

MINAURUM GOLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited - expressed in Canadian dollars)

Six months ended October 31, 2020 and 2019

**NOTICE OF NO AUDITOR REVIEW OF
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 consolidated interim financial statements, they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - expressed in Canadian dollars)

	October 31, 2020	April 30, 2020
ASSETS		
Current assets		
Cash	\$ 7,694,882	\$ 2,449,527
Receivables (Note 4)	17,568	40,375
Prepaid expenses (Note 7)	31,900	124,509
	7,744,350	2,614,411
Exploration and evaluation assets (Note 6)	7,693,350	6,791,555
	\$ 15,437,700	\$ 9,405,966
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 210,446	\$ 156,490
Deferred income tax liability	201,000	201,000
	411,446	357,490
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	51,223,856	42,179,328
Reserves (Note 8)	3,238,098	2,838,779
Deficit	(39,435,700)	(35,969,631)
	15,026,254	9,048,476
	\$ 15,437,700	\$ 9,405,966

NATURE AND CONTINUANCE OF OPERATIONS (NOTE 1)

SUBSEQUENT EVENTS (NOTE 11)

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

SIGNED: “Lawrence Talbot”

SIGNED: “Darrell A. Rader”

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS
(Unaudited - expressed in Canadian dollars)

	Three months ended Oct 31,		Six months ended Oct 31,	
	2020	2019	2020	2019
EXPENSES				
Consulting fees (Note 7)	\$ 69,800	\$ 62,700	\$ 197,233	\$ 130,900
Exploration costs (supplemental schedule) (Note 6, 7)	1,300,262	1,096,971	2,165,674	2,493,032
Filing and registration	29,989	32,155	71,425	41,591
Foreign exchange	242,439	18,041	285,381	41,603
Investor relations and marketing	56,788	24,797	360,284	57,229
Office and administration	34,863	16,010	75,422	50,175
Professional fees	115,943	50,035	135,305	99,869
Share-based payments (Note 7, 8(c))	84,790	233,381	175,565	495,274
Travel and meals	2,176	14,576	2,281	30,533
OPERATING LOSS	(1,937,050)	(1,548,666)	(3,468,570)	(3,440,206)
Interest income	1,276	(8,962)	2,501	32,866
TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (1,935,774)	\$ (1,557,628)	\$ (3,466,069)	\$ (3,407,340)
LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	339,177,416	313,370,568	334,500,378	312,982,660

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

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited - expressed in Canadian dollars)

	Number of shares	Share capital	Share-based reserves	Deficit	Total equity
April 30, 2019	312,414,046	\$ 41,206,008	\$ 2,367,771	\$ (30,595,822)	12,977,957
Shares issued on exercise of options	250,000	46,301	(21,301)	-	25,000
Shares issued for mineral properties	1,000,000	455,000	-	-	455,000
Shares issued for acquisition of Minera Citation	125,000	48,750	-	-	48,750
Share-based payments	-	-	495,274	-	495,274
Total comprehensive loss for the period	-	-	-	(3,407,340)	(3,407,340)
October 31, 2019	313,789,046	41,756,059	2,841,744	(34,003,162)	10,594,641
Shares issued on exercise of options	550,000	423,269	(225,769)	-	197,500
Share-based payments	-	-	222,804	-	222,804
Total comprehensive loss for the period	-	-	-	(1,966,469)	(1,966,469)
April 30, 2020	314,339,046	42,179,328	2,838,779	(35,969,631)	9,048,476
Shares issued for cash	23,025,000	9,210,000	-	-	9,210,000
Shares issued on exercise of options	1,970,000	290,382	(93,382)	-	197,000
Shares issued for mineral properties	1,000,000	560,000	-	-	560,000
Share issuance costs	-	(1,015,854)	317,136	-	(698,718)
Share-based payments	-	-	175,565	-	175,565
Total comprehensive loss for the period	-	-	-	(3,466,069)	(3,466,069)
October 31, 2020	340,334,046	\$ 51,223,856	\$ 3,238,098	\$ (39,435,700)	15,026,254

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

MINAURUM GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - expressed in Canadian dollars)

