Maxtech Ventures Inc.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended October 31, 2019 and 2018

(Expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED 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 an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim consolidated financial statements of Maxtech Ventures Inc. ("Maxtech" or the "Company") for the interim period ended October 31, 2019 have been prepared in accordance with the International accounting Standard 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements.

Maxtech Ventures Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - Unaudited)

	October 31, 2019	July 31, 2019
	$	$
Assets		
Current		
Cash	**121,325**	-
Prepaid expenses	**5,857**	5,787
Share subscriptions receivable (Notes 5 and 10)	**75,000**	-
	202,182	5,787
Non-current		
Exploration and evaluation assets (Note 3)	**329,606**	182,566
Total Assets	**531,788**	188,353
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 4)	**128,858**	148,199
Due to related parties (Note 6)	**173,584**	199,534
	302,442	347,733
Shareholders' Equity		
Share capital (Note 5)	**11,486,903**	11,143,360
Share based payment reserves (Note 5)	**118,957**	-
Contributed surplus	**7,467,213**	7,467,213
Deficit	**(18,843,727)**	(18,769,953)
Total shareholders’ equity	**229,346**	(159,380)
Total Liabilities and Shareholders' Equity	**531,788**	188,353

Nature of operations and going concern (Note 1)
Commitments (Note 9)
Subsequent events (Note 10)

Approved on behalf of the Board of Directors on December 16, 2019:

"Peter Wilson"
Director

"Eugene Hodgson"
Director

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

Maxtech Ventures Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares outstanding - Unaudited)

	For the three months ended	
	October 31, 2019	October 31, 2018
	$	$
Expenses		
Consulting and management fees (Note 6)	**58,500**	175,000
Transfer agent and listing fees	**9,229**	2,045
Office facilities and administration	**8,973**	9,821
Professional fees	**8,072**	-
Gain on debt settlement (Note 5)	**(11,000)**	-
Public relations and advertising	**-**	50,000
Loss and comprehensive loss for the period	**73,774**	236,866
Weighted average number of common shares outstanding		
Basic and diluted	**59,485,840**	54,901,819
Loss per common share		
Basic and diluted	**$ 0.00**	$ 0.00

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

Maxtech Ventures Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars - Unaudited)

	For the three months ended	
	October 31, 2019	October 31, 2018
	$	$
Operating activities		
Net loss for the period	**(73,774)**	(236,866)
Services paid in shares	**-**	175,000
Gain on debt settlement	**(11,000)**	-
Changes in non-cash operating working capital		
Prepaid expenses	**(70)**	-
Accounts payable and accrued liabilities	**25,659**	(29,253)
Due to related parties	**(25,950)**	38,500
Cash used in operating activities	**(85,135)**	(52,619)
Investing activities		
Exploration and evaluation expenditures	**(20,040)**	(63,800)
Cash used in investing activities	**(20,040)**	(63,800)
Financing activities		
Proceeds from private placement, net	**226,500**	-
Cash provided by financing activities	**226,500**	-
Net increase (decrease) in cash	**121,325**	(116,419)
Cash, beginning of period	**-**	135,242
Cash, end of period	**121,325**	18,823

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

Maxtech Ventures Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of outstanding shares - Unaudited)

