

**AJN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

For the three and nine months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim financial statements of AJN Resources Inc. (the “Company”) for the three and nine months ended April 30, 2021, 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 Company’s management.

No independent auditor has performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

June 22, 2021

AJN RESOURCES INC.**Condensed Interim Consolidated Statements of Financial Position****As at April 30, 2021 and July 31, 2020**

(Unaudited - Expressed in Canadian dollars)

	Note	April 30, 2021	July 31, 2020
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		1,779,709	2,384,496
Receivables		7,237	34,268
Prepaid expenses and deposits	4	8,143	118,634
		1,795,089	2,537,398
Reclamation bond	5	19,142	19,142
Equipment	6	30,098	38,872
Exploration and evaluation assets	5	141,133	141,133
Total assets		1,985,462	2,736,545
LIABILITIES			
Current			
Accounts payable	7	28,472	98,221
Accrued interest payable	8	1,118	8,185
		29,590	106,406
Convertible debenture	8	1,044,993	974,990
Total liabilities		1,074,583	1,081,396
SHAREHOLDERS' EQUITY			
Share capital	9	3,895,831	3,826,947
Reserves		1,008,575	1,037,459
Accumulated other comprehensive (loss) income		(38,150)	5,377
Deficit		(3,955,377)	(3,214,634)
Total shareholders' equity		910,879	1,655,149
Total liabilities and shareholders' equity		1,985,462	2,736,545

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on June 22, 2021:

“Klaus Eckhof”
Klaus Eckhof, Director

“Mark Gasson”
Mark Gasson, Director

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

AJN RESOURCES INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss****For the three and nine months ended April 30, 2021 and 2020**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended		Nine months ended	
		2021	2020	2021	2020
		\$	\$	\$	\$
Operating expenses					
Amortization	6	1,888	-	5,801	-
Consulting fees	7	97,000	202,000	334,187	319,100
Marketing expense		-	40,815	-	260,610
Directors' fees	7	14,000	-	36,000	-
Filing fees		1,550	9,387	10,240	22,387
Office and miscellaneous		20,431	6,775	72,890	10,924
Professional fees	7	41,696	403,524	179,569	877,503
Share-based compensation	7	-	557,094	-	606,963
Travel expenses		10,737	34,511	15,354	62,005
		187,302	1,254,106	654,041	2,159,492
Other expenses (income)					
Loss (gain) on foreign exchange		30	(32,301)	647	(32,301)
Accretion expense	8	23,600	-	70,003	-
Interest income		(2,303)	(1,648)	(8,285)	(3,265)
Interest expense	8	7,658	-	24,337	-
Net loss		(216,287)	(1,220,157)	(740,743)	(2,123,926)
Other comprehensive income					
Currency translation adjustment on foreign operations		(18,079)	-	(43,527)	-
Net loss and comprehensive loss		(234,366)	(1,220,157)	(784,270)	(2,123,926)
Loss per share:					
Basic and diluted		(0.01)	(0.06)	(0.03)	(0.10)
Weighted average number of shares outstanding:					
Basic and diluted		25,465,222	21,599,667	25,209,007	20,438,556

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

AJN RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars, except number of shares)

	Note	Share capital			Subscription receivable	Accumulated other comprehensive income	Deficit	Total
		Common shares	Amount	Reserves				
		#	\$	\$	\$	\$	\$	\$
Balance, July 31, 2019		19,858,000	1,823,150	139,004	(50,000)	-	(425,355)	1,486,799
Common shares issued	9	5,000,000	1,965,050	-	50,000	-	-	2,015,050
Exercise of stock options	9	225,000	38,747	(16,247)	-	-	-	22,500
Stock-based compensation	10	-	-	606,962	-	-	-	606,962
Equity allocation of convertible debenture		-	-	85,518	-	-	-	85,518
Net loss for the period		-	-	-	-	-	(2,123,926)	(2,123,926)
Balance, April 30, 2020		25,083,000	3,826,947	815,237	-	-	(2,549,281)	2,092,903
Equity allocation of convertible debenture	8	-	-	222,222	-	-	-	222,222
Comprehensive income for the period		-	-	-	-	5,377	-	5,377
Net loss for the period		-	-	-	-	-	(665,353)	(665,353)
Balance, July 31, 2020		25,083,000	3,826,947	1,037,459	-	5,377	(3,214,634)	1,655,149
Exercise of stock options	9	400,000	68,884	(28,884)	-	-	-	40,000
Comprehensive loss for the period		-	-	-	-	(43,527)	-	(43,527)
Net loss for the period		-	-	-	-	-	(740,743)	(740,743)
Balance, April 30, 2021		25,483,000	3,895,831	1,008,575	-	(38,150)	(3,955,377)	910,879