	<u>Three months ended Oct 31,</u>		<u>Six months ended Oct 31,</u>	
	2020	2019	2020	2019
OPERATING ACTIVITIES				
Loss for the period	\$ (1,935,774)	\$ (1,557,628)	\$ (3,466,069)	\$ (3,407,340)
Items not affecting cash:				
Interest income	-	17,258	-	(991)
Share-based payments	84,790	233,381	175,565	495,274
<i>Changes in non-cash working capital items:</i>				
Receivables	96,361	2,854	22,807	27,222
Prepaid expenses	93,020	53,501	92,609	25,772
Accounts payable and accrued liabilities	(15,590)	(52,578)	64,099	(85,377)
Cash flows used in operating activities	<u>(1,677,193)</u>	<u>(1,303,212)</u>	<u>(3,110,989)</u>	<u>(2,945,440)</u>
INVESTING ACTIVITIES				
Exploration and evaluation acquisition costs	(223,287)	(134,342)	(351,938)	(134,342)
Acquisition of Minera Citation	-	(13,047)	-	(13,047)
Cash flows used in investing activities	<u>(223,287)</u>	<u>(147,389)</u>	<u>(351,938)</u>	<u>(147,389)</u>
FINANCING ACTIVITIES				
Shares issued for private placements	-	-	9,210,000	-
Shares issued on exercise of options	87,000	-	197,000	25,000
Share issuance costs	-	-	(698,718)	-
Cash flows provided by financing activities	<u>87,000</u>	<u>-</u>	<u>8,708,282</u>	<u>25,000</u>
NET CHANGE IN CASH DURING THE PERIOD	(1,813,480)	(1,450,601)	5,245,355	(3,067,829)
CASH, BEGINNING OF THE PERIOD	<u>9,508,362</u>	<u>5,979,831</u>	<u>2,449,527</u>	<u>7,597,059</u>
CASH, END OF THE PERIOD	\$ <u>7,694,882</u>	\$ <u>4,529,230</u>	\$ <u>7,694,882</u>	\$ <u>4,529,230</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS				
Shares issued for mineral properties	\$ 560,000	\$ 455,000	\$ 560,000	\$ 455,000
Shares issued for Minera Citation	\$ -	\$ 48,750	\$ -	\$ 48,750
Conversion of advance on Minera Citation acquisition	\$ -	\$ 1,151,671	\$ -	\$ 1,151,671
Broker and finder warrants issued	\$ -	\$ -	\$ 317,135	\$ -
Fair value of options exercised	\$ 51,246	\$ -	\$ 93,383	\$ 21,301
Cash paid for interest and taxes	\$ -	\$ -	\$ -	\$ -

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

MINAURUM GOLD INC.
SUPPLEMENTAL SCHEDULE OF EXPLORATION COSTS
(Unaudited - expressed in Canadian dollars)

	Mexico Vuelcos Property	Mexico Adelita Property	Mexico Aurena Property	Mexico Santa Marta Project	Mexico La Quintera Project	Mexico Taviche Project	Mexico Biricu Project	Mexico Aurifero Project	Mexico General Exploration	USA	Total
Period ended October 31, 2020											
Analysis	\$ -	\$ -	\$ -	\$ -	\$ 57,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,250
Community relations	-	-	-	-	36,463	-	-	-	-	-	36,463
Drilling	-	-	-	-	672,501	-	-	-	-	-	672,501
Field supplies and equipment	-	-	-	-	269,135	-	-	-	4	-	269,139
General	-	-	5,577	-	206,526	606	-	48,879	5,020	4,389	270,997
Geological consulting	3,225	3,562	3,368	71,193	172,768	5,424	3,238	9,908	11,954	35,369	320,009
Permitting	-	-	-	-	14,451	-	-	-	-	-	14,451
Property taxes	-	911	11,152	-	56,815	-	140,828	256,304	153	-	466,163
Rent	-	8,425	-	-	10,691	-	3,830	-	7,272	-	30,218
Sampling	-	-	-	-	16,148	-	-	-	-	-	16,148
Transportation	-	-	-	-	11,412	-	-	546	377	-	12,335
Total for the period	\$ 3,225	\$ 12,898	\$ 20,097	\$ 71,193	\$ 1,524,160	\$ 6,030	\$ 147,896	\$ 315,637	\$ 24,780	\$ 39,758	\$ 2,165,674
Period ended October 31, 2019											
Analysis	\$ -	\$ -	\$ -	\$ 12,953	\$ 135,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,208
Community relations	-	-	-	-	68,238	-	-	-	-	-	68,238
Drilling	-	-	-	-	992,366	-	-	-	-	-	992,366
Field supplies and equipment	-	-	-	-	135,011	-	-	-	26	-	135,037
General	-	1,035	8,099	31,505	513,407	919	1,035	-	5,776	-	561,776
Geological consulting	3,225	6,471	3,225	40,870	189,511	13,256	3,225	-	13,742	-	273,525
Maps, orthos, reports	-	-	-	-	2,352	-	-	-	-	-	2,352
Permitting	-	-	-	-	109,846	-	-	-	-	-	109,846
Property taxes	-	52,979	11,729	72,630	54,628	-	-	-	-	-	191,966
Rent	-	12,941	-	-	26,451	-	7,189	-	8,225	-	54,806
Sampling	-	-	-	-	19,085	-	10,839	-	-	-	29,924
Surveying	-	-	-	-	65,311	-	-	-	-	-	65,311
Transportation	-	-	-	-	30,341	-	-	-	20	-	30,361
Reclamation	-	-	-	-	3,863	-	-	-	-	-	3,863
Recoveries	-	-	-	911	-	-	-	-	(175,458)	-	(174,547)
Total for the period	\$ 3,225	\$ 73,426	\$ 23,053	\$ 158,869	\$ 2,345,665	\$ 14,175	\$ 22,288	\$ -	\$ (147,669)	\$ -	\$ 2,493,032

During the six months ended October 31, 2020, the Company paid \$42,397 (MXN\$3,999,868) (2019 – \$310,822 or MXN\$4,534,529) in IVA on expenditures incurred in Mexico. The collectability of these amounts is uncertain, therefore the Company has written off these amounts in exploration costs through profit and loss during the six months ended October 31, 2020 and 2019, respectively. During the six months ended October 31, 2020, the Company received \$Nil (MXN - \$Nil) (2019 - \$175,458 or MXN\$2,559,955) in IVA refunds on expenditures incurred in Mexico in prior periods.

