

**MINAURUM GOLD INC.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - expressed in Canadian dollars)

Three months ended July 31, 2021 and 2020

**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)*

	<b>July 31, 2021</b>	<b>April 30, 2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 11,308,425	\$ 4,102,028
Receivables (Note 4)	29,196	18,749
Prepaid expenses (Note 6)	90,502	146,895
	<b>11,428,123</b>	<b>4,267,672</b>
<b>Exploration and evaluation assets (Note 6)</b>	<b>7,747,283</b>	<b>7,710,808</b>
	<b>\$ 19,175,406</b>	<b>\$ 11,978,480</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 488,905	\$ 308,726
<b>Deferred income tax liability</b>	<b>201,000</b>	<b>201,000</b>
	<b>689,905</b>	<b>509,726</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	59,644,517	51,437,307
Reserves (Note 7)	4,229,763	3,521,755
Deficit	(45,388,779)	(43,490,308)
	<b>18,485,501</b>	<b>11,468,754</b>
	<b>\$ 19,175,406</b>	<b>\$ 11,978,480</b>

**NATURE AND CONTINUANCE OF OPERATIONS (NOTE 1)**

**SUBSEQUENT EVENTS (NOTE 5, 10)**

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)*

	<b>Three months ended July 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>EXPENSES</b>		
Consulting fees (Note 6)	\$ 129,800	\$ 127,433
Directors fees (Note 6)	25,000	-
Exploration costs (supplemental schedule) (Note 5, 6)	960,166	865,412
Filing and registration	(15,252)	41,436
Foreign exchange	64,961	42,942
Investor relations and marketing	159,563	303,496
Office and administration	33,134	40,559
Professional fees	49,615	19,362
Share-based payments (Note 6, 7(c))	518,585	90,775
Travel and meals	3,176	105
<b>OPERATING LOSS</b>	<b>(1,928,748)</b>	<b>(1,531,520)</b>
Interest income	30,277	1,225
<b>TOTAL LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (1,898,471)</b>	<b>\$ (1,530,295)</b>
<b>LOSS PER COMMON SHARE, BASIC AND DILUTED</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>	<b>346,759,046</b>	<b>329,109,970</b>

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
<b>April 30, 2020</b>	<b>314,339,046</b>	<b>\$ 42,179,328</b>	<b>\$ 2,838,779</b>	<b>\$ (35,969,631)</b>	<b>9,048,476</b>
Shares issued for cash	23,025,000	9,210,000	-	-	<b>9,210,000</b>
Share issuance costs	-	(1,015,854)	317,135	-	<b>(698,719)</b>
Shares issued on exercise of options	1,100,000	152,137	(42,137)	-	<b>110,000</b>
Share-based payments	-	-	90,775	-	<b>90,775</b>
Total comprehensive loss for the period	-	-	-	(1,530,295)	<b>(1,530,295)</b>
<b>July 31, 2020</b>	<b>338,464,046</b>	<b>50,525,611</b>	<b>3,204,552</b>	<b>(37,499,926)</b>	<b>16,230,237</b>
Shares issued on exercise of options	1,495,000	228,696	(79,196)	-	<b>149,500</b>
Shares issued for mineral properties	1,300,000	683,000	-	-	<b>683,000</b>
Share-based payments	-	-	396,399	-	<b>396,399</b>
Total comprehensive loss for the period	-	-	-	(5,990,382)	<b>(5,990,382)</b>
<b>April 30, 2021</b>	<b>341,259,046</b>	<b>51,437,307</b>	<b>3,521,755</b>	<b>(43,490,308)</b>	<b>11,468,754</b>
Shares issued for cash	23,000,000	9,200,000	-	-	<b>9,200,000</b>
Share issuance costs	-	(992,790)	189,423	-	<b>(803,367)</b>
Share-based payments	-	-	518,585	-	<b>518,585</b>
Total comprehensive loss for the period	-	-	-	(1,898,471)	<b>(1,898,471)</b>
<b>July 31, 2021</b>	<b>364,259,046</b>	<b>\$ 59,644,517</b>	<b>\$ 4,229,763</b>	<b>\$ (45,388,779)</b>	<b>18,485,501</b>