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended April 30, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

	Note	2021	2020
		\$	\$
Operating activities			
Net loss for the period		(740,743)	(2,123,926)
Non-cash items:			
Share-based compensation		-	606,963
Accretion expense		70,003	-
Amortization	6	5,801	-
Interest expense	8	24,337	-
Changes in non-cash working capital			
Receivables		27,031	(11,532)
Prepaid expenses and deposits	4	110,491	(18,616)
Accounts payable and accrued liability		(69,749)	112,942
Accrued interest payable	8	(31,404)	1,308
Net cash flows used in operating activities		(604,233)	(1,432,861)
Investing activities			
Exploration and evaluation asset		-	(43,107)
Net cash used in investing activities		-	(43,107)
Financing activities			
Exercise of stock options	9	40,000	-
Issuance of common shares	9	-	1,987,560
Subscription receivable	9	-	50,000
Issuance of convertible debenture	8	-	1,256,115
Net cash flows provided by financing activities		40,000	3,293,675
Effect of exchange rate changes on cash		(40,554)	-
Increase (decrease) in cash and cash equivalents		(604,787)	1,817,707
Cash and cash equivalents, beginning of period		2,384,496	1,232,383
Cash and cash equivalents, end of period		1,779,709	3,050,090
Cash and cash equivalents consist of:			
Cash		518,009	3,050,090
Guaranteed investment certificate		1,261,700	-
		1,779,709	3,050,090

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

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

AJN Resources Inc. (the “Company”) is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange (“CSE”) and trades under the symbol AJN. The address of the Company's registered and records office and principal place of business is Suite 1400 – 1199 West Hastings St., Vancouver, British Columbia, V6E 3T5 Canada.

On March 23, 2020, the Company incorporated AJN Resources Congo SASU (“AJN Congo”) based in the Democratic Republic of the Congo (“DRC”). AJN Congo is a 100% owned subsidiary of the Company. On January 18, 2020, the Company signed a Memorandum of Understanding (MoU) with Société Minière de Kilo-Moto SA (“SOKIMO”) whereby SOKIMO proposed to obtain from the Company the conversion of its rights to a direct participation in various gold licences held by SOKIMO into shares in the Company. The gold licences are located within the Kilo-Moto gold province in the north-east of the DRC. As at April 30, 2021, completion of the terms of the MoU remain subject to due diligence and approvals and the Company has not yet commenced operations in the DRC.

The Company’s primary business is the acquisition and exploration of mineral properties. The Company’s exploration and evaluation asset (Note 6) does not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These condensed interim consolidated financial statements (the “interim financial statements”) have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of \$740,743 during the nine months ended April 30, 2021 (2020 - \$2,123,926) has working capital as at April 30, 2021 of \$1,765,499 (July 31, 2020 - \$2,430,992), and has accumulated deficit as at April 30, 2021 of \$3,955,377 (July 31, 2020 - \$3,214,634). Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

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 interim financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments may adversely affect workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

2. BASIS OF PRESENTATION

a) Statement of compliance

These interim financial statements, including comparatives, 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. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). 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 financial statements for the year ended July 31, 2020.

These interim financial statements were approved and authorized for issuance by the Company’s Board of Directors on June 22, 2021.

b) Basis of presentation

These interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been classified and measured at fair value, or amortized cost, as applicable. All amounts in these interim financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

c) Functional and presentation currency

Each entity within the Company has its results measured using the primary economic environment in which the entity operates. Judgment is necessary in assessing each entity’s functional currency. The Company considers the primary and secondary indicators as part of its decision-making process. The interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company. The functional currency of AJN Congo is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company’s management makes judgments in its process of applying the Company’s accounting policies in the preparation of the interim financial statements. In addition, the preparation of the financial data requires that the Company’s management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****April 30, 2021 and 2020**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

4. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses are comprised of the following as at April 30, 2021, and July 31, 2020:

	April 30, 2021	July 31, 2020
	\$	\$
Expense advances	2,000	51,614
Prepaid deposits	6,143	67,020
	8,143	118,634

