Four Nines Gold Inc.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company for the nine months ended October 31, 2019 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

Four Nines Gold Inc.
Condensed Interim Statements of Financial Position
As at October 31, 2019 and January 31, 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	October 31, 2019	January 31, 2019
ASSETS		
Current assets		
Cash	$ 739,447	$ 783,524
GST receivable	9,598	31,308
Total assets	$ 749,045	$ 814,832
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5, 6 and 10)	$ 87,710	$ 115,195
Convertible debentures (Note 6)	374,229	350,856
	461,939	466,051
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	1,139,486	1,134,486
Equity component of convertible debentures (Note 6)	31,250	31,250
Contributed surplus (Note 7)	18,800	18,800
Deficit	(902,430)	(835,755)
Total shareholders' equity	287,106	348,781
Total liabilities and shareholders' equity	$ 749,045	$ 814,832

Nature and continuance of operations – Note 1
Going concern of operations – Note 2

APPROVED ON BEHALF OF THE BOARD:

"Charles Ross" Director   *"Geoff Balderson"* Director

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

Four Nines Gold Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
For the three and nine months ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended October 31, 2019	For the three months ended October 31, 2018	For the nine months ended October 31, 2019	For the nine months ended October 31, 2018
Expenses				
Bank charges	$ 212	$ 18	$ 273	$ 80
Consulting fees	7,500	19,048	25,500	19,048
Exploration expenses (Note 10)	203	-	2,813	-
Filing fees and transfer agent	2,545	8,397	11,030	16,236
Interest and accretion (Note 6)	17,329	-	51,421	-
Management fees (Note 10)	-	22,500	-	52,500
Office and general	-	2,990	88	5,373
Professional fees (Note 10)	3,484	23,602	6,109	36,252
Travel and promotion	-	582	-	1,967
	31,273	77,137	97,234	131,456
Loss before other items:	(31,273)	(77,137)	(97,234)	(131,456)
Other items:				
Interest income	559	-	559	-
Recovery of asset retirement obligation (Note 5)	30,000	-	30,000	-
	30,559	-	30,559	-
Loss and comprehensive loss for the period	$ (714)	$ (77,137)	$ (66,675)	$ (131,456)
Basic and diluted loss per common share	$ (0.00)	$ (0.03)	$ (0.01)	$ (0.05)
Weighted average number of common shares outstanding	7,580,900	2,530,900	7,564,325	2,530,900

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

Four Nines Gold Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
For the nine months ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Number of Shares*	Share Capital	Equity Component on Convertible Debenture	Share Subscriptions Receivable	Contributed Surplus	Deficit	Total
Balance, January 31, 2018	2,530,900	$ 759,486	$ -	$ -	$ 18,800	$ (170,400)	$ 607,886
Share subscriptions	-	-	-	681,250	-	-	681,250
Loss and comprehensive loss for the period	-	-	-	-	-	(131,456)	(131,456)
Balance, October 31, 2018	2,530,900	759,486	-	681,250	18,800	(301,856)	1,157,680
Share subscriptions	-	-	-	68,750	-	-	68,750
Cash							
Private placement (Note 7)	5,000,000	375,000	-	(375,000)	-	-	-
Convertible debenture (Note 6)	-	-	31,250	(375,000)	-	-	(343,750)
Loss and comprehensive loss for the period	-	-	-	-	-	(533,899)	(533,899)
Balance, January 31, 2019	7,530,900	1,134,486	31,250	-	18,800	(835,755)	348,781
Cash							
Exercise of warrants	50,000	5,000	-	-	-	-	5,000
Loss and comprehensive loss for the period	-	-	-	-	-	(66,675)	(66,675)
Balance, October 31, 2019	7,580,900	$ 1,139,486	$ 31,250	$ -	$ 18,800	$ (902,430)	$ 287,106

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

Four Nines Gold Inc.
Condensed Interim Statements of Cash Flows
For the nine months ended October 31, 2019 and 2018
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the nine months ended October 31, 2019	2018
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the period	$ (66,675)	$ (131,456)
Items not affecting cash		
Interest and accretion	51,421	-
Change in non-cash working capital items:		
GST receivable	21,710	(6,418)
Accounts payable and accrued liabilities	(55,533)	63,265
Net cash used in operating activities	(49,077)	(74,609)
INVESTING ACTIVITIES		
Acquisition of resource property	-	(30,000)
Deferred exploration and evaluation costs	-	(12,365)
Net cash used in investing activities	-	(12,365)
FINANCING ACTIVITIES		
Share subscriptions	-	681,250
Shares issued for cash	5,000	-
Net cash provided by financing activities	5,000	681,250
Change in cash for the period	(44,077)	564,276
Cash, beginning of period	783,524	228,458
Cash, end of period	$ 739,447	$ 792,734
Cash paid for interest during the period	$ -	$ -
Cash paid for income taxes during the period	$ -	$ -