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)*

	<b>Three months ended July 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,898,471)	\$ (1,530,295)
Items not affecting cash:		
Share-based payments	518,585	90,775
<i>Changes in non-cash working capital items:</i>		
Receivables	(10,447)	(73,554)
Prepaid expenses	56,393	(411)
Accounts payable and accrued liabilities	180,179	79,689
<b>Cash flows used in operating activities</b>	<b><u>(1,153,761)</u></b>	<b><u>(1,433,796)</u></b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation acquisition costs	(81,475)	(128,651)
Option payments received	45,000	-
<b>Cash flows used in investing activities</b>	<b><u>(36,475)</u></b>	<b><u>(128,651)</u></b>
<b>FINANCING ACTIVITIES</b>		
Shares issued for private placements	9,200,000	9,210,000
Shares issued on exercise of options	-	110,000
Share issuance costs	(803,367)	(698,719)
<b>Cash flows provided by financing activities</b>	<b><u>8,396,633</u></b>	<b><u>8,621,281</u></b>
<b>NET CHANGE IN CASH DURING THE PERIOD</b>	<b>7,206,397</b>	<b>7,058,834</b>
<b>CASH, BEGINNING OF THE PERIOD</b>	<b><u>4,102,028</u></b>	<b><u>2,449,527</u></b>
<b>CASH, END OF THE PERIOD</b>	<b>\$ <u>11,308,425</u></b>	<b>\$ <u>9,508,361</u></b>
<b>SUPPLEMENTAL SCHEDULE OF NON-CASH TRANSACTIONS</b>		
Broker and finder warrants issued	\$ 189,423	\$ 317,135
Fair value of options exercised	\$ -	\$ 42,137

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 July 31, 2021											
Analysis	\$ -	\$ -	\$ -	\$ -	\$ 1,035	\$ -	\$ -	\$ -	\$ -	\$ 21,264	\$ 22,299
Community relations	-	-	-	-	1,157	-	-	-	-	-	1,157
Field supplies and equipment	-	-	1,090	-	29,681	-	-	2,475	141	-	33,387
General	-	908	3,766	533	98,293	511	-	-	17,470	45,307	166,788
Geological consulting	1,613	4,220	1,682	31,402	133,741	1,613	1,613	11,727	5,815	12,846	206,272
Permitting	-	-	-	-	44,976	-	-	-	-	-	44,976
Property taxes	95,517	-	11,673	72,369	69,613	-	160,481	15,652	98	-	425,403
Rent	-	-	-	-	8,830	-	-	-	3,690	-	12,520
Surveying	-	-	-	-	4,443	-	-	-	-	7,084	11,527
Transportation	-	717	-	-	37,404	-	-	1,226	30	-	39,377
Recoveries	-	-	-	-	-	-	-	-	(3,540)	-	(3,540)
<b>Total for the period</b>	<b>\$ 97,130</b>	<b>\$ 5,845</b>	<b>\$ 18,211</b>	<b>\$ 104,304</b>	<b>\$ 429,173</b>	<b>\$ 2,124</b>	<b>\$ 162,094</b>	<b>\$ 31,080</b>	<b>\$ 23,704</b>	<b>\$ 86,501</b>	<b>\$ 960,166</b>
Period ended July 31, 2020											
Analysis	\$ -	\$ -	\$ -	\$ -	\$ 1,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,162
Community relations	-	-	-	-	40,202	-	-	-	-	-	40,202
Drilling	-	-	-	-	46,344	-	-	-	-	-	46,344
Field supplies and equipment	-	-	-	-	78,879	-	-	-	-	-	78,879
General	-	-	2,752	-	73,610	602	-	-	8,532	-	85,496
Geological consulting	1,613	1,673	1,674	34,663	42,147	3,277	1,618	4,838	40,351	-	131,854
Permitting	-	-	11,005	-	11,695	-	-	-	-	-	22,700
Property taxes	-	850	-	-	54,076	-	139,643	248,496	152	-	443,217
Rent	-	5,892	-	-	3,021	-	-	-	3,610	-	12,523
Sampling	-	-	-	-	-	-	2,532	-	-	-	2,532
Transportation	-	-	-	-	503	-	-	-	-	-	503
<b>Total for the period</b>	<b>\$ 1,613</b>	<b>\$ 8,415</b>	<b>\$ 15,431</b>	<b>\$ 34,663</b>	<b>\$ 351,639</b>	<b>\$ 3,879</b>	<b>\$ 143,793</b>	<b>\$ 253,334</b>	<b>\$ 52,645</b>	<b>\$ -</b>	<b>\$ 865,412</b>

