due to related parties	**(19,000)**	-	(11,500)	4,123
Cash used in operating activities	**(75,775)**	(128,665)	(191,214)	(170,906)
Cash Flow from Financing activities:				
Shares issued for cash	**(19,428)**	100,000	242,622	100,000
Share subscription received	**93,949**	30,000	96,949	30,000
Cash provided by financing activities	**74,521**	130,000	336,571	130,000
Cash Flow from Investing activities:				
Investment	**-**	-	6,909	-
Mineral property and exploration and evaluation assets	**(15,995)**	10,000	(144,432)	(15,000)
Proceeds on disposal of exploration and evaluation assets	14,884	-	14,884	35,705
Proceeds on disposal of marketable securities	**-**	-	-	-
Cash used in investing activities	**(1,111)**	10,000	(122,639)	20,705
(Decrease) increase in cash and cash equivalents	**(2,364)**	(8,665)	22,719	(20,211)
Cash and cash equivalents, beginning of year	**102,617**	8,875	77,534	20,241
Cash and cash equivalents, end of year	**100,253**	210	100,253	210
Income taxes paid	**-**	-		-
Interest expenses paid	**-**	-		-
Non-cash transactions				
Shares issued for exploration and evaluation assets				
Shares issued for services	**-**	-		-

1. NATURE OF OPERATIONS AND GOING CONCERN

Goldrea Resources Corp. (the “Company”) was incorporated under the British Columbia Business Corporations Act on March 2, 1981. The Company is in the business of exploration and development of mineral properties and is currently in the exploration stage of its exploration and evaluation assets. The address of the Company’s corporate office is 950 - 777 Hornby Street, Vancouver, BC, V6Z 1S4. The Company’s common shares are traded on the Canadian Securities Exchange under the symbol “GOR”.

These unaudited condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications.

The Company has incurred losses since inception. As at January 31, 2021, the Company had an accumulated deficit of $33,798,7134and working capital deficit of $40,669.

The Company has to raise additional financing in order to meet its obligations for the next twelve months. The ability of the Company to continue as a going concern depends upon its ability to raise the additional debt or equity financing or achieve profitable operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms favorable to the Company. These factors raise significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements 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, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

2. Basis of preparation:

b) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended July 31, 2020. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 1, 2021

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 3 o) and p).

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 3 o) and p).

3. Significant accounting policies

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, Goldrea USA Inc. ("Goldrea USA"), Global Labs Analytics Inc. ("Global Lab") and Goldrea Peru S.A. ("Goldrea Peru").

All inter-company balances and transactions have been eliminated upon consolidation.

b) Foreign currency

The functional currency and presentation currency of the Company is Canadian dollar. The functional currency of the Company's subsidiaries is US dollar

i) Foreign currency translation

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and non-monetary assets and liabilities are translated at historical rates. Foreign currency gains and losses arising from translation are included in profit or loss.

ii) Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rates of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income (loss).

c) Financial instruments

Effective August 1, 2019, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have a material impact on the carrying amounts of the Company's financial statements at the transition date.

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

The following table shows the Company's financial assets and liabilities classification under IAS 39 and IFRS 9:

Financial assets/liabilities	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	Available for sale	FVTPL
Accounts receivable	Loan and receivable	Amortized cost
Investment	FVTPL	FVTPL
Long-term deposits	Loan and receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Other liabilities (flow-through share premium)	FVTPL	FVTPL
Due from/to related parties	Other financial liabilities	Amortized cost

ii) Measurement

Initial measurement
The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Subsequent measurement
Financial assets and liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or costs.

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

iv) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm’s length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

d) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. As at January 31, 2021 and 2020, the Company did not have cash equivalents.

e) Marketable securities

Marketable securities present investments in publicly traded common shares. Marketable securities are carried at fair value based on quoted market prices.

3. Significant accounting policies (continued)

f) Equipment

Equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rates, which are used to estimate the useful lives of the assets:

Asset	Basis	Rate
Office equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%
Leasehold improvement	Straight-line	over the lease term

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

g) Exploration and evaluation assets

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage. Once a right to explore a mineral property has been secured, exploration and evaluation expenditures are capitalized and include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits and option payments received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if i) sufficient data exist to determine technical feasibility and commercial viability, and ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Facts and circumstances that the Company considered are:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

3. Significant accounting policies (continued)

g) Exploration and evaluation assets (continued)

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

h) Impairment of long-lived assets

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

i) Decommissioning obligations

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at July 31, 2020 and 2019, the Company did not have material decommissioning obligations.

j) Share capital

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry date as stipulated by the transaction. Warrants that are part of units are assigned with a value based on residual method and included in equity. Warrants that are issued as payment for agency fee or other transaction costs are measured at the fair value using the Black-Scholes option pricing model.

