SIGNATURE RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

OCTOBER 31, 2020 AND 2019

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Signature Resources Ltd.

Opinion

We have audited the consolidated financial statements of Signature Resources Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in cash flows and consolidated statements of changes in equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has an accumulated deficit and a working capital deficiency as at October 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
February 24, 2021

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian dollars)

	Note	**October 31 2020**	**October 31 2019**
		$	$
ASSETS			
CURRENT			
Cash		462,184	267,639
Amounts receivable		63,100	29,377
Prepaid expenses and deposit		22,686	40,144
Total current assets		547,970	337,160
Equipment	4	283,913	345,789
Exploration and evaluation assets	5	6,401,261	5,838,911
Total assets		7,233,144	6,521,860
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6,8	1,591,182	1,667,961
Promissory note	10	-	169,540
Total current liabilities		1,591,182	1,837,501
Rehabilitation provision	9	273,847	273,847
Total liabilities		1,865,029	2,111,348
SHAREHOLDERS' EQUITY			
Share capital	7	7,730,552	6,303,209
Shares to be issued	7	-	240,804
Contributed surplus	7	2,249,444	1,484,219
Deficit		(4,611,881)	(3,617,720)
Total shareholders' equity		5,368,115	4,410,512
Total liabilities and shareholders' equity		7,233,144	6,521,860

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 5, 9 & 11)
SUBSEQUENT EVENTS (Note 16)

"Signed"
Walter Hanych, Director

"Signed"
Stephen Timms, Director

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED OCTOBER 31,
(Expressed in Canadian dollars)

	Note	2020	2019
		$	$
GENERAL AND ADMINISTRATION			
Salaries and wages	6	340,809	304,800
Office and general		115,640	180,630
Professional fees		186,346	104,711
Accretion expense	9	-	8,570
Share-based payments	6,7	292,921	83,469
Depreciation	4	82,437	59,749
NET LOSS BEFORE OTHER ITEMS		(1,018,153)	(741,929)
Premium on flow-through shares income	13	31,694	-
Foreign exchange income		5,073	1,237
Interest expense	10	(12,775)	(5,540)
NET LOSS AND COMPREHENSIVE LOSS		(994,161)	(746,232)
LOSS PER SHARE, basic and diluted		(0.01)	(0.01)
Weighted average number of common shares, basic and diluted		114,948,118	101,068,939

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31,
(Expressed in Canadian dollars)

	Note	2020	2019
		$	$
OPERATING ACTIVITIES			
Net loss for the year		(994,161)	(746,232)
Items not affecting cash:			
Accretion expense	9	-	8,570
Depreciation expense	4	82,437	59,749
Share-based payments	7	292,921	83,469
Premium on flow-through shares income	13	(31,694)	-
Interest expense	10	12,775	5,540
		(637,722)	(588,904)
Changes in non-cash working capital items:			
Amounts receivable		(33,723)	62,548
Prepaid expenses and deposit		17,458	(5,765)
Accounts payable and accrued liabilities		(76,779)	406,327
Cash flows used in operating activities		(730,766)	(125,794)
FINANCING ACTIVITIES			
Shares to be issued related to private placement	7	(240,804)	240,804
Proceeds from private placement	7	2,059,438	136,555
Share issuance costs	7	(128,097)	(2,780)
Proceeds from (repayment of) promissory note	10	(182,315)	164,000
Cash flows from financing activities		1,508,222	538,579
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	5	(557,911)	(336,251)
Expenditures on equipment	4	(25,000)	(270,816)
Cash flows used in investing activities		(582,911)	(607,067)
Change in cash during the year		194,545	(194,282)
Cash, beginning of year		267,639	461,921
Cash, end of year		462,184	267,639
Non-cash activities:			
Depreciation included in exploration and evaluation assets	4	$ 4,439	$ 5,927
Exercise of options for consulting services	7	$ -	$ 50,000
Changes in accrued property expenditures		$ -	$ 97,121

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

SIGNATURE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED OCTOBER 31,
(Expressed in Canadian dollars)