	Share Capital		Reserves				
	Number	Amount	Options	Warrants	Contributed surplus	Deficit	Total
	#	$	$	$	$	$	$
Balance July 31, 2018	**54,314,862**	**10,723,360**	**2,118,086**	**-**	**5,349,127**	**(17,923,992)**	**266,581**
Shares issued for services and debt settlement (Note 5)	1,500,000	270,000	-	-	-	-	270,000
Net loss	-	-	-	-	-	(236,866)	(236,866)
Balance October 31, 2018	**55,814,862**	**10,993,360**	**2,118,086**	**-**	**5,349,127**	**(18,160,858)**	**299,715**
Shares issued for services and debt settlement (Note 5)	1,000,000	30,000	(2,118,086)	-	2,118,086	-	30,000
Shares issued for property (Note 5)	750,000	120,000	-	-	-	-	120,000
Net loss	-	-	-	-	-	(609,095)	(609,095)
Balance July 31, 2019	**57,564,862**	**11,143,360**	**-**	**-**	**7,467,213**	**(18,769,953)**	**(159,380)**
Private placements (Note 5)	6,030,000	182,543	-	118,957	-	-	301,500
Shares issued for services and debt settlement (Note 5)	500,000	34,000	-	-	-	-	34,000
Shares issued for property (Note 5)	2,000,000	127,000	-	-	-	-	127,000
Net loss	-	-	-	-	-	(73,774)	(73,774)
Balance October 31, 2019	**66,094,862**	**11,486,903**	**-**	**118,957**	**7,467,213**	**(18,843,727)**	**229,346**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Maxtech Ventures Inc. (the "Company" or "Maxtech") was incorporated on April 19, 2000, under the laws of the province of British Columbia, Canada. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "MVT". The Company is in the business of exploration and evaluation of mineral property interests in Zambia and Quebec.

The head office, principal address and records office of the Company are located at 702 - 595 Howe Street, Vancouver, B.C. V6C 2T5.

These unaudited condensed interim consolidated financial statements ("interim financial statements") are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2019, the Company is not able to finance day to day activities through operations and had recurring losses since inception. For the three months ended October 31, 2019, the Company incurred a net loss of $73,774. As of that date, the Company had a deficit of $18,843,727 and negative working capital of $100,260. There is no certainty that additional financing at terms that are acceptable to the Company will be available, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with the proceeds from equity financings.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended July 31, 2019 and 2018 (the "annual consolidated financial statements").

These interim financial statements were approved and authorized for issuance by the Board of Directors of the Company on December 16, 2019.

(b) Basis of presentation and consolidation

These interim financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value, or amortized cost, as applicable. The presentation currency is the Canadian dollar; therefore, all amounts are presented in Canadian dollars unless otherwise noted.

2. BASIS OF PRESENTATION (continued)

These interim financial statements for the three months ended October 31, 2019, include the accounts of the Company and its controlled subsidiaries:

Name	Status	Ownership	Place of incorporation
Maxtech Mining Zambia Ltd.	Active	100%	Zambia
Emerging Minerals Corp. (“Emerging Minerals”)*	Inactive	53%	BC, Canada
Exercised International Ltd (“Eotheme”)*	Inactive	100%	Wyoming, USA

*As at October 31, 2019, these subsidiaries remain inactive.

All intercompany balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

(c) Significant accounting judgements and key sources of estimate uncertainty

The preparation of the interim financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management’s experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Significant judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i. Going-concern

The interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The assessment of the Company’s ability to source future operations and continue as a going concern involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. If the going concern assumption were not appropriate for the interim financial statements, then adjustments to the carrying value of assets and liabilities, the reported expenses and the statement of financial position would be necessary (Note 1).

ii. Functional currency

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

iii. Economic recoverability of future economic benefits of mineral property interests

Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

2. BASIS OF PRESENTATION (continued)

iv. Indications of impairments of assets

Impairment testing is done at the cash generating unit ("CGU") level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

i. Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

ii. Share-based compensation

The Company determines the fair value of stock options granted using the Black Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Changes in these inputs and the underlying assumption used to develop them can materially affect the fair value estimate.

iii. Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and apply those findings to the Company's transactions.