During the three months ended July 31, 2021, the Company paid \$46,978 (MXN\$764,019) (2020 – \$47,390 or MXN\$787,602) 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 three months ended July 31, 2021 and 2020, respectively. During the three months ended July 31, 2021, the Company received \$3,540 (MXN - \$57,563) (2020 - \$Nil or MXN - \$Nil) 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**  
**THREE MONTHS ENDED JULY 31, 2021 AND 2020**  
*(Unaudited - expressed in Canadian dollars)*

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**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 2710 – 200 Granville Street, Vancouver, BC, V6C 1S4, Canada. The registered and records office address is 10<sup>th</sup> 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 \$45,388,779 since inception, and a working capital of \$10,939,218 at July 31, 2021. 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 financing completed during the three months ended July 31, 2021 (note 7(b)), 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”).

**MINAURUM GOLD INC.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED JULY 31, 2021 AND 2020**  
*(Unaudited - expressed in Canadian dollars)*

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**2. Significant Accounting Policies (continued):**

a) Basis of presentation (continued):

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the audited consolidated financial statements for the year ended April 30, 2021. These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for supplemental cash flow information.

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the parent company.

These condensed consolidated interim financial statements were authorized for issuance by the Board on September 24, 2021.

b) Basis of consolidation:

These consolidated 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) 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 condensed consolidated interim 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.

**MINAURUM GOLD INC.**  
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED JULY 31, 2021 AND 2020  
(Unaudited - expressed in Canadian dollars)

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**2. Significant Accounting Policies (continued):**

- c) Significant Accounting Estimates and Judgments (continued):

*Critical accounting estimates (continued)*

Share-based payments

The fair value of stock options and warrants issued are subject to the limitations of the Black-Scholes option pricing model and Geske compound option pricing model that both incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model and Geske compound option pricing model require 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.

**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.

**MINAURUM GOLD INC.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**THREE MONTHS ENDED JULY 31, 2021 AND 2020**  
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**3. Capital Management (continued):**

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 three months ended July 31, 2021 and 2020.

**4. Receivables:**

	July 31, 2021	April 30, 2021
Amounts due from Government of Canada pursuant to GST input tax credits	\$ 24,996	\$ 14,549
Other amounts receivable	4,200	4,200
<b>Total</b>	<b>\$ 29,196</b>	<b>\$ 18,749</b>

**5. Exploration and Evaluation Assets:**

Balance consists of:

	July 31, 2021	April 30, 2021
Aurena, Mexico	\$ 1,189,713	\$ 1,189,713
Adelita, Mexico	566,922	566,922
Vuelcos del Destino, Mexico	1,411,039	1,411,039
Santa Marta, Mexico	346,294	346,294
Alamos (Quintera), Mexico	2,653,740	2,653,740
Taviche, Mexico	-	-
Biricu, Mexico	1,127,494	1,172,494
Aurífero, Mexico	247,007	216,566
United States	205,074	154,040
<b>Total</b>	<b>\$ 7,747,283</b>	<b>\$ 7,710,808</b>

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 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 Aurena Property.

**MINAURUM GOLD INC.**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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*(Unaudited - expressed in Canadian dollars)*

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**5. Exploration and Evaluation Assets (continued):**

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

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. 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.

The property is subject to an NSR of 2%. On April 8, 2021, the Company issued 200,000 common shares valued at \$80,000 to eliminate a commercial production payment of 500,000 common shares.

In the year ended April 30, 2021, the Company granted to Infinitum Copper Corp. ("Infinitum", formerly ASR Resources Corp.) an option to earn an 80% interest in the Adelita Project. In consideration for the granted option, Infinitum will pay the Company the following:

- a) \$50,000 on signing (received);
- b) \$43,333 in property taxes on or before 10 business days after signing (received);
- c) \$25,000 on or before August 26, 2021 (received subsequent to July 31, 2021).

In addition, on the first day of listed trading on a the TSX Venture Exchange or Canadian Securities Exchange ("Listing Date"), Infinitum must issue 16% of the total issued and outstanding common shares of Infinitum calculated post issuance to the Company. Infinitum must incur at least \$3,000,000 of expenditures on the Adelita Project on or before five years from the Listing Date.

After completing the option to earn 80%, the Company and Infinitum will enter into a joint venture agreement. The Company's 20% retained interest will be carried until Infinitum carries out a total of \$4,750,000 in expenditures along with completing both a mineral resource calculation in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects and a Preliminary Economic Assessment.