	Note	Number of Shares	Number of Shares to be Issued	Share Capital	Shares to be Issued	Contributed Surplus	Deficit	Total
				$	$	$	$	$
Balance, October 31, 2018		99,093,969	-	6,125,870	-	1,394,314	(2,871,488)	4,648,696
Private placement	7	1,820,735	4,816,080	136,555	240,804	-	-	377,359
Share issuance costs	7	-	-	(2,780)	-	-	-	(2,780)
Issuance of warrants	7	-	-	(30,932)	-	30,932	-	-
Exercise of options	7	1,000,000	-	74,496	-	(24,496)	-	50,000
Share-based payments	7	-	-	-	-	83,469	-	83,469
Net loss and comprehensive loss for the year		-	-	-	-	-	(746,232)	(746,232)
Balance, October 31, 2019		101,914,704	4,816,080	6,303,209	240,804	1,484,219	(3,617,720)	4,410,512
Balance, October 31, 2019		101,914,704	4,816,080	6,303,209	240,804	1,484,219	(3,617,720)	4,410,512
Private placements	7	40,786,100	(4,816,080)	2,059,438	(240,804)	-	-	1,818,634
Issuance of warrants	7	-	-	(472,304)	-	472,304	-	-
Share issuance costs	7	-	-	(128,097)	-	-	-	(128,097)
Share-based payments	7	-	-	-	-	292,921	-	292,921
Premium on flow-through shares	13	-	-	(31,694)	-	-	-	(31,694)
Net loss and comprehensive loss for the year		-	-	-	-	-	(994,161)	(994,161)
Balance, October 31, 2020		142,700,804	-	7,730,552	-	2,249,444	(4,611,881)	5,368,115

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Signature Resources Ltd. (the "Company" or "Signature") was incorporated on May 3, 2010, under the British Columbia Business Corporations Act. The Company's principal business activities include the acquisition and exploration of mineral properties in Canada. The Company's common shares are publicly traded on the TSX-Venture Exchange ("TSXV") under the stock symbol "SGU", on the OTCQB under the symbol "SGGTF", and on the FSE under the symbol "3S3". The Company's head office address is 200-366 Bay Street, Toronto, ON M5H 4B2.

At October 31, 2020, the Company had not yet determined whether its properties contained ore reserves that are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry practice for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at October 31, 2020, the Company has an accumulated deficit of $4,611,881 (October 31, 2019 - $3,617,720), a working capital deficiency of $1,043,212 (October 31, 2019 - $1,500,341), and is not yet generating positive cash flows from operations. These factors indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue its operations as a going concern and to realize its assets as their carrying values are dependent upon obtaining additional financing and for generating revenues sufficient to cover its operating costs (Note 17).

The Company will need to raise capital in order to fund its operations. To address its financing requirements, the Company will seek financing through debt and equity financings, asset sales, and rights offerings to existing shareholders. The ability of the Company to raise sufficient capital cannot be predicted at this time.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time and continues to monitor the COVID-19 development but since the duration and impact of the COVID-19 pandemic is unknown at this time, it is not possible to reliably estimate the length of the outbreak or the severity of its impact at this time.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on the historical cost basis except as explained in the accounting policies set out in Note 3. The financial statements have been prepared on an accrual basis except for cash flow information.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)

The functional and presentation currencies of the Company and its subsidiary are the Canadian dollar.

These financial statements include the accounts of the Company and its wholly-owned subsidiary, Cool Minerals Inc. All intercompany amounts and transactions have been eliminated on consolidation.

The financial statements were authorized for issue by the Board of Directors on February 24, 2021.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and Evaluation Assets

i. Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as exploration and evaluation expense.

ii. Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets (“E&E”) according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are expensed. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

The Company has not established any NI 43-101 compliant proven or probable reserves on any of its exploration and evaluation assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iii. Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

iv. Government assistance

Mining exploration tax credits for certain exploration expenditures incurred are treated as a reduction of the exploration and development costs of the respective exploration and evaluation assets.