(Expressed in Canadian dollars - Unaudited)

3. EXPLORATION AND EVALUATION ASSETS

	Mato Grosso Brazil	**Bahia Brazil Project**	**Panama Lake Gold Project**	**Zambia Project**	**Lac Patu Vanadium Project**	**Total**
	$	$	$	$	$	$
Balance, July 31, 2018	420,031	4,176	-	10,604	-	434,811
Acquisition	-	-	-	-	165,000	165,000
Administration	10,000	-	-	-	-	10,000
Geologist	8,800	2,500	-	6,962	-	18,262
Write-down	(438,831)	(6,676)	-	-	-	(445,507)
Balance, July 31, 2019	**-**	**-**	**-**	**17,566**	**165,000**	**182,566**
Acquisition	-	-	131,400	-	-	131,400
Geologist	-	-	15,640	-	-	15,640
Balance, October 31, 2019	**-**	**-**	**147,040**	**17,566**	**165,000**	**329,606**

Mato Grosso Brazil Project

During the year ended July 31, 2017, the Company acquired four mineral claims in Brazil. The terms of the acquisition included a payment of US$10,000 and the issuance of 400,000 common shares with a fair value of $80,000. The Company abandoned its interest in the Mato Grosso Brazil Project during the year ended July 31, 2019 and therefore recorded an impairment equal to the carrying value of the asset.

Bahia Brazil Project

On July 20, 2018, two vanadium mineral claims were filed with the Departamento Nacional de Produção Mineral in the state of Bahia, Brazil. The Company abandoned its interest in the Bahia Brazil Project during the year ended July 31, 2019 and therefore recorded an impairment equal to the carrying value of the asset.

Panama Gold Project

On October 22, 2019, the Company entered into an Option agreement with Benton Resources Inc. ("BEX") to acquire the right to acquire a 100% interest in BEX's 100% Panama Gold Project in the Red Lake Mining district, Ontario. The purchase and sale of the Claims is conditional upon the following:

- Acceptance for filing of this agreement on behalf of the Issuer by the Canadian Securities Exchange;
- The issuance of 2,000,000 shares upon signing the agreement (issued October 25, 2019);
- The payment of either $100,000 cash or the equivalent and expenditures by the Issuer of $200,000 on the property by the first anniversary;
- The payment of either $100,000 cash or the equivalent and expenditures by the Issuer of $250,000 on the property by the second anniversary;
- The payment of either $100,000 cash or the equivalent and expenditures by the Issuer of $250,000 on the property by the third anniversary; and

(Expressed in Canadian dollars - Unaudited)

3. EXPLORATION AND EVALUATION ASSETS (continued)

- The payment of either $300,000 cash or the equivalent and expenditures by the Issuer of $300,000 on the property by the fourth anniversary.

Zambia Project

On April 23, 2018, the Company received approval for the formation of its wholly owned subsidiary Maxtech Zambia Mining Ltd. Further on May 8, 2018, the Company filed for two exploration licenses in Zambia through this subsidiary. On August 2, 2018, the Minister of Mines and Mineral Development of Zambia approved the application for these licenses.

Lac Patu Vanadium Project

On August 15, 2019, the Company entered into an option agreement to acquire 100% of the Lac Patu property over a 2-year period. The Lac Patu property consists of mineral claims located in Quebec, Canada.

In order to earn the 100% interest, the Company is required to make cash payments totaling $185,000 and issue 3,250,000 common shares as follows:

- Pay $45,000 (paid) and issue 750,000 common shares (issued with a fair value of $120,000) on signing (issued);
- Pay $60,000 and issue 1,000,000 common shares twelve months after signing; and
- Pay $80,000 and issue 1,500,000 common shares twenty-four months after signing.

The property is subject to a 2% net smelter royalty (“NSR”). The Company may purchase 1% of the NSR for a cash payment of $1,000,000.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2019	July 31, 2019
	$	$
Accounts payable	**116,858**	136,199
Accrued liabilities	**12,000**	12,000
	128,858	148,199

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

During the three months ended October 31, 2019

On October 25, 2019, the Company issued 2,000,000 common shares at a fair value of $0.064 per share totaling $127,000 pursuant to a binding letter of intent with Benton Resources Inc. to acquire 100% of the Panama Gold Project in the Red Lake mining district in Ontario as the first commitment.