Infinitum has 12 months from signing the definitive agreement to complete a listing, with a \$100,000 penalty if the deadline is exceeded. If Infinitum fails to complete its listing after 18 months, Infinitum will return the Adelita Project to the Company in good standing.

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**THREE MONTHS ENDED JULY 31, 2021 AND 2020**  
*(Unaudited - expressed in Canadian dollars)*

**5. Exploration and Evaluation Assets (continued):**

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	-	\$ -
<b>Totals</b>	<b>\$ 355,000</b>	<b>5,650,000</b>	<b>\$ 1,004,500</b>	<b>\$ 2,000,000</b>

\*\$1,324,652 incurred as at July 31, 2021

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 gold closing price on the date of delivery.

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**5. Exploration and Evaluation Assets (continued):**

d) Santa Marta Project, Oaxaca 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 (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 *
<b>Totals</b>	<b>\$ 175,000</b>	<b>1,875,000</b>	<b>\$ 370,500</b>	<b>\$ 2,500,000</b>

\*\$2,458,029 incurred as at July 31, 2021

\*\*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 July 31, 2021, 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).

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 (CAD)	Shares	Value
September 1, 2016	\$ -	1,500,000 (issued)	\$ 180,000
September 1, 2017	\$ 25,000 (paid)	750,000 (issued)	\$ 255,000
September 1, 2018	\$ 25,000 (paid)	750,000 (issued)	\$ 390,000
September 1, 2019	\$ 50,000 (paid)	1,000,000 (issued)	\$ 455,000
September 1, 2020	\$ 50,000 (paid)	1,000,000 (issued)	\$ 560,000
September 1, 2021	\$ 50,000 *	1,000,000 *	
September 1, 2022	\$ 400,000	-	
On Commercial Production	\$ 2,000,000	-	
<b>Totals</b>	<b>\$ 2,600,000</b>	<b>6,000,000</b>	<b>\$ 1,840,000</b>

\* paid / issued subsequent to July 31, 2021

The Company has incurred the minimum property expenditures (\$3,000,000) required under the option agreement.

During the year ended April 30, 2021, in addition to the US\$50,000 cash payment due on September 1, 2020 pursuant to the original option agreement, the Company paid \$281,160 to the property vendor to acquire additional property concessions under option adjacent to the original Alamos (Quintera) property.

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**5. Exploration and Evaluation Assets (continued):**

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.

On December 31, 2020, the Company granted to Compania Minera Cuzcatlan, S.A. de C.V. ("CMC"), a wholly owned subsidiary of Fortuna Silver Mines Inc. ("Fortuna"), an exclusive option to earn up to an 80% interest in the Taviche Project. CMC can initially earn a 60% interest ("Initial Interest") by making cash payments to the Company and incurring expenditures as follows:

- i) US\$75,000 cash payment on the effective date (received);
- ii) US\$100,000 cash payment on or before the first anniversary of the effective date;
- iii) US\$125,000 cash payment on or before the second anniversary of the effective date;
- iv) US\$150,000 cash payment on or before the third anniversary of the effective date;
- v) incur a total of US\$4,000,000 in expenditures on the Taviche Property by the third anniversary of the effective date.

Upon earning the Initial Interest, Fortuna can then earn an additional 20% interest for a total 80% interest in the Taviche Project by funding the exercise of the Company's option to acquire the remaining 20% of the Taviche Property from Gold79. Upon CMC acquiring the Initial Interest, the parties will form a joint venture, pursuant to which the Company will retain a 20% interest which shall be carried until a positive construction decision is made under the terms of the agreement.

If a positive construction decision is not made within seven years of the date of the option agreement, the Company will have the option, exercisable for a period of 60-days, to purchase CMC's interest in the Taviche Project in exchange for a cash payment equal to Fortuna's work expenditures to date.

g) Biricu Project, Guerrero State, Mexico:

On January 13, 2021, the Company renegotiated the terms of the underlying royalty on the Biricu Project. The Biricu Project is subject to a 2% NSR. The Company has been granted an option to repurchase one-half of the NSR which would result in the NSR being reduced to 1% of net smelter returns ("NSR Repurchase Option"). The NSR Repurchase Option may be exercised by cash payment as follows:

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**5. Exploration and Evaluation Assets (continued):**

g) Biricu Project, Guerrero State, Mexico (continued):

- i) \$500,000 if the NSR Repurchase Option is exercised on or before December 31, 2023;
- ii) \$750,000 if the NSR Repurchase Option is exercised after December 31, 2023 and on or before December 31, 2024;
- iii) \$1,000,000 if the NSR Repurchase Option is exercised after December 31, 2024 and on or before December 31, 2025.