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Rehabilitation Provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of an exploration and evaluation property. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating a related expense recognized in profit or loss.

d) Cash

Cash in the consolidated statements of financial position is comprised of cash held at major financial institutions or lawyer's trust accounts.

e) Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share Capital and Flow-Through Shares

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

The Company finances some exploration expenditures through the issuance of flow-through shares. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. At the time the flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non flow-through share financings or other techniques as considered necessary. This premium is recorded as premium on flow-through shares liability on the consolidated statements of financial position reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded to deferred tax expense. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

g) Share-Based Payments

The Company has an equity-settled share-based compensation plan. Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at the grant date using the Black-Scholes option pricing model and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus. Upon expiry, the recorded value remains in contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

h) Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. During the years ended October 31, 2020 and 2019, all outstanding options and warrants were considered anti-dilutive and were therefore excluded from the diluted loss per share calculation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVTOCI)

The classification is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

A financial asset is measured at amortized cost if both of the following criteria are met:

1. Held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. Contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments held for trading are classified as FVTPL. For all other equity investments that are not held for trading, the Company may irrevocably elect, on initial recognition, to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

The Company has assessed the classification and measurement of its financial instruments as follows:

Financial Instrument	Classification
Cash	Amortized cost
Amounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Promissory note	Amortized cost

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial Instruments (continued)

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the consolidated statements of loss. Income arising in the form of interest, dividends, or similar, is recognized through the consolidated statements of loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statements of net loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

The Company has applied the simplified approach to recognize lifetime expected credit losses for its amounts receivable. In general, the Company anticipates that the application of the expected credit loss model of IFRS 9 results in earlier recognition of credit losses for the respective items.

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the consolidated statements of loss.

Financial liabilities – The Corporation derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Flow-through shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the statement of financial position at the time of subscription. The liability is subsequently reduced and recorded in the consolidated statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred.

Resource expenditure deductions for income tax purposes related to exploration and evaluation activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The Company has indemnified the subscribers of flow-through share offerings against any tax related amounts that became payable by the shareholder as a result of the Company not meeting its commitments.

k) Warrants

Warrants are measured at fair value on the date of grant and included in contributed surplus. The fair value is estimated using the Black-Scholes option pricing model. Upon expiry, the recorded value remains in contributed surplus.

l) Equipment

Equipment is carried at cost less accumulated depreciation. Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. The estimated useful lives for the current and comparative periods for equipment are as follows:

- Computer and communication equipment - 3 years
- Vehicles - 5 years
- Equipment - 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

m) Share capital – common shares

Common shares are classified as equity. Incremental costs of issuance are recognized as a deduction from equity, net of any tax effects.

n) Critical Accounting Estimates

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgments and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge on the amount, event or actions, actual results may differ from those estimates and these differences could be material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Critical Accounting Estimates (continued)

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

i. Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after costs are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

ii. Income, value added, withholding and other taxes related estimates

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities, such as those arising from the renunciation of flow-throw expenditures, requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. In the case of flow-through, reassessment may result in amounts owing to certain shareholders.

iii. Estimation of restoration, rehabilitation and environmental obligation

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iv. Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumption about them, the assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new accounting standards

IFRS 16 - Leases ("IFRS 16") was issued by the IASB in January 2016 and specifies the requirements to recognize, measure, present and disclose leases. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

IFRIC 23 - Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates.

The Company has adopted these new standards and have determined there was no significant impact on the consolidated financial statements.

Standards issued but not yet effective for the year ended October 31, 2020:

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

The Company is currently assessing the impact of these standards.

