Fire River Gold Corp.
Financial Statements
October 31, 2020
(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fire River Gold Corp.:

Opinion

We have audited the financial statements of Fire River Gold Corp. (the “Company”), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of comprehensive loss, cash flows, and changes in shareholders’ deficit for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

March 1, 2021

MOORE

An independent firm
associated with Moore
Global Network Limited

Fire River Gold Corp.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note		**As at October 31, 2020**		As at October 31, 2019
ASSETS					
Current assets					
Cash		**$**	**2,115**	$	84,689
Total Assets		**$**	**2,115**	$	84,689
LIABILITIES AND SHAREHOLDERS' DEFICIT					
Current liabilities					
Trade and other payables	4,12	**$**	**750,078**	$	725,342
Loans payable	5		**402,368**		348,835
Total Liabilities			**1,152,446**		1,074,177
Shareholders' Deficit					
Common shares	6		**39,172,995**		39,172,995
Reserves	6		**18,029,569**		18,029,569
Deficit			**(58,352,895)**		(58,192,052)
Total Shareholders' Deficit			**(1,150,331)**		(989,488)
Total Liabilities and Shareholders' Deficit		**$**	**2,115**	$	84,689

Going Concern (Note 1)

Approved by:

"David Bentil" — Director

"Quinn Field-Dyte" — Director

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

Fire River Gold Corp.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note		Years ended October 31, 2020		2019
Administration expenses	7	**$**	**(160,671)**	$	(193,937)
Other item:					
Foreign exchange gain (loss)			**(172)**		633
Net loss for the year		**$**	**(160,843)**	$	(193,304)
Loss per share					
Basic and diluted	9	**$**	**(0.051)**	$	(0.061)

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

Fire River Gold Corp.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended October 31, 2020	2019
OPERATING ACTIVITIES		
Net loss for the year	**$ (160,843)**	$ (193,304)
Non-cash items:		
Foreign exchange (gain) loss	**172**	(633)
Accrued interest	**33,533**	32,808
Operating cash flows before movements in working capital:		
Change in trade and other payables	**24,564**	(54,808)
Cash used in operating activities	**(102,574)**	(215,937)
FINANCING ACTIVITY		
Loan payable	**20,000**	-
Cash provided by financing activity	**20,000**	-
Change in cash	**(82,574)**	(215,937)
Cash, beginning of year	**84,689**	300,626
Cash, end of year	**$ 2,115**	$ 84,689

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

Fire River Gold Corp.

Statements of Changes in Shareholders' Deficit

(Expressed in Canadian dollars)

	Number of shares		Common shares		Stock option reserve		Warrant reserve		Deficit		Total
Balances at October 31, 2018	3,161,570	$	39,172,995	$	3,473,677	$	14,555,892	$	(57,998,748)	$	(796,184)
Net and comprehensive loss for the year	-		-		-		-		(193,304)		(193,304)
Balances at October 31, 2019	3,161,570		39,172,995		3,473,677		14,555,892		(58,192,052)		(989,488)
Net and comprehensive loss for the year	-		-		-		-		(160,843)		(160,843)
Balances at October 31, 2020	**3,161,570**	**$**	**39,172,995**	**$**	**3,473,677**	**$**	**14,555,892**	**$**	**(58,352,895)**	**$**	**(1,150,331)**

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

1 CORPORATE INFORMATION

Fire River Gold Corp. (the "Company") was incorporated on September 22, 1997 under the laws of the Province of British Columbia and is a mineral exploration company focused on the acquisition, exploration and development of gold, silver and base metal properties. The Company's shares are listed on the NEX Board of the TSX Venture Exchange ("Exchange"). Its head office is located at 400 – 837 West Hastings Street, Vancouver, British Columbia, V6C 3N6.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future, will be able to realize its assets, discharge its liabilities and commitments in the normal course of business. As of October 31, 2020, the Company had no mining or exploration projects. The Company will require capital to fund operations. The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments could be necessary in the carrying value and classification of assets and liabilities. Such adjustments could be material.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipate this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

2 BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (Note 11) and are presented in Canadian dollars except where otherwise indicated.