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

MINAURUM GOLD INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019 (Unaudited - expressed in Canadian dollars)

1. Nature and Continuance of Operations:

Minaurum Gold Inc. (“the Company”) was incorporated under the Business Corporations Act of British Columbia on November 13, 2007. The Company is an exploration stage company and engages principally in the acquisition and exploration of mineral properties. The Company’s head office address is Suite 2300 – 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Canada. The registered and records office address is 10th Floor, 595 Howe Street, Vancouver, BC, V6C 2T5, Canada. The Company is listed on the TSX Venture Exchange.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether its exploration and evaluation assets contain economically recoverable mineral reserves. The underlying value and the recoverability of the amounts shown as exploration and evaluation assets are entirely dependent upon the existence of economically recoverable resource reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the exploration and evaluation assets, and future profitable production or proceeds from the disposition of the exploration and evaluation assets.

The Company has a history of losses with no operating revenue, an accumulated deficit of \$39,435,700 since inception, and a working capital of \$7,533,904 at October 31, 2020. Management recognizes that the Company, in the long term, will need to generate additional financial resources to meet its planned business objectives. However, there can be no assurances that the Company will continue to obtain additional financial resources and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities. Furthermore, failure to continue as a going concern would require that the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. Based on the financings completed during the period ended October 31, 2020, 2020, management believes it has sufficient funding for the ensuing 12-month period.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected 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 ability to raise funds.

These condensed consolidated interim financial statements do not reflect adjustments, which could be material to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

2. Significant Accounting Policies:

a) Basis of presentation:

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Unless otherwise stated, amounts are expressed in Canadian dollars. These consolidated financial statements were authorized for issuance by the Board on December 21, 2020.

MINAURUM GOLD INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued):

b) Basis of consolidation:

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned Mexican subsidiaries, Minera Minaurum Gold S.A. De C.V. and Minera Citation S.A. de C.V., which carry out exploration activities in Mexico, and its wholly-owned USA subsidiary, Minaurum Corp., a Delaware company, which carries out exploration activities in the USA. All material intercompany transactions and balances have been eliminated on consolidation.

c) Exploration and evaluation assets:

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Exploration costs are recognized in profit or loss. Costs incurred before the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss. All costs related to the acquisition of exploration and evaluation assets are capitalized on an individual prospect basis. Amounts received for the sale of exploration and evaluation assets and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. Costs for a producing property will be amortized on a unit-of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation asset costs or recoveries when the payments are made or received. When the option payments received exceed the carrying value of the related exploration and evaluation asset then the excess is recognized in profit or loss in the period the option receipt is recognized. Option receipts in the form of marketable securities are recorded at the quoted market price on the day the securities are received.

d) Impairment:

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

MINAURUM GOLD INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019
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2. Significant Accounting Policies (continued):

d) Impairment (continued):

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the 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 or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Provision for closure and reclamation:

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation for the years presented.

f) Income taxes:

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

MINAURUM GOLD INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued):

f) Income taxes (continued):

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

g) Basic and diluted loss per share:

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share. Since the Company has losses the exercise of outstanding options has not been included in this calculation as it would be anti-dilutive.

h) Significant Accounting Estimates and Judgments:

The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Recoverability of receivables

The Company estimates the recoverability of IVA paid on expenditures incurred in Mexico.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued):

h) Significant Accounting Estimates and Judgments (continued):

Critical accounting estimates (continued)

Share-based payments

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Deferred income tax liability

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Critical accounting judgments

Examples of significant judgments, apart from those involving estimation, include:

Exploration and evaluation assets

Management is required to make judgments on the status of each mineral property and the future plans with respect to finding commercial reserves. The nature of exploration and evaluation activity is such that only a few projects are ultimately successful, and some assets are likely to become impaired in future periods.

Functional currency

The Company applied judgment in determining its functional currency and the functional currency of its subsidiaries. Functional currency was determined based on an analysis of the consideration factors in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Acquisition of Minera Citation

The acquisition of Minera Citation required management to make a judgment as to whether Minera Citation constituted a business combination or an asset acquisition under the definitions of IFRS 3. The assessment required management to assess the inputs, processes and ability of Minera Citation to produce outputs at the time of acquisition. Pursuant to the assessment, Minera Citation was considered an asset acquisition (Note 5).

MINAURUM GOLD INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued):

i) Financial Instruments:

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss ("FVTPL") are initially recognized at fair value with changes in fair value recorded in profit or loss. The Company does not have any financial assets designated as FVTPL.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company's objective for these financial assets is to collect their contractual cash flows and 2) the asset's contractual cash flows represent 'solely payments of principal and interest'. The Company's cash and receivables are recorded at amortized cost.