(Expressed in Canadian Dollars)

4. EQUIPMENT

		Computer and communication equipment		Vehicles		Equipment		Total
Cost								
Balance, October 31, 2018	$	5,234	$	9,299	$	152,180	$	166,713
Additions for the year		-		-		270,816		270,816
Balance, October 31, 2019	$	5,234	$	9,299	$	422,996	$	437,529
Additions for the year		-		25,000		-		25,000
Balance, October 31, 2020	**$**	**5,234**	**$**	**34,299**	**$**	**422,996**	**$**	**462,529**
Accumulated Depreciation								
Balance, October 31, 2018	$	3,745	$	4,030	$	18,289	$	26,064
Depreciation for the year		1,489		1,860		62,327		65,676
Balance, October 31, 2019	$	5,234	$	5,890	$	80,616	$	91,740
Depreciation for the year		-		2,276		84,600		86,876
Balance, October 31, 2020	$	5,234	$	8,166	$	165,216	$	178,616
Net Book Value								
Balance, October 31, 2020	**$**	**-**	**$**	**26,133**	**$**	**257,780**	**$**	**283,913**
Balance, October 31, 2019	$	-	$	3,409	$	342,380	$	345,789

The depreciation for the year ended October 31, 2020 of $86,876 (2019 - $65,676) includes $4,439 (2019 - $5,927) included in exploration and evaluation assets (Note 5).

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

The Company holds a 100% interest in the Lingman Lake property for the main purpose of gold exploration. A 3% net smelter return ("NSR") is attached to each of three (3) different claim blocks. The Company can purchase one-half (1/2) of the NSR of each claim block for $1.5 million, collectively totaling $4,500,000 for all three.

	Lingman Lake
	$
Balance, October 31, 2018	5,399,612
Staking	3,325
Consulting expenses	187,605
Geophysical consulting	81,941
Contract labour	12,650
Logistics	13,466
Travel and lodging	11,618
Equipment rentals	2,016
Depreciation (Note 4)	5,927
Field supplies	37,751
Drilling	83,000
Balance, October 31, 2019	**5,838,911**
Staking	6,000
Consulting expenses	202,725
Geophysical consulting	37,847
Contract labour	50,178
Logistics	117,907
Travel and lodging	30,351
Equipment rentals	2,268
Depreciation (Note 4)	4,439
Airborne survey	37,044
Field supplies	73,591
Balance, October 31, 2020	**6,401,261**

6. RELATED PARTY TRANSACTIONS

Key management personnel include executive officers and non-executive directors. Executive officers are paid a salary and participate in the Company's stock option program. The executive officers include the Chief Executive Officer, and the Chief Financial Officer. Non-executive directors also participate in the Company's stock option program. The Company incurred the following:

		For the year ended October 31, 2020		**For the year ended October 31, 2019**
Short term wages	$	297,110	$	268,800
Share-based payments		172,667		14,648
	$	469,777	$	283,448

6. RELATED PARTY TRANSACTIONS (continued)

As at October 31, 2020, the Company owes $322,459 (October 31, 2019 - $181,772) to executives of the Company for unpaid salaries and wages. Other amounts owing to related parties total to $40,738 as at October 31, 2020 (October 31, 2019 - $38,058). These amounts are included in accounts payable and accrued liabilities and are unsecured, non-interest bearing and due on demand (Note 8).

The Company issued 400,000 hard dollar units for proceeds of $20,000 to a director of the Company (Note 7(b)).

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding – see consolidated statements of changes in equity.

On November 1, 2018, 1,000,000 stock options were exercised with an exercise price of $0.05. The exercise price was settled with amounts owing to the option holders. The initial value of $24,496 related to the options' original issuance was reclassified from contributed surplus to share capital.

On April 18, 2019, the Company closed a non-brokered private placement for gross proceeds of $136,555 by issuing 1,820,735 non-flow-through units at $0.075 per unit. No finders' fees were issued in conjunction with the closing. Each non-flow-through unit consists of one common share of the Company and one warrant. Each warrant is exercisable for a period of two years at a price of $0.15 per share from the date of issuance. The Company issued a total of 1,820,735 warrants with a value of $30,932 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.25 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $2,780 were incurred in connection with this private placement.

On November 6, 2019, the Company closed a non-brokered private placement for gross proceeds of $322,104 by issuing 6,442,080 non-flow through units at the price of $0.05 per unit. Cash proceeds of $240,804, related to the private placement were received prior to October 31, 2019 and were included in shares to be issued as at October 31, 2019 (Note 7(c)). Each non-flow-through unit consists of one common share of the Company and one warrant. Each warrant is exercisable for a period of two years at a price of $0.10 per share from the date of issuance. The Company issued a total of 6,442,080 warrants with an estimated value of $84,564 in connection with this private placement. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $13,577 were incurred in connection with this private placement.