5. EXPLORATION AND EVALUATION ASSETS

The Company entered into an option agreement dated April 25, 2017 (the “Option Agreement”), and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the “Salt Wells Property”) located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay USD\$255 per claim for initial filing fees (paid \$26,666 (USD\$19,125)) and will pay a further USD\$167 per claim annually. The Company paid \$nil and \$11,210 (USD \$8,337) during the nine months ended April 30, 2021 and the year ended July 31, 2020, respectively. The Company was also obligated to complete an exploration development program with a first-year work requirement of USD\$60,000 and a second-year work requirement of USD\$80,000. As of April 30, 2021, the Company’s exploration expenditures have met the work requirements and the Company has made the required annual filing fee payments.

The Salt Wells Property is subject to a 4.5% Net Smelter Return as payable to the Vendor, 1.5% of which the Company shall have the right to buy back from the vendor within 90 days of the property going into production for USD\$500,000, and an additional 1.5% of which the Company shall have the right to buy back from the Vendor within 180 days of the property going into production for USD\$1,250,000. Furthermore, a cash payment of USD\$250,000 is payable to the vendor upon the property attaining commercial production.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****April 30, 2021 and 2020**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

5. EXPLORATION AND EVALUATION ASSETS (continued)

During the nine months ended April 30, 2021, the Company incurred \$nil (year ended July 31, 2020 - \$37,571) in exploration expenditures. During the year ended July 31, 2020, the Company did not renew 58 of its 105 Salt Wells Property claims deemed to be non-essential and therefore recorded a write-down of \$172,496 of its exploration asset.

	July 31, 2020	Net change	April 30, 2021
	\$	\$	\$
Acquisition costs	70,387	-	70,387
Exploration costs:			
Field expenses	118,559	-	118,559
Geological consulting	94,316	-	94,316
Geophysical	30,367	-	30,367
Total exploration costs	243,242	-	243,242
Write-down	(172,496)	-	(172,496)
Total	141,133	-	141,133

As at April 30, 2021 and July 31, 2020, the Company has a deposit of \$19,142 (USD\$14,978) towards a reclamation bond held with the Bureau of Land Management of Nevada.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****April 30, 2021 and 2020**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

6. EQUIPMENT

	Computer equipment	Furniture and fixtures	Total
	\$	\$	\$
Cost			
Balance, July 31, 2019	-	-	-
Additions	15,957	24,255	40,212
Balance, July 31, 2020	15,957	24,255	40,212
Impact of foreign exchange	(1,332)	(1,951)	(3,283)
Balance, April 30, 2021	14,625	22,304	36,929
Accumulated amortization			
Balance, July 31, 2019	-	-	-
Amortization	532	808	1,340
Balance, July 31, 2020	532	808	1,340
Amortization	2,302	3,499	5,801
Impact of foreign exchange	(123)	(187)	(310)
Balance, April 30, 2021	2,711	4,120	6,831
Carrying amounts			
Balance, July 31, 2020	15,425	23,447	38,872
Balance, April 30, 2021	11,914	18,184	30,098

7. RELATED PARTY TRANSACTIONS

During the nine months ended April 30, 2021, the Company paid the following amounts to directors and officers of the Company:

	Three months ended April 30,		Nine months ended April 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Consulting fees	58,000	110,000	216,500	180,000
Directors fees	14,000	-	36,000	-
Professional fees	900	10,000	12,450	10,000
	72,900	120,000	264,950	190,000

Amounts due to or from related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at April 30, 2021 and July 31, 2020 were \$15,165 and \$22,000, respectively, and are included in accounts payable.

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

8. CONVERTIBLE DEBENTURE

The Company issued a convertible debenture for total proceeds of \$1,256,115 maturing on April 17, 2023. The convertible debenture bears interest of 2.5% per annum, payable yearly, and has a maturity date of April 17, 2023.

The convertible debenture is convertible at the holder's or issuer's option (see below) into fully paid and non-assessable common shares of the Company at a base conversion price of \$0.40 per share, being a rate of 250,000 shares for each \$100,000 principal amount of convertible debenture.

The election to convert the convertible debenture to shares may be made during the period from the date of issuance to maturity as follows:

1. By the holder at any time;
2. By the issuer, at any time after:
 - a. The closing price on the CSE of the issuer's common shares has been equal to or greater than \$2.00 per common share for a period of 15 consecutive trading days;
 - b. Two years have elapsed from the date of issuance of the convertible debenture.