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

1 Nature and continuance of operations

The Company was incorporated on March 19, 2015 in British Columbia. The head office, principal address and records office of the Company are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

The Company has listed on the Canadian Securities Exchange ("Exchange") by completing an initial public offering ("IPO"). On August 24, 2017, the Company announced it had completed its initial public offering of 7,500,000 units (post-consolidation 1,500,000) (the “Units”), each Unit compromising one common share of the Company and one-half common share purchase warrant (each whole warrant, a “Warrant”) of the Company, at a price of $0.10 (post consolidation $0.50) per Unit for gross proceeds of $750,000 (the “Offering”) with each Warrant exercisable into one share for a period of 24 months following the closing of the Offering at a price of $0.20 (post-consolidation $1.00) in the first year and $0.30 (post-consolidation $1.50) in the second year. The Company commenced trading on the CSE on August 31, 2017 under the symbol “FNAU”.

On October 23, 2018, the Company completed a share consolidation of the basis of one post-consolidation common share for every five pre-consolidation common shares. There was no name change or symbol change. The Company did obtain a new CUSIP number (securities identification number). There was a total of 12,654,500 pre-consolidation common shares issued and outstanding. Upon completion of the consolidation, there was 2,530,900 post-consolidation common shares issued and outstanding. All share capital numbers in these financial statements reflect post-consolidated common shares.

2 Basis of preparation

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Board of Directors on December 19, 2019.

Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars, which is the functionally currency of the Company, unless otherwise specified. All amounts are rounded to the nearest dollar.

2 Basis of preparation – (cont'd)

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At October 31, 2019, the Company has not yet achieved profitable operations, has accumulated losses of $902,430 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

3 Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at January 31, 2019. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended January 31, 2019.

The following standards will be adopted effective February 1, 2019:

IFRS 16 Leases

IFRS 16 *Leases* replaced IAS 17, Lease effective for annual periods commencing on or after January 1, 2019. The new model requires the recognition of lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

The Company has determined that the adoption of IFRS 16 has had no impact on its financial statements.

4 Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4 Critical Accounting Estimates and Judgments – (cont'd)

Judgments:

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 2.

Estimates:

Asset Retirement Obligation

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions based on the current economic environment have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. Included in accounts payable and accrued liabilities January 31, 2019 is $80,000 in reclamation work on the Mariposa property (Note 5). During the nine months ended October 31, 2019, the Company paid the Optionor $50,000 in reclamation payment to complete the property reclamation work on the property. As at October 31, 2019, the Company has no further obligation on the property and recorded a recovery of reclamation cost of $30,000 to the statement of operations.

Valuation of Convertible Debt

The Company's convertible loans are valued using the present value of future cash flows. This method is based on underlying factors such as the current interest rate and the Company's ability to make all interest payments on a timely basis. Changes in the inputs to the calculation could impact the carrying value of the convertible debentures and amount of accretion included in profit or loss.

(Expressed in Canadian Dollars)

5 Exploration and Evaluation Assets

	October 31, 2019	January 31, 2019
Acquisition costs:		
Balance, beginning of the period	$ -	$ 60,000
Additions	-	-
Balance, end of the period	-	60,000
Exploration costs:		
Balance, beginning of the period	-	332,032
Additions	-	12,365
Reclamation cost	-	80,000
Balance, end of the period	-	424,397
Total exploration and evaluation asset	-	484,397
Impairment on mineral property	-	(484,397)
Total expenditures on mineral properties	$ -	$ -

Mariposa

On September 12, 2016, the Company entered into an option agreement to purchase an aggregate of 70% interest in the Mariposa Property comprised of 1311 mineral claims in the White Gold region located in the Dawson Mining District, Yukon. The agreement has been amended on February 7, 2017, May 19, 2017, July 31, 2017 and January 1, 2018. The terms of the agreement are as follows:

First option to earn 51%:

Pay the optionor an aggregate of $200,000 as follows:
(1) the payment of $10,000 (paid) on signing;
(2) the payment of $10,000 (paid) on or before December 31, 2016;
(3) the payment of $nil on or before December 31, 2017;
(4) the payment of $30,000 on or before December 31, 2018;
(5) the payment of $50,000 on or before December 31, 2019; and
(6) the payment of $80,000 on or before December 31, 2020;