On June 15, 2020, the Company closed a non-brokered private placement for gross proceeds of $192,300 by issuing 3,846,000 non-flow through units at a price of $0.05 per unit. Each non-flow through unit consists of one common share of the Company and one warrant. Each whole warrant is exercisable for a period of two years at a price of $0.10 per share from the date of issuance. The Company issued a total of 3,846,000 warrants with an estimated value of $50,381 in connection with this private placement. The Company also issued finder's warrants to purchase 286,000 common shares, exercisable for a period of two years at a price of $0.05 per share with an estimated value of $5,834. With respect to the warrants and finders' warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. Total issuance costs of $15,730 were incurred in connection with this private placement.

7. SHARE CAPITAL (continued)

b) Issued and outstanding – see consolidated statements of changes in equity. (continued)

On August 25, 2020, the Company closed the first tranche of its non-brokered private placement. In the first tranche, the Company raised aggregate gross proceeds of $1,170,034 by issuing 22,560,686 hard dollar units at a price of $0.05 per unit and 700,000 flow-through units at a price of $0.06 per unit. Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 22,910,686 warrants with an estimated value of $241,440 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.10 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release. A director of the Company subscribed for 400,000 hard dollar units for proceeds of $20,000 (Note 6).

The Company issued total 1,018,800 finder's warrants with a total estimated value of $17,759 in connection with the first tranche. 948,800 finders' warrants with an estimated value of $16,651 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.05 and 70,000 finders' warrants with an estimated value of $1,108 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of $0.06 for a period of 24 months following closing of the tranche.

The total premium on the flow-through shares was $7,000 (Note 13).

On September 14, 2020, the Company closed the second and final tranche of its non-brokered private placement (see first tranche above). In the second tranche, the Company raised additional gross proceeds of $375,000 by issuing 5,924,000 hard dollar units at a price of $0.05 per unit and 1,313,334 flow-through units at a price of $0.06 per unit. Total proceeds from both tranches were $1,545,034. Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share of the Company issued on a flow-through basis and one half of one warrant. The Company issued a total of 6,580,667 warrants with an estimated value of $65,996 in connection with this private placement. Each whole warrant will entitle the holder thereof to acquire an additional common share of the Company at an exercise price of $0.10 for a period of 2 years from the date of issuance. With respect to the warrants, if the Company's closing share price is equal to or greater than $0.20 for ten consecutive days, the Company may reduce the remaining life to 30 days by issuing a press release.

The Company issued total 360,400 finder's warrants with a total estimated value of $6,329 in connection with the second tranche. 312,400 finders' warrants valued at $5,556 were issued pursuant to the sale of hard dollar units exercisable to acquire one common share at a price of $0.05 and 48,000 finders' warrants valued at $773 were issued pursuant to the sale of flow through units exercisable to acquire one common share at a price of $0.06 for a period of 24 months following closing of the tranche.

The total premium on the flow-through shares was $31,694 (Note 13).

Total issuance costs of $98,790 were incurred in connection with the first and second tranches of the private placement.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

c) Shares to be issued

Cash proceeds of $240,804, related to a private placement closed in November 2019, were received prior to October 31, 2019 (Note 7(b)). During the year ended October 31, 2020, the total value of $240,804 in shares to be issued was transferred to share capital.

d) Stock option plan

Under the Company's stock option plan (the "Plan"), the Company's Board of Directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees of the Company and its subsidiaries not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding 10 years from the date granted. Exercise prices may not be less than the market price of the common shares at the time of the grant. An option shall vest in the manner imposed by the Board of Directors as a condition at the grant date.