Fair value through other comprehensive income ("OCI")

For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at fair value through other comprehensive income ("FVOCI"), with all subsequent changes in fair value being recognized in other comprehensive income as a component of equity. This election is available for each separate investment. Under this new FVOCI category, fair value changes are recognized in OCI while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company does not have any financial assets designated as FVOCI.

Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

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(Unaudited - expressed in Canadian dollars)

2. Significant Accounting Policies (continued):

i) Financial Instruments (continued):

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

j) Share-based payments:

The Company uses the fair value-based method of accounting for stock options granted to employees and directors and agent options issued on private placements. Under this method, the fair value of the stock options at the date of the grant, as determined using the Black-Scholes option pricing model, is recognized to expense over the vesting period. The fair value of agent options at the date of issuance, as determined using the Black-Scholes model, is recognized as share issuance costs, with the offsetting credit to share-based payments reserve. If the stock options or agent options are exercised, the proceeds are credited to share capital and the fair value of the options or agent options exercised is reclassified from share-based payments reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payments. Otherwise, share-based payments are measured at fair value of the goods or services received.

k) Valuation of equity units issued in private placements:

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

l) Foreign Currency Translation:

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their Canadian dollar equivalents using foreign exchange rates prevailing at the financial position reporting date. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the period.

MINAURUM GOLD INC.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS **SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019** *(Unaudited - expressed in Canadian dollars)*

2. Significant Accounting Policies (continued):

l) Foreign Currency Translation (continued):

The Company's reporting currency and the functional currency of all of its subsidiaries is the Canadian dollar as this is the principal currency of the economic environment in which they generate financial resources.

3. Capital Management:

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 exploration and evaluation assets. 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 to sustain future development of the business.

The capital structure of the Company consists of shareholders' equity. The Company is not exposed to any externally imposed capital requirements.

The exploration and evaluation assets in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended October 31, 2020 and 2019.

4. Receivables:

	October 31, 2020	April 30, 2020
Amounts due from Government of Canada pursuant to GST input tax credits	\$ 13,368	\$ 36,175
Other amounts receivable (Note 7)	4,200	4,200
Total	\$ 17,568	\$ 40,375

5. Advance and Acquisition of Minera Citation S.A.:

On November 3, 2015, the Company entered into an agreement, subsequently amended, with Nomad Royalty Company Ltd. (formerly Guerrero Ventures Inc.) ("Nomad"), whereby the Company advanced Nomad \$905,000 to explore the Biricu project in Mexico. Pursuant to the agreement, the advance was repayable, at the Company's election, in cash or, subject to the satisfaction of certain conditions, into a direct interest in the project. The advance bore interest at 8% per annum.

MINAURUM GOLD INC.

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5. Advance and Acquisition of Minera Citation (continued):

On September 30, 2019, the Company completed a share purchase agreement with Nomad, Minera Citation Mexico S.A. de C.V. ("Minera Citation") and various related entities whereby the Company acquired a 100% interest in Minera Citation by issuing 125,000 common shares, valued at \$48,750, and the conversion of previous advances made by the Company, totalling \$1,151,671 including \$905,000 in principal and \$246,671 in accrued interest.

Minera Citation is not considered to be a business under IFRS 3 *Business Combinations*; accordingly, the acquisition of Minera Citation is accounted for as an asset acquisition.

Consideration:	
125,000 common shares	\$ 48,750
Conversion of advance	1,151,671
Transaction costs	19,073
	1,219,494
Net assets of Minera Citation acquired:	
Exploration and evaluation assets - Biricu	1,219,494
Total net assets	\$ 1,219,494

6. Exploration and Evaluation Assets:

Balance consists of:

	October 31, 2020	April 30, 2020
Aurena, Mexico	\$ 1,189,713	\$ 1,189,713
Adelita, Mexico	580,255	580,255
Vuelcos del Destino, Mexico	1,411,039	1,411,039
Santa Marta, Mexico	346,294	346,294
Alamos (Quintera), Mexico	2,562,052	1,773,472
Taviche, Mexico	91,954	91,954
Biricu, Mexico	1,219,494	1,219,494
Aurífero, Mexico	138,509	138,509
Black Mountain, United States	154,040	40,825
Total	\$ 7,693,350	\$ 6,791,555

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets.

The Company has investigated title to its exploration and evaluation assets and to the best of its knowledge title to the assets is in good standing.

a) Aurena Property, Oaxaca State, Mexico:

On April 30, 2009 the Company acquired an option, subsequently amended, to earn a 100% interest in the Aurena Property for 3,500,000 shares (issued) and \$20,000 cash (paid). The property is subject to a net smelter return royalty ("NSR") of 3%. In November 2010, a related party of the

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6. Exploration and Evaluation Assets (continued):

a) Auren Property, Oaxaca State, Mexico (continued):

Mexican company that is the optionor of the underlying agreement became a director of the Company.

The Company paid US\$140,000, issued 1,100,000 common shares valued at \$514,500 and incurred property expenditures of US\$2,500,000 to earn its 100% interest in the Auren Property.