Additionally, the existing Bankable Feasibility Study payment of \$10 per ounce of gold resource was extinguished. The Company issued 100,000 common shares valued at \$43,000 as consideration for the renegotiated terms.

h) Aurífero Project, Sonora State, Mexico:

On January 17, 2020, the Company entered into an option agreement, subsequently amended, 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:

<b>Milestone</b>	<b>Cash (USD)</b>
Signing July 17, 2020	\$ 84,120 (paid)
January 17, 2021 July 17, 2021	\$ 35,000 (paid)
January 17, 2022 July 17, 2022	\$ 25,000 (paid)
January 17, 2023 July 17, 2023	\$ 25,000 (paid)
January 17, 2024 July 17, 2024	\$ 25,000
January 17, 2025	\$ 25,000
<b>Totals</b>	<b>\$ 2,370,000</b>
	<b>\$ 2,689,120</b>

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.

i) United States:

During the period ended July 31, 2021, the Company paid \$51,034 (2020 - \$118,508) to stake certain claims in the United States.

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**6. Related Party Transactions:**

As at July 31, 2021, \$72,742 (April 30, 2021 - \$137,344) (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 also has prepaids of \$34,903 (April 30, 2021 - \$Nil) to directors and officers.

The remuneration of key management personnel, which includes directors and officers of the Company, including amounts disclosed above, during the periods ended July 31, 2021 and 2020 were as follows:

	July 31, 2021	July 31, 2020
Consulting fees	\$ 68,750	\$ 63,083
Exploration costs (geological consulting)	41,042	65,536
Directors fees	25,000	-
Share-based payments	414,794	58,753
<b>Total</b>	<b>\$ 549,586</b>	<b>\$ 187,372</b>

**7. Share Capital:**

- (a) Authorized share capital:

Unlimited common shares without par value.

- (b) Issued and outstanding common shares:

*Issued in the period ended July 31, 2021*

On July 9, 2021, the Company completed a bought deal public offering of 23,000,000 units at \$0.40 per unit for total gross proceeds of \$9,200,000, each unit comprising one common share and one-half of one share purchase warrant. Each whole warrant is exercisable at a price of \$0.60 per share for period of 24 months. In connection with the public offering, the Company paid total cash commissions of \$534,000 and issued 1,335,000 broker warrants. Each broker warrant is exercisable to acquire one common share at a price of \$0.40 per share for a period of 24 months. The broker warrants were valued at \$189,423 using the following assumptions: risk-free rate of 0.47%, expected volatility of 86.4%, expected life of 2 years, and expected dividend yield of 0%.

*Issued in the year ended April 30, 2021*

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. 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. 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%.

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**7. Share Capital (continued):**

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

*Issued in the year ended April 30, 2021 (continued)*

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 \$178,200 and issued 445,500 finder warrants. 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 \$164,059 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 5(e)).

On January 25, 2021, the Company issued 100,000 common shares, valued at \$43,000, pursuant to the Biricu share purchase amended agreement (Note 5(g)).

On April 8, 2021, the Company issued 200,000 common share, valued at \$80,000, pursuant to the repurchase of the Adelita property NSR (Note 5(b)).

During the year ended April 30, 2021, the Company issued 2,595,000 common shares upon the exercise of stock options at a weighted average price of \$0.10 per share, for total gross proceeds of \$259,500.

(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 period ended July 31, 2021 and year ended April 30, 2021:

Number Outstanding April 30, 2021	Granted	Exercised	Expired / Cancelled	Number outstanding July 31, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
950,000	-	-	-	950,000	\$ 0.10	Jan 10, 2022	0.45
2,950,000	-	-	-	2,950,000	0.45	Apr 15, 2029	7.71
275,000	-	-	-	275,000	0.45	Apr 15, 2024	2.71
200,000	-	-	-	200,000	0.45	Jun 18, 2029	7.89
300,000	-	-	-	300,000	0.52	Mar 23, 2026	4.65
3,825,000	-	-	-	3,825,000	0.52	Mar 23, 2031	9.65
8,500,000	-	-	-	8,500,000	\$ 0.44	(weighted average)	7.51
\$0.44	-	-	-				
			Exercisable	3,347,500	\$ 0.35	(weighted average)	5.37

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**7. Share Capital (continued):**