These financial statements were approved by the board of directors on March 1, 2021.

2 BASIS OF PREPARATION (Continued)

2.2 Statement of compliance

The financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of International Financial Reporting Interpretations Committee ("IFRIC").

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3.2 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the 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 to the stock option reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and 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 will eventually vest.

3.3 Taxation

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.4 Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value or 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 the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	**IFRS 9 classification**
Cash	FVTPL
Trade and other payables	Amortized cost
Loans payable	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of income (loss) in the period in which they arise.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (continued)

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's credit risk 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 income (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.

Derecognition

Financial assets

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. Gains and losses on derecognition are generally recognized in the statements of income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of income (loss).

3.5 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for any indicators of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written-down to its recoverable amount. Impairment losses are recognized in profit or loss.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Impairment of non-financial assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.6 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.7 Exploration and evaluation properties

Exploration and evaluation costs and option maintenance payments are expensed as incurred. When it has been determined that a resource property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are depreciated using the unit-of-production depreciation method over the estimated life of the ore body based on proven and probable reserves.

3.8 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

(Expressed in Canadian dollars)

The Company does not have any decommissioning or restoration obligations.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

3.10 Leases

The Company adopted IFRS 16 which replaced IAS 17 "*Leases*" and related interpretations, using the modified retrospective method which does not require restatement of prior period financial information. The new standard introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The assessment is reviewed if a significant event of a significant changes in circumstance occurs which affects this assessment. The Company did not have any operating leases in place as at October 31, 2020, as such, there was no impact on adoption of the standard.

3.11 New accounting pronouncements not yet effective

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

4 TRADE AND OTHER PAYABLES

The Company's trade and other payables are as follows:

		As at October 31, 2020		As at October 31, 2019
Trade payables (Note 12)	**$**	**681,946**	$	658,502
Accrued liabilities		**68,132**		66,840
Total trade and other payables	**$**	**750,078**	$	725,342

Included in trade and other payables are amounts due to related parties which are disclosed in Note 12.

5 LOANS PAYABLE

During the year ended October 31, 2019, the Company owed $300,000 (2018: $300,000) to non-related parties. The promissory notes bear interest at the rate of 10% per annum and compounding annually (Note 7). The promissory notes were due and payable on or before April 19, 2019. As at October 31, 2020, the balance outstanding including accrued interest of $382,310 (2019: $348,835) is in default.

5 LOANS PAYABLE (Continued)

During the year ended October 31, 2020, the Company received loan of $20,000 from a non-related party. The loan bears interest at the rate of 7% per annum (Note 7) and due and payable on or before October 16, 2021. As at October 31, 2020, the balance outstanding including accrued interest is $20,058.

6 SHARE CAPITAL

6.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value. At October 31, 2020, the Company had 3,161,570 common shares outstanding (2019: 3,161,570).

6.2 Share issuances

No shares were issued during the years ended October 31, 2020 and 2019.

6.3 Share purchase warrants

There were no share purchase warrants issued and outstanding during the years ended October 31, 2020 and 2019.

6.4 Stock options

The Company established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 102,442 shares at any time. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the Exchange on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

There were no stock options issued and outstanding during the years ended October 31, 2020 and 2019.