Upon initial recognition, the Company discounted the face value of the convertible debenture at a market rate of 12.5%, which was the estimated rate for a similar debt instrument without a conversion feature. The difference between the discounted value and face value of \$307,740 was recorded to reserves to recognize the equity component applying the residual value method.

Interest expense for the three and nine months ended April 30, 2021 was \$7,658 and \$24,337, respectively (2020 - \$nil) and is recorded as accrued interest payable. Non-cash accretion expense for the three and nine months ended April 30, 2021, was \$23,600 and \$70,003, respectively (2020 - \$nil). As at April 30, 2021, the convertible debenture liability balance was \$1,044,993 (July 31, 2020 - \$974,990) and accrued interest payable was \$1,118 (July 31, 2020 - \$8,185).

9. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares.

Share transactions

During the nine months ended April 30, 2021, 400,000 common shares were issued for gross proceeds of \$40,000 for the exercise of stock options. Accordingly, the Company reallocated \$28,884 from reserves to share capital.

During the year ended July 31, 2020, the Company had the following share transactions:

- a) 5,000,000 common shares at \$0.40 per share for gross proceeds of \$2,000,000. In conjunction with the issuance, the Company paid \$34,950 in finder's fees for net proceeds of \$1,965,050.
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AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

9. SHARE CAPITAL (continued)

- b) 225,000 common shares for gross proceeds of \$22,500 for the exercise of stock options. Accordingly, the Company reallocated \$16,247 from reserves to share capital.

Escrow shares

Under the escrow agreement dated January 19, 2018, 10% of the escrowed common shares were to be released from escrow on the date of listing on the CSE. Subsequent to listing (June 12, 2018), an additional 15% were to be released every six months over a thirty-six month period. As at April 30, 2021, a total of 1,170,000 shares were held in escrow (July 31, 2020 – 2,340,000).

10. RESERVES

Convertible debenture

During the year ended July 31, 2020, the Company issued a convertible debenture which allows the holder to convert the debenture into common shares of the Company (Note 8). The \$307,740 fair value of the equity conversion feature was recorded under the reserves account.

Stock options

There were no stock option grants during the nine months ended April 30, 2021. In February 2021, 400,000 stock options were exercised at a price of \$0.10 per share. Accordingly, the Company reallocated \$28,884 from reserves to share capital.

During the year ended July 31, 2020, the Company granted 400,000 stock options exercisable at a price of \$0.25 with a 5-year life, and 725,000 stock options exercisable at a price of \$0.80 with a 5-year life. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of the options granted. The Company utilized the following assumptions: average volatility - 165%, average risk-free rate – 1.37% and a five-year term. Accordingly, the estimated grant date fair value of the options was \$606,962 and recorded as share-based compensation.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****April 30, 2021 and 2020**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

10. RESERVES (continued)

A summary of the Company's stock option activity is as follows:

	Number outstanding	Weighted average exercise price
	\$	\$
Outstanding at July 31, 2019	1,525,000	0.10
Issued	1,125,000	0.60
Exercised	(225,000)	0.10
Outstanding at July 31, 2020	2,425,000	0.33
Exercised	(400,000)	(0.10)
Outstanding at July 31, 2020	2,025,000	0.38

A summary of the Company's stock options outstanding and exercisable at April 30, 2021 is presented below:

Expiry date	Exercise prices	Options outstanding and exercisable	Weighted average remaining years
	\$	#	
June 12, 2023	0.10	900,000	2.12
August 21, 2024	0.25	400,000	3.32
February 24, 2024	0.80	725,000	2.82
		2,025,000	2.61

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payables and convertible debenture. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) 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 (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payables and convertible debenture. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at April 30, 2021, the fair value of cash and cash equivalents held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's primary exposure to credit risk is its cash and cash equivalents of \$1,779,709 at April 30, 2021 (July 31, 2020 - \$2,384,496). With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at April 30, 2021, the Company has current liabilities totaling \$29,590 and cash and cash equivalents of \$1,779,709 (July 31, 2020 - \$106,406 and \$2,384,496, respectively) and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements

April 30, 2021 and 2020

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

12. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the nine months ended April 30, 2021. The Company is not subject to any external covenants.

13. SEGMENTED INFORMATION

	April 30, 2021	July 31, 2020
Total assets:	\$	\$
Canada	1,384,468	1,967,321
United States	160,275	160,275
DRC	440,719	608,949
	1,985,462	2,736,545