3. Significant accounting policies (continued)

k) Share-based payments

The Company has an employee share purchase option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over their respective vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in equity as the option reserve. The fair value of options is determined using a Black-Scholes pricing model, which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The expected term to exercise is based upon historical data of the average hold period before exercise.

Expected volatility is estimated with reference to the historical share price volatility of the Corporation's share price.

l) Flow-through shares

The Company finances some exploration and evaluation expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a other liabilities on the Company's consolidated statement of financial position, which is reversed to the statement of profit or loss, under other income – premium on flow-through shares, when eligible expenditures have been made. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred.

Pursuant to the related subscription agreements, the Company has committed to use the proceeds received from the issuance of flow-through shares for Canadian resource property exploration expenditures

m) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit or loss in the period that enactment or substantive enactment occurs. A deferred tax asset is recognized only if it is probable that a deferred tax asset will be recovered. The Company does not recognize deferred tax asset or liability arising on initial recognition where the transaction is not a business combination and at the time of transaction, there is no impact on accounting profit or taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Significant accounting policies (continued)

n) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the years ended January 31, 2021 and 2020, basic loss per share is equal to dilutive loss per share.

o) Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as fair value movements in certain investments designated through other comprehensive income, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. During the year ended January 31, 2021 and 2020, the Company's other comprehensive income (loss) comprises of foreign currency translation gains and losses.

p) Critical accounting estimates

Critical accounting estimates that management has made in the process of applying the Company's accounting policy are:

i) Impairment of exploration and evaluation assets

Management assesses capitalized exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment. Refer to Notes 3 g) and 11 for more information.

ii) Share-based compensation

The Company uses the fair value method of valuing compensation expenses associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options. Refer to Note 12 for more information.

q) Critical accounting judgments

Critical accounting judgments that management has made in the process of applying the Company's accounting policy and that have the most significant effect on the amounts recognized in the consolidated financial statements are limited to management's assessment of the Company's ability to continue as a going concern. Refer to Note 2 for more information.

(Expressed in Canadian Dollars Unless Otherwise Stated)

3. Significant accounting policies (continued)

r) Lease

Effective August 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which requires leases to be reported on the statement of financial position unless certain requirements for exclusion are met. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if the Company has the right to direct the use of the asset. As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if we are reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless we are reasonably certain not to terminate early.

The Company’s head office lease is treated as short-term lease at the initial adoption date by applying the practical expedients as the original lease is on monthly basis. During the year ended July 31, 2019, the Company entered entered into a lease agreement with respect to its laboratory for its USA subsidiary Global Lab. The original lease has a 5-year term effective March 1, 2019 with an option to renew for another 5 years. During the year ended July 31, 2020, this lease was terminated. The adoption of IFRS 16 does not have a material impact to the Company’s consolidated financial statements.

4. Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended July 31, 2020, and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company’s consolidated financial statements.

5. Accounts receivable

Accounts receivable as of January 31, 2021 and 2020 consist of GST receivables, loan receivables and others as follows as at January 31, 2021 and 2020:

	Jan 31, 2021	July 31, 2020
	$	$
GST receivables and others	3,731	-
Due for an officer and director (Note 8)	-	-
Loan receivable – Xchemistry Holdings Inc. (a)	13,234	13,234
Loan receivable – Tabu (b)	14,000	14,000
Loan receivable – Warren Wayne (b)	49,100	49,100
Provision for loan receivables	(76,334)	(76,334)
	3,731	-

a) During the year ended July 31, 2019, the Company advanced $13,234 (USD10,000) to XChemistry Holdings Inc. (the funder of this entity is also the former director of Global Lab) in connection to a proposed acquisition. This proposed acquisition is terminated in 2019 and the Company provided a 100% provision towards this loan.