6.5 Reserves

Stock option reserve
The stock option reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant reserve
The warrant reserve records the fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars)

7 ADMINISTRATION EXPENSES

The administration expenses for the Company are broken down as follows:

		Years ended October 31, 2020		2019
Accounting and legal	**$**	**16,092**	$	11,043
Consulting (Note 12)		**77,700**		103,950
Filing fees		**19,403**		11,464
Interest expense (Note 5)		**33,533**		32,808
Bank charges		**37**		297
Office expenses		**13,906**		33,743
Travel		**-**		632
Total administration expenses	**$**	**160,671**	$	193,937

8 TAXES

8.1 Provision for income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		Years ended October 31, 2020		2019
Net loss for the year	**$**	**(160,843)**	$	(193,304)
Statutory tax rate		**27%**		27%
Expected income recovery		**(43,428)**		(52,192)
Non-deductible items		**-**		3,480
Effect of change in tax rate		**-**		(368,949)
True up to prior year tax balances		**455,936**		-
Change in unrecognizable deductible temporary differences		**(412,508)**		417,661
Total income tax recovery	**$**	**-**	$	-

8.2 Temporary tax differences and expiry dates

Significant compounds of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statements of financial position are as follows:

		Years ended October 31, 2020		2019
Property and equipment	**$**	**-**	$	108,000
Allowance capital losses	**$**	**20,770,000**	$	20,770,000
Non-capital losses available for future periods	**$**	**14,779,000**	$	16,197,000

(Expressed in Canadian dollars)

8 TAXES (Continued)

8.2 Temporary tax differences and expiry dates (continued)

The tax pools relating to these deductible temporary differences expire as follows:

		Canadian non-capital losses		Allowable capital losses
2027	$	4,000	$	-
2028		81,000		-
2029		928,000		-
2030		1,911,000		-
2031		2,222,000		-
2032		4,005,000		-
2033		3,485,000		-
2034		1,073,000		-
2035		82,000		-
2036		218,000		-
2037		206,000		-
2038		223,000		-
2039		180,000		-
2040		161,000		-
No expiry		-		20,770,000
	$	14,779,000	$	20,770,000

9 LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

		Years ended October 31, 2020		2019
Net loss for the year	**$**	**(160,843)**	$	(193,304)
Weighted average number of shares - basic and diluted		**3,161,570**		3,161,570
Loss per share, basic and diluted	**$**	**(0.051)**	$	(0.061)

10 CAPITAL MANAGEMENT

The Company’s objectives are to safeguard its ability to continue as a going concern in order to support its normal operating requirements. The Company is dependent on external financing to fund its activities. In order to pay for general administration costs, the Company will issue shares or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available. As at October 31, 2020, the Company’s capital structure consists of the equity of the Company (Note 6). The Company is not subject to any externally imposed capital requirements. There were no changes in the Company’s approach to capital management.

(Expressed in Canadian dollars)

11 FINANCIAL INSTRUMENTS

11.1 Categories of financial instruments

		As at October 31, 2020		As at October 31, 2019
FINANCIAL ASSETS				
Amortized cost				
Cash	**$**	**2,115**	$	84,689
Total financial assets	**$**	**2,115**	$	84,689
FINANCIAL LIABILITIES				
Amortized cost				
Trade payables	**$**	**681,946**	$	658,502
Loans payable		**402,368**		348,835
Total financial liabilities	**$**	**1,084,314**	$	1,007,337

11.2 Fair value

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

There were no transfers between Level 1 and 2 during the years ended October 31, 2020 and 2019. Cash is measured using Level 1 inputs.

11.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balance at the bank. The majority of the Company's cash is held in Canadian based banking institutions, authorized under the Bank

(Expressed in Canadian dollars)

11 FINANCIAL INSTRUMENTS (Continued)

11.3 Management of financial risks (continued)

Credit risk (continued)

Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. As such, management determines credit risk to be low.

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 manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Liquidity risk is assessed as high.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate of the loans payable is fixed. Therefore, the Company's exposure to interest rate risk is minimal.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to currency risk.

12 RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management for the years ended October 31, 2020 and 2019 are as follows:

	Years ended October 31,	
	2020	**2019**
Consulting fees (Note 7)	**$ 77,700**	$ 63,000

Included in trade and other payables is $136,500 (2019: $126,000) owing to companies controlled by an officer and director of the Company that resigned subsequent to the year ended October 31, 2020 (Note 4). The amounts payable to related parties are non-interest bearing, unsecured and with no fixed terms of repayment.