Upon commencement of commercial production, the Company shall issue 2,000,000 shares to the vendor. The Company may elect to purchase up to 2% of the NSR for payment of the greater of US\$4,000,000 or the equivalent amount of 0.9999 fine physical gold measured in troy ounces priced at the New York closing spot price on the closing date.

b) Adelita Property, Sonora State, Mexico:

On April 23, 2010, the Company acquired an option, subsequently amended, to acquire a 100% interest in a mineral property known as the Adelita property, comprised primarily of a land package under option with a Mexican company that is the optionor of the underlying agreement, along with a minor claim under option with a separate landowner. The property is subject to an NSR of 2%. In November 2010, a related party of the Mexican company became a director of the Company. In consideration, the Company paid \$1 to acquire the option.

The Company previously paid US\$595,000 and issued 925,000 common shares valued at \$470,000 pursuant to the option and owns 100% of the Adelita Property.

c) Vuelcos del Destino Property, Guerrero State, Mexico:

On April 3, 2010, the Company acquired an option, subsequently amended, to acquire a 100% interest in a mineral property known as the Vuelcos del Destino property, located in Mexico. In November 2010, the president of the Mexican company that is the optionor of the underlying agreement became a director of the Company. The property is subject to a NSR of 3%. In consideration, the Company paid \$1 to acquire the option.

To maintain the option on these properties, the Company must complete cash and share payments and incur expenditures for the balance of the purchase price as follows:

On or before	Cash (USD)	Shares	Value	Expenditures (USD)
April 3, 2010	\$ 35,000 (paid)	250,000 (issued)	\$ 180,000	\$ -
April 3, 2011	\$ 50,000 (paid)	250,000 (issued)	\$ 187,500	\$ -
April 3, 2012	\$ 50,000 (paid)	250,000 (issued)	\$ 50,000	\$ -
April 3, 2013	\$ -	250,000 (issued)	\$ 25,000	\$ -
February 15, 2014	\$ -	1,200,000 (issued)	\$ 120,000	\$ -
April 3, 2014	\$ -	250,000 (issued)	\$ 25,000	\$ -
April 23, 2014	\$ 70,000 (paid)	-	-	\$ -
April 23, 2015	\$ 50,000 (paid)	300,000 (issued)	\$ 27,000	\$ -
April 23, 2017	\$ 50,000 (paid)	400,000 (issued)	\$ 120,000	\$ -
April 23, 2018	\$ 50,000 (paid)	500,000 (issued)	\$ 270,000	\$ -
April 23, 2022	\$ -	-	-	\$ 2,000,000 *
Commercial Production	\$ -	2,000,000	-	\$ -
Totals	\$ 355,000	5,650,000	\$ 1,004,500	\$ 2,000,000

*\$1,035,618 incurred as at October 31, 2020

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6. Exploration and Evaluation Assets (continued):

c) Vuelcos del Destino Property, Guerrero State, Mexico (continued):

On March 30, 2020, the option agreement was amended to extend the date of required expenditures from April 23, 2020 to April 23, 2022. The Company may elect to purchase up to 2% of the NSR for payment of US\$2,000,000 per percentage point.

d) Santa Marta Project, Oaxaca State, Mexico:

On October 7, 2010, the Company acquired an option, subsequently amended, from Minera Zalamera S.A. de C.V. ("Minera Zalamera"), to acquire a 100% interest in a mineral property known as the Santa Marta property, located in Mexico. In November 2010, David Jones, the president of Minera Zalamera, became a director of the Company. The property is subject to an NSR of 3%. In consideration, the Company may purchase up to 2% of the NSR for US\$1,000,000 per 0.5%, payable at the Company's election in either cash or the equivalent of 0.9999 fine physical gold measured in troy ounces, priced at the New York closing price on the date of delivery.

To maintain the option on the property, the Company must complete cash and share payments and incur expenditures for the balance of the purchase price as follows:

On or before	Cash (USD)	Shares	Value	Expenditures (USD)
Within 5 days of exchange approval	\$ 20,000 (paid)	-		\$ -
Within 60 days of exchange approval	-	250,000 (issued)	\$ 162,500	\$ -
October 28, 2011	\$ 30,000 (paid)	250,000 (issued)	\$ 85,000	\$ -
October 28, 2012	\$ 50,000 (paid)	250,000 (issued)	\$ 33,750	\$ -
October 28, 2013	-	325,000 (issued)	\$ 29,250	\$ -
March 31, 2014	\$ 15,000 (paid)	-		\$ -
October 28, 2014	-	800,000 (issued)	\$ 60,000	\$ -
October 28, 2016**	\$ 60,000	-		\$ -
October 28, 2017**	-	-		\$ 2,500,000 *
Totals	\$ 175,000	1,875,000	\$ 370,500	\$ 2,500,000

*\$2,172,642 incurred as at October 31, 2020

**Pursuant to an amendment to the option, if the necessary permits required for drilling on the property are not obtained by May 31, 2014, the time to complete the remaining option payments and expenditures will be extended by the corresponding additional amount of time required to obtain the necessary permits. As at October 31, 2020, the permits are still pending.