5. SHARE CAPITAL (continued)

On September 20, 2019 and October 21, 2019, the Company closed the first and second tranches, respectively, of a non-brokered private placement comprising a total of 6,030,000 units of the Company at a price of $0.05 per unit for aggregate gross proceeds of $301,500. $75,000 of the gross proceeds was still receivable as at October 31, 2019. Each unit in the private placement comprises one common share of the Company and one common share purchase warrant (each a “warrant”). Each warrant entitles the holder to acquire an additional common share at a price of $0.10 per share for a period of one year from the closing date and is subject to an acceleration clause that is triggered should the Company’s shares trade on a recognized exchange at more than $0.20 for a 10-day period, which can include days where no shares trade.

On September 16, 2019, the Company issued 500,000 shares at a deemed value of $0.09 per share to settle a debt of $45,000 for services performed by a consultant. The fair value of the shares was $0.068 on the date of the share issuance and therefore the Company recognized a gain on debt settlement of $11,000.

Year ended July 31, 2019

On July 16, 2019, the Company issued 1,000,000 shares valued at a fair value of $0.03 per share totaling $30,000 as partial payment for work performed by a consultant, which was included as an expense under consulting and management fees.

On November 20, 2018, the Company issued 750,000 shares at a fair value of $0.16 per share totaling $120,000 as deposits on the purchase of 100% rights, title and interest in mineral claims in Quebec, which was included as an addition to the exploration and evaluation assets for the Lac Patu Vanadium Project.

On October 2, 2018, the Company issued 800,000 shares at a fair value of $0.25 per share totaling $200,000 to settle debt for work performed by a consultant in the prior fiscal year, which was originally included as an expense under consulting and management fees in the year ended July 31, 2018.

On September 17, 2018, the Company issued 700,000 shares at a deemed value of $0.25 per share totaling $175,000 for work performed by a consultant, which was included as an expense under consulting and management fees. The fair value of the shares was $0.10 on the date of the share issuance, so the Company recognized a gain on debt settlement of $105,000.

(c) Stock options

The Company has adopted an incentive stock option plan (the “Plan”). The essential elements of the Plan provide that the aggregate number of shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 20% of the outstanding shares. Options granted under the Plan may have a maximum term of 5 years. The exercise price of options granted under the Plan will not be less than the closing price of the Company’s shares on the CSE on the trading day immediately before the date of grant, less the discount permitted. The options vest at the discretion of the Board of Directors.

On July 11, 2018, the Company issued 600,000 share purchase options to a capital raising consulting firm of the Company. These options entitle the holder to purchase 300,000 shares for $0.30 per share for two years from the date of grant, and 300,000 shares for a $0.50 per share for two years from date of grant. These options granted had a fair value of $60,000 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.30 and $0.50; ii) share price: $0.22; iii) term: 2 years; iv) volatility: 115%; v) discount rate: 2.08%.

(Expressed in Canadian dollars - Unaudited)

5. SHARE CAPITAL (continued)

On November 8, 2017, the Company issued 3,000,000 share purchase options to officers and directors of the Company. These options entitle the holder to purchase one share for $0.30 for five years from the date of grant. These options granted had a fair value of $1,050,000 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.30; ii) share price: $0.385; iii) term: 5 years; iv) volatility: 148%; v) discount rate: 1.62%.

During the year ended July 2019, all remaining options were cancelled or forfeited. There were no changes in the three months ended October 31, 2019.

(d) Share purchase warrants

Following is a continuity schedule for the Company's warrants, for the three months ended October 31, 2019 and year ended July 31, 2019:

	Warrants outstanding and exercisable	Weighted average exercise price
	#	$
Outstanding - July 31, 2018	4,806,512	0.38
Expired	(1,500,000)	0.30
Outstanding – July 31, 2019	3,306,512	0.42
Issued	6,030,000	0.10
Outstanding – October 31, 2019	**9,336,512**	**0.21**

The Company has the following share purchase warrants outstanding as at October 31, 2019:

Expiry date	Exercise price $	Warrants outstanding and exercisable #	Weighted average exercise price $	Weighted average remaining contractual life (years)
September 22, 2020 [1]	0.30	600,000	0.30	0.9
March 9, 2020	0.45	2,706,512	0.45	0.4
September 20, 2020 [2]	0.10	3,030,000	0.10	0.9
October 21, 2020 [2]	0.10	3,000,000	0.10	1.0
		9,336,512	0.21	0.8

1. On September 22, 2019, the Company extended the life of 600,000 of the $0.30 warrants from September 22, 2019 to September 22, 2020.