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6. Investments

	Jan 31, 2021	July 31, 2020
	$	$
Investment in Goldeneye (a)	-	6,909
Investment in the Planter's Guide (b)	10,000	10,000
Impairment for investment in The Planter's Guide (b)	(10,000)	(10,000)
	-	19,876

a) Investment in Goldeneye as at Jan 31, 2021 represents the 450,000 (Jan 31, 2020 – 450,000) share purchase warrants of Goldeneye (Note 5) held by the Company. Goldeneye warrants was measured at the fair value using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.25%, expected dividend yield – 0%,volatility – 169%, estimated remaining life - 0.22 years (July 31, 2019 - risk-free interest rate – 1.25%, expected dividend yield – 0%,volatility – 98%, estimated remaining life -1.22 years) and recognized a fair value adjustment gain of $9,900 (2020 - $15,054). These Goldeneye warrants expired on October 20, 2020.

b) Investment in the Planter's Guide ("TPG") represents a prepaid amount to a potential investment through common shares in TPG, a newly launched entity that targets on online magazine focused plant-based consumer goods. As at Jan 31, 2021, Goldrea has not received any shares from TPG. Since the timing and the number of shares to be issued to Goldrea is uncertain, the business model of TPG is not fully developed and TPG is still operating loss from its inception, the investment in TPG has impaired in fiscal year 2018.

7. Marketable securities

The following tables show the fair value impact of marketable securities, classified as available for sale investment, on the Company:

January 31, 2021	Fair value	Cost
Goldeneye		
Nil common shares	$ -	$ -
Durango Resources Inc.		
Nil common shares	-	-

July 31, 2020	Fair value $	Cost $
Durango Resources Inc. ("Durango")	-	
110,000 common shares	5,500	16,500

8. Related party transactions

The related party transactions are in the normal course of business and are measured at the exchange amount which is the amount agreed to by the related parties. Details of transactions with related parties that are not disclosed elsewhere in these consolidated financial statements are disclosed below:

	January 31, 2021	July 31, 2020
Due from directors and officers of the Company	$ -	$ -
Due to directors and officers of the Company	$ 2,873	$ 20,873

Amounts due to and from officers, directors and companies with common directors are interest free, unsecured and have no specified terms of repayment. They have arisen from the provision of services and expense reimbursements or advances.

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During the period ended January 31, 2021, consulting fees of $42,000 (2020 - $42,000) were recorded to directors and officers of the Company. The Company uses the home space of one officer who is also a director of the Company as the office, the Company incurred $nil (2020 - $12,973) in office rent for the period ended January 31, 2021. Key management includes the chief executive officer, chief financial officer and the directors of the Company. The compensation paid or payable to key management for services, excluding the share-based payments during the period ended January 31, 2021 and 2020 is disclosed above. During the period ended January 31, 2021, key management received share-based payments of $52,097 (2020 - $16,076). Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended January 31, 2021 and 2020. (Also see Note 5)

9. Long Term Deposits

	January 31, 2021	July 31, 2020
	$	$
Reclamation deposits (*)	17,000	17,000
Corporate credit security deposit (*)	11,500	11,500
	28,500	28,500

* Reclamation deposits and security deposit represent restricted cash and consist of the Guaranteed Investments Certificates (“GICs”) which has been placed in a financial institution.

10. Equipment

	Office equipment	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$
Costs					
Balance, July 31, 2019	32,111	22,108	41,792	-	96,011
Additions	-	-	1,445	94,909	96,354
Balance, July 31, 2020	32,111	22,108	41,792	-	192,365
Additions	-	-	-	-	-
Balance, January 31, 2021	32,111	22,108	41,792	94,909	192,365
Accumulated Depreciation					
Balance, July 31, 2019	31,019	21,433	40,803	-	93,255
Depreciation	220	135	730	94,909	95,995
Balance, July 31, 2020	31,239	21,598	41,533	94,909	189,250
Depreciation	90	50	260	-	400
Balance, January 31, 2021	31,329	21,618	41,793	94.909	189,650
Carrying Amounts					
July 31, 2019	872	540	1,704	-	3,115
January 31, 2021	782	490	1,444	-	2,715

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11. Exploration and evaluation assets