Upon commencement of commercial production, the Company will issue additional shares equal in value to \$5,000,000 to a maximum of 1,000,000 common shares, whichever is less.

e) Alamos (Quintera) Project, Sonora State, Mexico:

On September 1, 2016, the Company entered into an option agreement to earn a 100% interest in the Alamos (Quintera) silver project in Sonora, Mexico. The property vendor retains a 2% NSR (0.5% of which can be purchased for \$1,000,000).

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6. Exploration and Evaluation Assets (continued):

e) Alamos (Quintera) Project, Sonora State, Mexico (continued):

To maintain the option on the property, the Company must complete cash and share payments and incur expenditures for the balance of the purchase price as follows:

On or before	Cash	Shares	Value	Expenditures
September 1, 2016	\$ -	1,500,000 (issued)	\$ 180,000	\$ -
September 1, 2017	\$ 25,000 (paid)	750,000 (issued)	\$ 255,000	\$ 500,000 *
September 1, 2018	\$ 25,000 (paid)	750,000 (issued)	\$ 390,000	\$ 500,000 *
September 1, 2019	\$ 50,000 (paid)	1,000,000 (issued)	\$ 455,000	\$ 500,000 *
September 1, 2020	\$ 50,000 (paid)	1,000,000 (issued)	\$ 560,000	\$ 500,000 *
September 1, 2021	\$ 50,000	1,000,000		\$ 500,000 *
September 1, 2022	\$ 400,000	-		\$ 500,000 *
On Commercial Production	\$ 2,000,000	-		\$ -
Totals	\$ 2,600,000	6,000,000	\$ 1,840,000	\$ 3,000,000 *

*\$10,124,670 incurred as at October 31, 2020

During the year ended April 30, 2019, in addition to the \$25,000 cash payment due on September 1, 2018 pursuant to the original option agreement, the Company paid \$222,892 to the property vendor to acquire additional property concessions under option adjacent to the original Alamos (Quintera) property. During the year ended April 30, 2020, in addition to the \$50,000 cash payment due on September 1, 2019 pursuant to the original option agreement, the Company paid \$191,580 to the property vendor to acquire additional property concessions under option adjacent to the original Alamos (Quintera) property.

f) Taviche Project, Oaxaca State, Mexico:

On January 25, 2019, the Company entered into a purchase and sale agreement with Gold79 Mines Ltd. (formerly Aura Resources Inc) and its wholly owned subsidiary, Aura Resources Mexico, S.A. de C.V. (collectively, "Gold79") to purchase an 80% interest in Gold79's Taviche Project located in Oaxaca State in Mexico. In consideration, the Company issued 100,000 common shares (valued at \$40,000) upon closing of the transaction, and will issue an additional 100,000 common shares upon community approval of a drill program. In addition, the Company has reimbursed Gold79 for all concession fees paid during 2018 and paid remaining concession fees to bring the property into good standing until April 30, 2019 (paid \$51,954 or US\$39,452). Gold79 has also granted to the Company an exclusive option to acquire the remaining 20% of the Taviche Project for a total purchase price of \$1,000,000. The Taviche Project is subject to a 1.5% NSR.

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6. Exploration and Evaluation Assets (continued):

g) Aurífero Project, Sonora State, Mexico:

On January 17, 2020, the Company entered into an option agreement to acquire a 100% interest in the Aurífero gold project in Sonora, Mexico. To maintain the option on the property, the Company must complete cash payments over a five-year period as follows:

Milestone	Cash (USD)
Signing	\$ 84,120 (paid)
6 months	\$ 35,000 (paid)
12 months	\$ 40,000
18 months	\$ 40,000
24 months	\$ 40,000
30 months	\$ 40,000
36 months	\$ 40,000
42 months	\$ 40,000
48 months	\$ 40,000
54 months	\$ 40,000
60 months	\$ 2,250,000
Totals	\$ 2,689,120

An additional payment of US\$50,000 could be paid if a long-term contract is achieved with landowners after the end of the milestone payments. During the year ended April 30, 2020, the Company also paid \$31,907 to acquire additional property concessions adjacent to the original Aurífero property.

h) United States:

During the six months ended October 31, 2020, the Company paid \$113,215 (April 30, 2020 - \$40,825) to stake certain claims in the United States.

7. Related Party Transactions:

During the period ended October 31, 2020, the Company paid or accrued \$Nil (2019 - \$1,800) as rent expense (included in office and administration) to a company with a former director in common.

At October 31, 2020, \$10,879 (April 30, 2020 - \$5,730) (included in accounts payable and accrued liabilities) is due to directors, officers, and companies with a director in common. Amounts due to related parties are non-interest bearing, with no fixed terms of repayments. The Company has prepaids of \$7,134 (April 30, 2020 - \$28,182) to directors and officers.

MINAURUM GOLD INC.