Incur expenditures in the aggregate amount of not less than $2,500,000 as follows
(1) in the amount of $50,000 (completed) on or before December 31, 2016;
(2) in the amount of $250,000 (completed) on or before December 31, 2017;
(3) in the amount of $200,000 on or before December 31, 2018;
(4) in the amount of $500,000 on or before December 31, 2019; and
(5) in the amount of $1,500,000 on or before December 31, 2020;

5 Exploration and Evaluation Assets – (cont'd)

Mariposa – (cont'd)

Issue an aggregate of 240,000 common shares and 30,000 warrants as follows:
(1) 20,000 common shares and 20,000 warrants within 5 business days of listing of the Company's stock on the CSE at prices as set out in the IPO (issued);
(2) 40,000 common shares and 10,000 warrants on or before December 31, 2017 at prices as set out in the IPO (issued);
(3) 60,000 common shares on or before December 31, 2018;
(4) 60,000 common shares on or before December 31, 2019; and
(5) 60,000 common shares on or before December 31, 2020.

Second option to earn an additional 19%:

Pay the optionor an aggregate of $200,000 as follows:
(1) the payment of $100,000 on or before December 31, 2021; and
(2) the payment of $200,000 on or before December 31, 2022;

Incur expenditures in the aggregate amount of not less than $2,500,000 as follows
(1) in the amount of $1,250,000 on or before December 31, 2021; and
(2) in the amount of $1,250,000 on or before December 31, 2022;

Issue an aggregate of 100,000 common shares as follows:
(1) 50,000 common shares on or before December 31, 2021; and
(2) 50,000 common shares on or before December 31, 2022.

The Vendor will retain a 2% gross royalty of which 1% of the royalty can be purchased for $1,000,000.

On March 8, 2019, the Company received a notice of default in accordance with the terms of the agreement. On termination, the Company became liable for reclamation work on the Mariposa property, which must be completed to the satisfaction of the Mines Inspector. The Company have accordingly included a provision in the amount of $80,000 in accounts payable and accrued liabilities at January 31, 2019, which is management's best estimate of the cost of the reclamation work. During the year ended January 31, 2019, the Company have recorded an impairment of $484,397 to the property.

During the nine months ended October 31, 2019, the Company paid the Optionor $50,000 in reclamation payment to complete the property reclamation work on the property. As at October 31, 2019, the Company has no further obligation on the property and recorded a recovery of reclamation cost of $30,000 to the statement of operations.

(Expressed in Canadian Dollars)

6 Convertible Debentures

	Liability component	Equity component	Total
Balance, January 31, 2018	$ -	$ -	$ -
Principal	343,750	31,250	375,000
Accretion	7,106	-	7,106
Balance, January 31, 2019	$ 350,856	$ 31,250	$ 382,106
Accretion	23,373	-	23,373
Balance, October 31, 2019	$ 374,229	$ 31,250	$ 405,479

On November 9, 2018 the Company closed a non-brokered private placement financing (the "Debenture Financing") of secured convertible debentures (each, a "Debenture") for gross proceeds of $375,000. The Debenture has a maturity date of one year from the date of issuance (the "Maturity Date") and the principal amount of the Debenture, together with any accrued and unpaid interest, will be payable on the Maturity Date, unless earlier converted in accordance with its terms. The Debentures bear interest (the "Interest") at the rate of 10% per annum, which Interest will be payable on maturity, unless earlier converted; and the principal amount of the Debenture, together with all accrued and unpaid interest thereon, is convertible into units of the Company at the option of the holder (each, a "Debenture Unit") at a conversion price of $0.10 per Debenture Unit, with each Debenture Unit comprised of one common share of the Company (each, a "Debenture Share") and one transferable share purchase warrant (each, a "Debenture Warrant"), with each Debenture Warrant exercisable into one additional Debenture Share (each, a "Debenture Warrant Share") at an exercise price of $0.10 per Debenture Warrant Share for a period of five (5) years from the date of conversion.

Repayment by the Company of amounts owing under the Debentures are secured by a charge over all of the assets of the Company. All subscribers to the Debenture Financing entered into an agency and inter-lender agreement with the Company and a designated subscriber to the Debenture Financing (the "Agent"), pursuant to which the subscribers appointed the Agent to act on their behalf as to certain matters relating to the Debentures, including with respect to enforcement of the security interest.

For accounting purposes, the Debentures are separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash for the convertible debentures assuming a 20% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component. The debt component will be accreted systematically to its face value over the term of the note by the recording of additional interest. During the nine months ended October 31, 2019, the Company recorded $51,421 in interest and accretion cost of which $28,048 relates to interest charges. At October 31, 2019 accounts payable and accrued liabilities includes $36,575 (January 31, 2019 - $8,527) in interest with respect to these Debentures.