	July 31, 2019	Expend-itures	Write-downs	July 31, 2020	Expend-itures	Write-downs	Disposal	Jan 31, 2021
	$	$	$	$	$	$		$
Canada								
Cannonball Property (a) (i)								
Acquisition	1	-	-	1	25,000	-	-	25,001
Geological consulting		53,691	(51,691)	-	104,432	-	-	104,432
	1	53,691	(51,691)	1	129,432	-	-	129,432
Dixie Lake Property (a) (ii)								
Acquisition	-	-	-	-	15,000	-	-	15,000
	-	-	-	-	15,000	-	-	15,000
USA								
Lift Property (b) (i)								
Acquisition	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	1	53,691	(53,691)	1	144,432	-	-	144,433

a) Canada

(*i*) Cannonball Property

During the year ended July 31, 2016, the Company entered into an agreement (the “Cannonball Property Agreement”) to purchase 1,490 hectares, located approximately 15 kilometers northeast of the former Snip mine in the Iskut River district of northwestern B.C. Under the term of the agreement, the Company purchased a 100% interest in the property, for 2,000,000 shares of the Company and a 2% NSR royalty of which the Company can purchase one percent from the holder at any time for the sum of $1,000,000.

In August 2019, the Company entered into a Mineral Property Acquisition Agreement to acquire a mineral tenure (the “Adjacent Property”) located next to its Cannonball mineral property in northwestern British Columbia’s Golden Triangle District, in exchange for the Company’s mineral tenures near Kelowna, BC, known as the Dobbin Property and a 1.5% net smelter returns royalty payable on the Dobbin Property. This royalty can be purchased at any time for the sum of $1,000,000.

In September 2020, the Company acquired an additional 2,269 hectares of mineral claims which adjoin the northern boundary of the Company’s Cannonball Project. Under the terms of the acquisition agreement, consideration for the Property consists of $125,000 in cash ($25,000 paid), one million shares of Goldrea, to be issued or paid over a three-year period and a 2% net smelter return royalty (of which the Company can purchase 1.5%).

During the period ended January 31, 2021, the Company spent $104,432 on geological work.

ii) Dixie Lake Property

In September 2020, the Company closed the acquisition of a 100% interest in a gold prospect near Dixie Lake, Ontario. Goldrea has made a cash consideration to the vendor, plus the cost of staking. The mineral property, known as Dixie Lake Baby project, consists of 17 map-designated claim cells, covering 285 hectares in total in three non-contiguous groups (the “Property”). The claims are located south of the BTU Metals Corp.’s Dixie Halo project near their TNT target, and one of the Property’s cell groups is adjacent to the mineral claims held by Goldon Resources Ltd.

b) United States ("USA")

(*i*) Lift Property:

During the year ended July 31, 2018, the Company entered into an agreement to purchase a 100% interest in a lithium prospect (the "Lift Property Agreement"), known as the Lift Property, located in the Clayton Valley, Esmeralda County, Nevada. USA. The Lift Property is comprised by sixty lode claims covering approximately 1200 acres of land. The claims are situated adjacent to Noram's lithium property and in proximity to Pure Energy and Cypress' interests in the Clayton Valley. Consideration for the acquisition consists of US$30,000 cash, 500,000 common shares of the Company, and a 3% net smelter return royalty which can be bought back for US$2.5 million. During the year ended July 31, 2020, the Company decided not to proceed the completion of the acquisition. All cost incurred to date has been written-off.

c) Impairment of exploration and evaluation assets

As at July 31, 2020, the Company had no budgeted or planned exploration all exploration and evaluation assets for the next twelve months and, accordingly, the Company wrote down exploration and evaluation assets to $1

13. Share capital and reserves

a) Authorized

Authorized share capital comprises an unlimited number of common shares without par value.

b) Issued

As at January 31, 2021, there were 61,160,441 issued common shares. (July 31, 2020 – 52,425,441)

In September 2019, the Company closed a private placement of 305,000 flow-through units ("FT Unit") at a price of $0.09 per FT Unit for gross proceeds of $27,450. Each FT Unit comprises of one common share and one common share purchase warrant with an exercise price of $0.18 for a period of one year. The Company has allocated $9,150 to the flow-through share premium and this amount is included in other liabilities on the Company's consolidated statement of financial position. The Company allocated $nil to flow-though warrants by applying the residual approach. The gross proceeds will be used to fund exploration of the Company's Cannonball gold prospect located in northwestern British Columbia. All securities issued under the private placement are subject to a four-month hold.

In November 2019, the Company closed a non-brokered private placement of 2,000,000 units at a price of $0.05 per unit for gross proceeds of $100,000. Each unit comprises of one common share and one share purchase warrant which entitles its holder to purchase one common share at a price of $0.10 per share for one year from the date issuance. All securities issued under the private placement are subject for a four-month hold. The Company allocated $10,000 to the warrants by applying the residual approach.