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7. Related Party Transactions (continued):

At October 31, 2020, \$4,200 (April 30, 2020 - \$4,200) is due from a company with a director in common. The remuneration of key management personnel, which includes directors and officers of the Company, including amounts disclosed above, during the periods ended October 31, 2020 and 2019 were as follows:

	October 31, 2020	October 31, 2019
Consulting fees	\$ 128,083	\$ 147,872
Exploration costs (geological consulting)	123,967	99,798
Share-based payments	113,228	327,252
Total	\$ 365,278	\$ 574,923

8. Share Capital:

(a) Authorized share capital:

Unlimited common shares without par value.

(b) Issued and outstanding common shares:

In May 2020, the Company completed a brokered private placement of 12,500,000 units at \$0.40 per unit for total gross proceeds of \$5,000,000, each unit comprising one common share and one-half of one share purchase warrant ("Unit"). Each whole warrant is exercisable at a price of \$0.60 per share for a period of 24 months. In connection with the private placement, the Company paid total cash commissions of \$356,460 and issued 636,750 broker warrants ("Broker Warrant"). Each Broker Warrant is exercisable to acquire one Unit at a price of \$0.40 per share for a period of 24 months. The Broker Warrants were valued at \$178,128 using the following assumptions: risk-free interest rate of 0.30%, expected volatility of 81.0%, expected life of 2 years, and expected dividend yield of 0%.

In June 2020, the Company completed a non-brokered private placement of 10,525,000 Units for total gross proceeds of \$4,210,000. In connection with the private placement, the Company also paid total cash commissions of \$185,700 and issued 445,500 finder warrants ("Finder Warrant"). Each Finder Warrant is exercisable under the same terms as the Broker Warrants. The Finder Warrants were valued at \$139,007 using the following assumptions: risk-free interest rate of 0.32%, expected volatility of 81.03%, expected life of 2 years, and expected dividend yield of 0%.

The Company incurred additional share issuance costs of \$156,559 with respect to the financings.

On August 14, 2020, the Company issued 1,000,000 common shares, valued at \$560,000, pursuant to the Alamos (Quintera) option agreement (Note 6(e)).

During the six months ended October 31, 2020, the Company issued 1,970,000 common shares upon the exercise of stock options at a weighted average price of \$0.10 per share, for total gross proceeds of \$197,000.

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8. Share Capital (continued):

(b) Issued and outstanding common shares (continued):

On August 27, 2019, the Company issued 1,000,000 common shares, valued at \$455,000, pursuant to the Alamos (Quintera) option agreement (Note 6(e)).

On September 30, 2019, the Company issued 125,000 common shares, valued at \$48,750, pursuant to the Minera Citation acquisition (Note 6).

During the year ended April 30, 2020, the Company issued 800,000 common shares upon the exercise of stock options at a weighted average price of \$0.28 per share, for total gross proceeds of \$222,500.

(c) Stock options:

The Company has approved a stock option plan, whereby the number of shares issuable under the Plan is limited to 10% of the issued and outstanding shares of the Company. The exercise price of each option shall not be less than the discounted market price of the Company's shares as calculated on the date of grant. An option's maximum term is ten years and shall vest as determined by the Board of Directors. Options granted to investor relations consultants shall vest in stages over 12 months with no more than one-quarter of options vesting in any three-month period.

The following tables reflect the continuity of stock options for the years ended October 31, 2020 and April 30, 2020:

Number Outstanding April 30, 2020	Granted	Exercised	Expired / Cancelled	Number outstanding Oct 31, 2020	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
1,120,000	-	1,120,000	-	-	\$ 0.10	Sept 18, 2020	-
1,475,000	-	850,000	-	625,000	0.10	Dec 3, 2020*	0.09
950,000	-	-	-	950,000	0.10	Jan 10, 2022	1.19
2,950,000	-	-	-	2,950,000	0.45	Apr 15, 2029	8.46
275,000	-	-	-	275,000	0.45	Apr 15, 2024	3.46
200,000	-	-	-	200,000	0.45	Jun 18, 2029	8.64
6,970,000	-	1,970,000	-	5,000,000	\$ 0.34	(weighted average)	5.77
\$0.27	\$0.00	\$0.10	\$0.00	Exercisable 3,428,750	\$ 0.29	(weighted average)	4.70

*Subsequent to October 31, 2020, 625,000 exercised.

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8. Share Capital (continued):

(c) Stock options (continued):

Number Outstanding April 30, 2019	Granted	Exercised	Expired / Cancelled	Number outstanding April 30, 2020	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
750,000	-	500,000	250,000	-	\$ 0.35	Jan 18, 2020	-
250,000	-	250,000	-	-	0.10	June 30, 2019	-
1,120,000	-	-	-	1,120,000	0.10	Sept 18, 2020	0.39
1,475,000	-	-	-	1,475,000	0.10	Dec 3, 2020	0.59
950,000	-	-	-	950,000	0.10	Jan 10, 2022	1.70
3,350,000	-	50,000	350,000	2,950,000	0.45	Apr 15, 2029	8.96
275,000	-	-	-	275,000	0.45	Apr 15, 2024	3.96
-	200,000	-	-	200,000	0.45	Jun 18, 2029	9.14
8,170,000	200,000	800,000	600,000	6,970,000	\$ 0.27	(weighted average)	4.63
\$0.28	\$0.45	\$0.28	\$0.41				
			Exercisable	4,885,000	\$ 0.20	(weighted average)	2.95