(c) Stock options (continued):

Number Outstanding April 30, 2020	Granted	Exercised	Expired / Cancelled	Number outstanding April 30, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
1,120,000	-	1,120,000	-	-	\$ -	-	-
1,475,000	-	1,475,000	-	-	-	-	-
950,000	-	-	-	950,000	0.10	Jan 10, 2022	0.70
2,950,000	-	-	-	2,950,000	0.45	Apr 15, 2029	7.96
275,000	-	-	-	275,000	0.45	Apr 15, 2024	2.96
200,000	-	-	-	200,000	0.45	Jun 18, 2029	8.14
-	300,000	-	-	300,000	0.52	Mar 23, 2026	4.90
-	3,825,000	-	-	3,825,000	0.52	Mar 23, 2031	9.90
6,970,000	4,125,000	2,595,000	-	8,500,000	\$ 0.44	(weighted average)	7.76
\$0.27	\$0.52	\$0.10	-				
			Exercisable	3,317,500	\$ 0.35	(weighted average)	6.21

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. During the three months ended July 31, 2021, the Company recognized \$518,585 (2020 - \$90,775) in share-based payments for the fair value of the vesting portion of the stock options that were granted in the prior periods.

(d) Warrants:

The following tables reflect the continuity of warrants for the period ended July 31, 2021 and year ended April 30, 2021:

Number Outstanding April 30, 2021	Granted	Exercised	Expired / Cancelled	Number outstanding July 31, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
6,250,000	-	-	-	6,250,000	\$ 0.60	May 28, 2022	0.82
363,750	-	-	-	636,750*	\$ 0.40	May 28, 2022	0.82
5,262,500	-	-	-	5,262,500	\$ 0.60	June 8, 2022	0.85
445,500	-	-	-	445,500*	\$ 0.40	June 8, 2022	0.85
-	11,500,000	-	-	11,500,000	\$ 0.60	July 9, 2023	1.94
-	1,335,000	-	-	1,335,000	\$ 0.40	July 9, 2023	1.94
12,594,750	12,835,000	-	-	25,429,750			1.39
\$0.58	\$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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**7. Share Capital (continued):**

(d) Warrants (continued):

Number Outstanding April 30, 2020		Granted	Exercised	Expired / Cancelled	Number outstanding April 30, 2021	Exercise price per share	Expiry date	Weighted average remaining contractual life in years
-	6,250,000		-	-	6,250,000	\$ 0.60	May 28, 2022	1.08
-	636,750		-	-	636,750*	\$ 0.40	May 28, 2022	1.08
-	5,262,500		-	-	5,262,500	\$ 0.60	June 8, 2022	1.11
-	445,500		-	-	445,500*	\$ 0.40	June 8, 2022	1.11
-	12,594,750		-	-	12,594,750			1.09
-	\$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.

**8. 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 5.

**9. 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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**9. 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 July 31, 2021, the Company had cash of \$11,308,425 and current liabilities of \$488,905.

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:

	July 31, 2021		April 30, 2021	
	Foreign currency amount	Amount in CAD dollars	Foreign currency amount	Amount in CAD dollars
United States dollars:				
Cash	655,817	\$ 817,279	32,050	\$ 39,373
Mexican pesos:				
Cash	518,634	\$ 32,544	399,923	\$ 24,359
Prepaid expenses	920,356	57,752	1,057,682	64,423
<b>Total financial assets</b>		<b>\$ 907,575</b>		<b>\$ 128,155</b>

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**9. 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:

	July 31, 2021		April 30, 2021	
	Foreign currency amount	Amount in CAD dollars	Foreign currency amount	Amount in CAD dollars
United States dollars:				
Accounts payable	43,806	\$ 54,591	84,818	\$ 104,199
Mexican pesos:				
Accounts payable	3,267,461	\$ 205,033	1,591,756	\$ 96,954
<b>Total financial liabilities</b>		<b>\$ 259,624</b>		<b>\$ 201,153</b>

As at July 31, 2021, the Company had net monetary assets denominated in United States dollars totaling approximately US\$612,000. The Company has determined that a 10% increase or decrease in the US dollar against the Canadian dollar on these instruments, as at July 31, 2021, would result in approximately \$110,200 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.

**10. Subsequent event:**

Subsequent to July 31, 2021, the Company paid \$50,000 and issued 1,000,000 common shares, valued at \$300,000, pursuant to the Alamos (Quintera) option agreement (Note 5(e)).