In March 2020, the Company closed its second and final tranche of its private placement of 1,540,000 units at a price of $0.05 per unit for gross proceeds of $77,000. Each unit comprises of one common share and one common share purchase warrant with an exercise price of $0.10 for a period of one year. All securities issued under the private placement will be subject to a four-month hold. A finder's fee of $2,600 was paid in connection with the financing. The Company allocated $30,800 to the warrants by applying the residual approach.

In July 2020, the Company completed a non-brokered private placement by issuing of 8,633,333 units at a price of $0.03 per unit for aggregated gross proceeds of $259,000. Each unit comprises of one common share and one-half of a common share purchase warrant with an exercise price of $0.08 per share for each full warrant for one year from the date of issuance. The Company paid finders' fee of $4,920 in cash and issued 68,000 warrants with a fair value of $1,182 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.23%, expected dividend yield – 0%,volatility – 126%, estimated remaining life - 1 year. The Company allocated $nil to the warrants by applying the residual approach.

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13. Issued and outstanding (continued)

In August 2020, the Company completed a non-brokered private placement by issuing of 8,735,000 units at a price of $0.03 per unit for aggregated gross proceeds of $262,050. Each unit comprises of one common share and one-half of a common share purchase warrant with an exercise price of $0.08 per share for each full warrant for one year from the date of issuance. The Company paid finders' fee of $16,440 in cash and issued 546,800 warrants with a fair value of $nil using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 0.23%, expected dividend yield – 0%,volatility – 126%, estimated remaining life - 1 year. The Company allocated $nil to the warrants by applying the residual approach

c) Stock options

The Company has a stock option plan that provides for the issuance of options to its directors, officers, employees and consultants. The options have a maximum term of five years.

In January 2020, the Company granted 400,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.05 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date. The fair value of the options granted was estimated to be $0.05 per option.

In July 2020, the Company granted 1,000,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.05 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date. The fair value of the options granted was estimated to be $0.04 per option.

In August 2020, the Company granted 500,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.06 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date. The fair value of the options granted was estimated to be $0.05 per option.

In January 2021, the Company granted 2,000,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.06 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date. The fair value of the options granted was estimated to be $0.05 per option, using the Black-Scholes options pricing model with the following assumptions:

	2020	2020
Risk-free interest rate	0.35 - 0.59%	0.61%
Expected dividend yield	0%	0%
Expected stock price volatility	193%	134%
Expected forfeitures	0%	0%
Expected option life in years	5 years	5 years

The total share-based compensation expense for the period ended January 31, 2020 was $119,135 (July 31, 2020 - $70,215) representing general and administrative related services. The fair value for stock options granted to consultants was measured by referenced to the equity instrument granted since the fair value of the stock options could be more reliably measured on the grant date.

c) Stock options (continued)

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, outstanding and exercisable, July 31, 2019	4,850,000	$0.10
Issued	1,400,000	0.08
Exercised	-	-
Balance, outstanding and exercisable, July 31, 2020	6,250,000	0.10

(Expressed in Canadian Dollars Unless Otherwise Stated)

Issued	2,500,000	0.06
Balance, outstanding and exercisable, October 31, 2019	8,750,000	$0.09

The remaining contractual life for the stock options outstanding as at January 31, 2021 is 2.93 years.

The following summarizes information about stock options outstanding and exercisable at January 31, 2021:

Number of share outstanding and exercisable	Expiry date	Exercise price
800,000	February 2, 2021	$0.05
1,250,000	September 15, 2021	$0.10
500,000	January 22, 2023	$0.22
700,000	May 14, 2023	$0.10
400,000	January 16, 2024	$0.07
1,200,000	June 24, 2024	$0.09
400,000	January 14, 2024	$0.05
1000,000	July 28, 2025	$0.05
500,000	September 25, 2025	$0.06
2,000,000	January 18, 2026	$0.06
8,750,000		

d) Share purchase warrants

	Number of share purchase warrants	Weighted average exercise price
Balance, July 31, 2019	14,081,482	0.14
Issued	12,173,333	0.09
Expired	(14,081,482)	0.14
Balance, July 31, 2020	12,173,333	0.09
Issued	4,914,300	0.08
Expired	-	-
Balance, January 31, 2021	17,087,633	$0.08

The following table summarizes information about share purchase warrants outstanding at January 31, 2021.