The fair values of the stock options used to calculate compensation expense for both employees and non-employees for the options granted is estimated using the Black-Scholes option pricing model. The weighted average fair value per option granted during the six months ended October 31, 2020 was \$Nil (2019 - \$0.48). During the six months ended October 31, 2020, the Company recognized \$175,565 (2019 - \$495,274) in share-based payments for the fair value of the vesting portion of the stock options that were granted in the prior periods. The following weighted average assumptions used in the calculation of fair value are as follows:

	Six months ended October 31, 2020	Six months ended October 31, 2019
Risk-free interest rate	Nil	1.39%
Expected volatility	Nil	124.68%
Expected life of options	Nil	10 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

(d) Warrants:

At October 31, 2020 and April 30, 2020, the following warrants were outstanding:

Number Outstanding April 30, 2020	Granted	Exercised	Expired / Cancelled	Number outstanding Oct 31, 2020	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
-	6,250,000	-	-	6,250,000	\$ 0.60	May 28, 2022	1.57
-	636,750	-	-	636,750	\$ 0.40	May 28, 2022*	1.57
-	5,262,500	-	-	5,262,500	\$ 0.60	June 8, 2022	1.60
-	445,500	-	-	445,500	\$ 0.40	June 8, 2022*	1.60
-	12,594,750	-	-	12,594,750			1.59
-	\$0.58	-	-	\$0.58	(weighted average)		

* Exercisable to acquire one Unit at a price of \$0.40 per share for a period of 24 months. Each Unit comprising one common share and one-half of one share purchase warrant with a whole warrant exercisable at a price of \$0.60 per share for a period of 24 months.

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8. Share Capital (continued):

(d) Warrants (continued):

Number Outstanding April 30, 2019	Granted	Exercised	Expired / Cancelled	Number outstanding April 30, 2020	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
5,325,000	-	-	5,325,000	-	\$ 0.65	Nov 8, 2019	-
1,041,111	-	-	1,041,111	-	\$ 0.65	Nov 24, 2019	-
1,661,681	-	-	1,661,681	-	\$ 0.65	Nov 30, 2019	-
8,027,792	-	-	8,027,792	-			-
\$0.65	-	-	\$0.65	-	(weighted average)		

9. Segmented Information:

The Company operates in one segment being the acquisition and exploration of exploration and evaluation assets. The Company operates in Mexico and the United States. Geographic information is described in note 6.

10. Financial Instruments and Risk Management:

Financial instruments

The Company measures financial instruments using a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values because of the short-term nature of these instruments.

Financial risk factors

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

a) Credit risk:

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's receivables consist primarily of amounts due from a Canadian government agency and cash is held with large and stable financial institutions.

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10. Financial Instruments and Risk Management (continued):

Financial risk factors (continued)

b) Liquidity risk:

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet its liabilities when they come due. As of October 31, 2020, the Company had cash of \$7,694,882 and current liabilities of \$210,446.

c) Market risk:

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest rate risk:

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(ii) Foreign currency risk:

The Company is exposed to foreign currency risk on fluctuations related to cash, prepaid expenses and accounts payable and accrued liabilities that are denominated in United States Dollars and Mexican Pesos.

The exposure of the Company's cash and prepaid expenses to foreign exchange risk is as follows:

	October 31, 2020		April 30, 2020	
	Foreign currency amount	Amount in CAD dollars	Foreign currency amount	Amount in CAD dollars
United States dollars:				
Cash	\$ 172,301	\$ 229,470	\$ 72,976	\$ 101,423
Mexican pesos:				
Cash	\$ 763,779	\$ 47,866	\$ 247,448	\$ 14,381
Prepaid expenses	273,933	17,167	631,806	36,720
Total financial assets		\$ 294,503		\$ 152,524

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10. Financial Instruments and Risk Management (continued):

Financial risk factors (continued)

c) Market risk (continued):

(ii) Foreign currency risk (continued):

The exposure of the Company's accounts payable to foreign exchange risk is as follows:

	October 31, 2020		April 30, 2020	
	Foreign currency amount	Amount in CAD dollars	Foreign currency amount	Amount in CAD dollars
United States dollars:				
Accounts payable	\$ 77,964	\$ 103,832	\$ 48,313	\$ 67,146
Mexican pesos:				
Accounts payable	\$ 2,824	\$ 177	\$ 46,411	\$ 2,697
Total financial liabilities		\$ 104,009		\$ 69,843

As at April 30, 2020, the Company had net monetary assets denominated in United States dollars totaling approximately US\$411,603. The Company has determined that a 10% increase or decrease in the US dollar against the Canadian dollar on these instruments, as at October 31, 2020, would result in approximately \$33,300 change to comprehensive loss for the period.

(iii) Price risk:

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. Subsequent events:

Subsequent to October 31, 2020, the Company issued 625,000 common shares for options exercised for gross proceeds of \$62,500.