	Number of Options		Weighted Average Exercise Price
Balance at October 31, 2018	7,610,000	$	0.073
Granted	250,000		0.075
Exercised	(1,000,000)		0.050
Expired	(535,000)		0.055
Balance at October 31, 2019	6,325,000	$	0.078
Granted	4,100,000		0.090
Forfeited	(500,000)		0.120
Expired	(250,000)		0.050
Balance at October 31, 2020	**9,675,000**	**$**	**0.082**

Grant Date	Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Options Outstanding	Number of Options Exercisable
July 19, 2016	0.055	0.72	1,125,000	1,125,000
August 9, 2016	0.060	0.77	750,000	750,000
March 1, 2018	0.080	2.33	1,750,000	1,750,000
March 20, 2018	0.080	2.38	1,150,000	1,150,000
October 17, 2018	0.120	2.96	50,000	40,000
October 29, 2018	0.120	2.99	500,000	500,000
June 17, 2019	0.075	3.63	250,000	250,000
November 7, 2019	0.050	4.02	100,000	100,000
April 1, 2020	0.050	2.42	500,000	250,000
July 14, 2020	0.050	4.70	250,000	250,000
August 17, 2020	0.100	4.80	3,250,000	3,250,000
	0.082	3.01	9,675,000	9,415,000

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(d) Stock option plan

On June 17, 2019, the Company issued 250,000 options to a consultant. The options have an exercise price of $0.075 and expire on June 17, 2024. The options vest immediately upon issuance.

On November 7, 2019, the Company issued 100,000 options to a consultant. The options have an exercise price of $0.05 and expire on November 7, 2024. The options vest immediately upon issuance.

On April 1, 2020, the Company issued 500,000 options to a consultant. The options have an exercise price of $0.05 and expire on April 1, 2023. The options vest quarterly over a period of twelve months with one quarter vesting three months from the date of issuance and each additional one quarter of the options vesting quarterly thereafter.

On July 14, 2020, the Company issued 250,000 options to a director. The options have an exercise price of $0.05 and expire on July 14, 2025. The options vest immediately upon issuance.

On August 17, 2020, the Company issued 3,250,000 options to directors, officers and consultants. The options have an exercise price of $0.10 and expire five years from the date of issuance and vest immediately upon issuance.

The fair value of the Company's stock options issued was estimated using the Black-Scholes option pricing model using the following assumptions for the years ended October 31:

	2020	**2019**
Expected volatility (based on historical share prices)	107%-134%	145%
Risk-free interest rate	0.35%-1.59%	1.33%
Expected life (years)	3-5	5
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.04-$0.10	$0.075

The compensation expense and charge to contributed surplus relating to the vesting of stock options for the year ended October 31, 2020 was $292,921 (2019 - $83,469). The weighted average fair value of each option granted during the year ended October 31, 2020 was approximately $0.07 (2019 - $0.058).

(e) Warrants

	Number of Warrants		**Weighted Average Exercise Price**
Balance at October 31, 2018	16,165,077	$	0.208
Granted	1,820,735		0.150
Expired	(169,613)		0.130
Balance at October 31, 2019	17,816,199	$	0.233
Granted	41,444,633		0.098
Expired	(15,995,464)		0.209
Balance at October 31, 2020	**43,265,368**	**$**	**0.113**

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (continued)

(e) Warrants (continued)

Grant Date	Exercise Price ($)	Weighted Average Remaining Life (yrs)	Number of Warrants Outstanding
April 18, 2019	0.150	0.46	1,820,735
November 7, 2019	0.100	1.02	6,442,080
June 15, 2020	0.100	1.62	3,846,000
June 15, 2020	0.050	1.62	286,000
August 25, 2020	0.100	1.82	22,910,686
August 25, 2020	0.050	1.82	948,800
August 25, 2020	0.060	1.82	70,000
September 11, 2020	0.100	1.86	6,580,667
September 11, 2020	0.050	1.86	312,400
September 11, 2020	0.060	1.86	48,000
	0.113	1.65	43,265,368

The fair value of the Company's warrants issued was estimated using the Black-Scholes option pricing model using the following assumptions for the years ended October 31:

	2020	2019
Expected volatility (based on historical share prices)	99%-112%	90%
Risk-free interest rate	0.26%-1.65%	1.66%
Expected life (years)	2	2
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil
Underlying share price	$0.04-$0.08	$0.07