Number of Warrants	Exercise Price	Expiry Date
2,000,000	$0.10	March 13, 2021
1,540,000	$0.10	March 13, 2021
8,633,333	$0.08	July 28, 2021
4,367,500	$0.08	August 17, 2021
280,000	$0.08	August 17, 2021
266,800	$0.08	August 17, 2021
17,087,633		

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14. Segmented information

The Company's mineral properties are located in three geographic regions, Canada, USA and Peru, and its corporate assets are located in Canada. A summary of total assets and net loss by geographic region is as follows:

		Jan 31, 2021		Jan 31, 2020
Net loss for the year				
Canada	$	271,796	$	97,384
USA		-		39,210
	$	271,796	$	136,594
Exploration and evaluation assets				
Canada	$	144,433	$	15,001
USA		-		-
	$	144,433	$	15,001
Assets				
Canada	$	257,798	$	334,112
USA		39,335		39,335
	$	297,133	$	373,447

15. Commitments

During the year ended July 31, 2019, the Company's USA subsidiary Global Lab entered into a lease agreement with respect to its laboratory. The lease has a 5-year term effective March 1, 2019. The Company has an option to renew the lease for anther 5 years. Pursuant to the lease agreement, the Company has paid $109,128 (USD83,000) as the security deposit (Note 9). The minimum basic lease payment for the next 12 months is approximately $120,000 (USD91,000), and approximately of $471,000 (USD358,000) for the fiscal year 2021 to 2024.

16. Financial risk management

a) Categories of financial instruments

	January 31, 2021 $	July 31, 2020 $
Financial assets -		
Fair value through profit and loss		
Cash and cash equivalents	100,253	77,534
Marketable securities	-	16,500
Investment	-	6,909
Amortized cost		
Accounts receivable (excluding GST receivable)	-	-
Long-term deposits	28,500	28,500
	128,753	129,443
Financial liabilities – at amortized cost		
Accounts payable and accrued liabilities	131,160	168,997
Other liabilities	-	9,150
Due to related parties	21,873	20,873
Loan payable	-	-
	153,033	199,020

16. Financial risk management: (continued)

b) Fair value of financial instruments

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities inactive markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs, which are supported by little or no market activity.

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments. Fair values were obtained by Level 1 hierarchy inputs for cash and equivalents and marketable securities. Fair value for investment in Goldeneye was obtained by Level 2 hierarch inputs. The Company does not have financial instruments using level 3 inputs.

c) Financial instruments risk

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management procedures. The types of risk exposure and the way such exposure is managed are provided as follows:

(*i*) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, GICs held by bank for reclamation and corporate credit card security deposits and amounts receivable. Cash and GICs are with Schedule 1 banks or equivalent, with majority of cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The maximum exposure to credit risk is equal to the carry value of the financial assets.

(*ii*) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to assist in determining the funds required to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. As at January 31, 2021, the Company has a cash and cash equivalent balance of $100,253 (July 31, 2020 - $77,534) available to settle current liabilities. Accounts payable and accrued liabilities are due within the current operating period. As at January 31, 2021, the Company had a working capital deficit of $40,699 (July 31, 2020 – $87,486). Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. See note 1 for additional discussion on going concern.

(*iii*) Market risk

The Company's primary market risk is in the areas of metal prices and foreign exchange risk on financial instruments denominated in other than Canadian dollars. At January 31, 2021, the Company had no hedging agreements in place with respect to metal prices or foreign exchange rates.

16. Financial risk management: (continued)

A) Commodity price risk

The Company has not generated any revenue since its inception. The company is not subject to significant price risk.

B) Currency risk

As at January 31, 2021, the Company does not hold the significant foreign currency financial assets and liabilities.

C) Equity price risk

Equity price risk arises from available-for-sale equity securities. The shares are publicly traded and market-prices are readily available. As at January 31, 2021, the Company held nil marketable securities.

D) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents contain highly liquid investments that earn interest at market rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are presently low; however this conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

17. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The properties in which the Company currently has an interest in are in the exploration and pre-development stages, as such, the Company does not recognize revenue from its exploration properties.
The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. There were no changes in the Company's management of capital during the period ended January 31, 2021. The Company is not subject to externally imposed capital requirements.

18. Subsequent event

In February 2021, the Company completed a non-brokered private placement by issuing of 8,350,000 units at a price of $0.05 per unit for aggregated gross proceeds of $417,500. Each unit comprises of one common share and one common share purchase warrant with an exercise price of $0.08 per share for each full warrant for one year from the date of issuance. The Company allocated $nil to the warrants by applying the residual approach