2. The 6,030,000 warrants issued during the three months ended October 31, 2019, had a total fair value of $118,957 using the Black Scholes option pricing model with the following inputs: i) exercise price: $0.10; ii) share price: $0.05; iii) term: 1 year; iv) volatility: 100%; v) discount rate: 1.59 to 1.68.

(Expressed in Canadian dollars - Unaudited)

5. SHARE CAPITAL (continued)

(e) Reserves and contributed surplus

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Contributed surplus records items that had been recognized as stock-based compensation expense and other share-based payments after those items have expired, been forfeited or have been cancelled

6. RELATED PARTY TRANSACTIONS

Transactions with key management and directors

During the three months ended October 31, 2019, the Company accrued $22,500 in management fees to the CEO or a company which the CEO is a partner of (three months ended October 31, 2018 - $Nil) for management fees as well as reimbursement for consulting services, travel, administration, property exploration costs and subcontractors). As at October 31, 2019, $173,584 (July 31, 2019 - $38,500) is included in due to related parties for amounts due to the CEO or a company which the CEO is a partner of including $113,084 (July 31, 2019 - $109,534) in loans and cash advances to the Company, and $60,500 (July 31, 2019 - $90,000) in management fees.

7. FINANCIAL INSTRUMENTS

(a) Classification and measurement changes

The Company has assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS 39)	**New (IFRS 9)**
Financial assets:		
Cash and cash equivalents	Loans and receivables	Amortized Cost
Financial liabilities:		
Accounts payables and accrued liabilities	Other financial liabilities	Amortized Cost
Due to related parties	Other financial liabilities	Amortized Cost

(b) Fair value of financial instruments

As at October 31, 2019 and July 31, 2019, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, and due to related parties.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

7. FINANCIAL INSTRUMENTS (continued)

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The Company's cash and cash equivalents are classified as Level 1, whereas accounts payable and accrued liabilities, and due to related parties are classified as Level 2. As at October 31, 2019, the Company believes that the carrying values of cash, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

(c) Financial instruments risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

(i) Credit risk:

Credit risk exposure arises with respect to the Company's cash. The risk exposure is limited because the Company places its cash in a major Canadian bank.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to settle obligations and liabilities when they become due. As at October 31, 2019, the Company had cash of $121,325 (July 31, 2019 – $nil) and a negative working capital of $100,260 (July 31, 2019 - $341,946), with total liabilities of $302,442 (July 31, 2019 - $347,733).

(iii) Market risk:

a. 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. A change of 100 basis points in interest rates would not be material to the financial statements.
b. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in the foreign exchange rates. Assuming all other variables are held constant with an increase or a decrease of 10% of the US dollar against the Canadian dollar, the net loss of the Company and the equity for the three months ended October 31, 2019 would not have changed as it had no US dollar denominated assets or liabilities.
c. The Company had no hedging agreements in place with respect to foreign exchange rates.

(Expressed in Canadian dollars - Unaudited)

8. 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 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, issue debt instruments or return capital to its shareholders. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. There were no changes in the Company's approach to capital management during the three months ended October 31, 2019. The Company is not subject to any external capital requirements.

9. COMMITMENTS

The Company has the following operating lease commitment, which expires in 2020:

	As at October 31, 2019
	$
2020	16,240
Total	**16,240**

10. SUBSEQUENT EVENTS

During November 2019, the Company received $25,000 of the $75,000 share subscription receivable.