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at October 31, 2020	As at October 31, 2019
Accounts payable	$ 546,828	$ 566,346
Accrued liabilities - MNDM(1)	884,325	884,325
Other accrued liabilities	160,029	217,290
	$ 1,591,182	$ 1,667,961

(1) Prior to the acquisition of Cool Minerals and the Lingman Lake Property, the Ministry of Northern Development and Mines ("MNDM") had requested the removal of certain above ground storage tanks containing approximately 800,000 litres of fuel that was considered a mine hazard. Due to the failure of the prior owners to comply with MNDM's request for it to be cleaned up, MNDM took action and managed the disposition of the fuel at a cost of $884,325.

(Expressed in Canadian Dollars)

9. REHABILITATION PROVISION

The rehabilitation provision represents the legal and contractual obligations associated with the eventual closure of the Company's mining operations either progressively or at the end of the mine life. These obligations consist of costs associated with reclamation and monitoring activities and the removal of tangible assets from the Company's mining sites. Although the Company has had limited exploration, historical work done by other companies has resulted in the MNDM issuing an order to the Company requiring the filing of a closure plan. The Company has not yet prepared a formal closure plan, but has cost estimates for certain tasks which will be required to be completed as part of the request from MNDM and has hence recorded a rehabilitation provision based on these preliminary estimates.

At October 31, 2020, the total amount of the Company's rehabilitation provision was estimated, at initial recognition, to be $230,000 and is expected to be incurred in 2 years. The present value of the rehabilitation provision at October 31, 2020 has been estimated at $273,847 (October 31, 2019 - $273,847). Additional costs that cannot be estimated may be required. A summary of the Company's rehabilitation provision is presented below:

	As at October 31, 2020	As at October 31, 2019
Balance at beginning of year	$ 273,847	$ 265,277
Accretion expense	-	8,570
Balance at end of year	$ 273,847	$ 273,847

10. PROMISSORY NOTE

On June 3, 2019, the Company issued a promissory note for a principal amount of $164,000, which matured on September 1, 2019. The Company had signed extensions through September 30, 2020. The note bears a fixed interest rate of 8% per annum on the unpaid portion of the principal amount until fully repaid, accruing on a monthly basis and payable on the maturity date. Total accrued interest for the year ended October 31, 2020 is $12,775 (2019 - $5,540). During the year ended October 31, 2020, the Company repaid $182,315, consisting of the full principal amount and interest.

11. COMMITMENTS AND CONTINGENCIES

As at October 31, 2020, the Company has recorded a rehabilitation provision for its environmental liabilities (Note 9).

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

12. MANAGEMENT OF CAPITAL

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended October 31, 2020 and 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

13. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the consolidated statement of loss on a pro-rata basis based on the corresponding eligible expenditures that have been incurred. Total premium liability of $31,694 was recognized in respect of the August 25, 2020 and September 11, 2020 flow-through financings (Note 7).

During the year ended October 31, 2020, $31,694 (2019 - $Nil) of the deferred premium liability was recognized as income in the consolidated statements of loss and comprehensive loss.

As at October 31, 2020, the total premium liability remaining was $Nil (October 31, 2019 - $Nil) and total remaining flow-through expenditure commitment was $Nil (October 31, 2019 - $Nil) (Note 11).

14. FINANCIAL INSTRUMENTS

Categories and fair value of financial instruments

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and a promissory note. The carrying values of the Company's short-term financial assets and liabilities approximate their fair values due to their short periods to maturity.

The following table summarizes the categories and fair values of the Company's financial instruments:

As at October 31, 2020

	Carrying Value			Fair Value
	FVTPL	**FVTOCI**	**Amortized Cost**	**Total**
Financial Assets and Liabilities			**$**	**$**
Cash	-	-	**462,184**	**462,184**
Amounts receivable	-	-	**63,100**	**63,100**
Accounts payable and accrued liabilities	-	-	**(1,591,182)**	**(1,591,182)**