(Expressed in Canadian Dollars)

7 Share Capital

a) Authorized

Unlimited Class A common shares, without par value.
Unlimited Class B common shares, without par value.

b) Issued

7,530,900 Class A common shares.

During the nine months ended October 31, 2019:

On April 1, 2019, the Company issued 50,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.10 for total proceeds of $5,000.

During the year ended January 31, 2019:

On October 23, 2018, completed a share consolidation on the basis of one post-consolidation common share for every five pre-consolidation common shares. There was no name change or symbol change. The Company did obtain a new CUSIP number (securities identification number). There was a total of 12,654,500 pre-consolidation common shares issued and outstanding. Upon completion of the consolidation, there were 2,530,900 post-consolidation common shares issued and outstanding.

On November 9, 2018 the Company closed a non-brokered private placement of 5,000,000 units (each, a "Unit") at a price per Unit of $0.075 for gross proceeds of $375,000. Each Unit is comprised of one common share and one transferable common share purchase warrant exercisable into one common share of the Company at a price of $0.10 per share expiring on November 9, 2023.

c) Share purchase warrants

Details of share purchase warrants activities for the nine months ended October 31, 2019 and for the year ended January 31, 2019 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2018	750,000	$1.50
Issued	5,000,000	$0.10
Balance, January 31, 2019	5,750,000	$0.28
Expired	(750,000)	$1.50
Exercised	(50,000)	$0.10
Balance, October 31, 2019	4,950,000	$0.10

The weighted average remaining life of the 4,950,000 share purchase warrants is 4.03 years.

(Expressed in Canadian Dollars)

7 Share Capital – (cont'd)

c) Share purchase warrants (cont'd)

As at October 31, 2019, the Company had 4,950,000 share purchase warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date
4,950,000	$0.10	November 9, 2023
4,950,000		

d) Compensation warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, January 31, 2018 and 2019	135,000	$1.50
Expired	(125,000)	$1.50
Balance, October 31, 2019	10,000	$1.50

The weighted average remaining life of the 10,000 compensation warrants is 0.17 years.

As at October 31, 2019, the Company had 10,000 compensation warrants outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date
10,000	$1.50	December 31, 2019
10,000		

e) Contributed Surplus

The Company's equity reserve is comprised of fair value of agent's warrants or compensation warrants.

(Expressed in Canadian Dollars)

8 Financial Instruments

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

	Level 1	Level 2	Total
October 31, 2019			
Cash	$ 739,447	$ -	$ 739,447
Convertible debenture	-	374,229	374,229
	739,447	374,229	1,113,676
January 31, 2019			
Cash	783,524	-	783,524
Convertible debenture	-	350,856	350,856
	$ 783,524	$ 350,856	$ 1,134,380

Cash is measured using level 1 fair value inputs. As at October 31, 2019, the Company believes the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The initial fair value of the liability component of the Company's convertible debenture, with a carrying amount of $374,229 at October 31, 2019 (January 31, 2019 – $350,856) was measured using Level 2 inputs to be $343,750. The fair value of the liability component of the convertible debenture was estimated using the discounted cash flows technique. The valuation model considers the present value of expected payments, discounted using a discount rate that approximates the market rate for the Company's loans and borrowings. The estimated fair value would increase (decrease) if the market rate were lower (higher).

8 Financial Instruments – (cont'd)

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with major financial institutions. As at October 31, 2019 the Company had $Nil (January 31, 2019 – $738,230) held in trust with its legal counsel.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk the Company will realize such as a loss is limited because the convertible debentures bear interest at a fixed rate.

Liquidity risk

All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash and cash equivalents, accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2019, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(Expressed in Canadian Dollars)

9 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

10 Related Party Transactions

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management personnel compensation

The Company considers its President, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and the directors of the Company to be key management.

		For the nine months ended October 31,	
	Relationship	**2019**	**2018**
Consulting fees			
Harmony Corporate Services Ltd.	Company controlled by Geoff Balderson, Director and CFO	$ 25,000	$ -
Exploration expenses			
Jim Mustard	Director and Former CEO	1,960	-
Management fees			
Jim Mustard	Director and Former CEO	-	52,500
Professional fees			
Casey Forward	Former CFO/Director	-	22,500
		$ 26,960	$ 75,000

Included in accounts payable and accrued liabilities at October 31, 2019, is $33,646 (January 31, 2019: $5,250) owed to a director of the Company and to a company controlled by the CFO for unpaid fees. The amount is unsecured, non-interest bearing with no specific terms of repayment.