As at October 31, 2019

	Carrying Value			Fair Value
	FVTPL	**FVTOCI**	**Amortized Cost**	**Total**
Financial Assets and Liabilities			**$**	**$**
Cash	-	-	267,639	267,639
Amounts receivable	-	-	29,377	29,377
Accounts payable and accrued liabilities	-	-	(1,667,961)	(1,667,961)
Promissory note	-	-	(169,540)	(169,540)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed commercial paper or similar instruments. The contractual maturities of financial liabilities are as follows:

	Carrying amount	Contractual cash flows	Within 1 year
Accounts payable and accrued liabilities	$ 1,591,182	$ 1,591,182	$ 1,591,182

Foreign Exchange Risk

The Company does not have significant foreign exchange risk as most of its transactions are in Canadian dollars.

Interest Rate Risk

The Company is not exposed to significant interest rate risk as the interest on the promissory note is a fixed rate.

(Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2019 - 26.5%) were as follows:

	2020	2019
	$	$
Loss before income taxes	(994,161)	(746,232)
Expected income tax recovery based on statutory rate	(263,000)	(210,000)
Adjustment to expected income tax benefit:		
Non-deductible expenses and other	81,000	22,000
Flow-through renunciation	32,000	-
Change in unrecorded deferred tax asset	150,000	188,000
Deferred income tax provision (recovery)	-	-

(b) Deferred Income Taxes

The following are recognized deferred tax assets and liabilities:

	2020	2019
	$	$
Exploration and evaluation assets	(219,000)	(228,000)
Non-capital loss carry-forwards	219,000	228,000

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2020	2019
	$	$
Non-capital loss carry-forwards	2,718,000	2,174,000
Share issue costs	146,000	84,000
Other temporary differences	463,000	450,000
Total	3,327,000	2,708,000

15. INCOME TAXES (continued)

The tax losses expire from 2030 to 2040. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

16. SUBSEQUENT EVENTS

Subsequent to October 31, 2020, the Company entered into debt settlement agreements with certain creditors of the Company, including certain directors and officers. Pursuant to these agreements, the Company issued 5,839,093 common shares to settle $291,955 of outstanding debt (collectively, the “Shares for Debt Transactions”). Upon completion of the Shares for Debt Transactions, an additional $79,100 of debt was forgiven. The Company issued 2,172,031 common shares to a director to settle $108,602 of debt.

On December 4, 2020, the Company closed a non-brokered private placement raising gross proceeds of $2,000,000 (the “Offering”). As a result of the Offering, the Company issued 22,847,201 hard dollar units at a price of $0.05 per unit and 14,293,999 flow-through units at a price of $0.06 per unit.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through warrant consists of one common share of the Company issued on a flow-through basis and one half of one (1/2) warrant. Each whole warrant issued will be exercisable into one common share at a price of $0.10 until December 4, 2021.

The Company paid aggregate cash finder's fees of $43,481 and issued 832,557 finder's warrants. Each finder's warrant is exercisable to acquire one common share at a price of $0.05 (for finder's warrants issued pursuant to the sale of hard dollar units) and $0.06 (for finder's warrants issued pursuant to the sale of flow-through units) for a period of 12 months following closing.

On December 17, 2020, the Company closed a non-brokered private placement financing raising gross proceeds of $1,000,000 (the "Offering). Pursuant to the Offering, the Company issued 999,945 hard dollar units at a price of $0.11 per hard dollar unit and 6,846,200 flow-through units at a price of $0.13 per flow-through unit.

Each hard dollar unit issued consists of one common share of the Company and one common share purchase warrant. Each flow-through unit consists of one common share issued on a flow-through basis and one half of one (1/2) warrant. Each whole warrant issued will be exercisable into one common share at a price of $0.20 until April 17, 2022.

The Company paid aggregate cash finder's fees of $62,300 and issued 205,386 finder's warrants. Each finder's warrant is exercisable to acquire one common share at a price of $0.13 for a period of 16 months following closing.

Subsequent to October 31, 2020, the Company granted 8,975,000 stock options to directors, officers and consultants with exercise prices ranging from $0.065 to $0.13. In addition, 1,750,000 options with exercise prices ranging from of $0.055 to $0.06 were exercised.