AGUILA AMERICAN GOLD LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
APRIL 30, 2021 AND 2020

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Shareholders of Aguila American Gold Limited:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aguila American Gold Limited (the "Company"), which comprise the statements of financial position as at April 30, 2021 and 2020, and the statements of comprehensive loss, changes in (deficit) equity and cash flows 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 financial position of the Company as at April 30, 2021 and 2020, and its financial performance and its 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, and we have fulfilled our 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

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

- 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 audits.

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 on the audit resulting in this independent auditor's report is G. Cameron Dong.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
August 26, 2021

AGUILA AMERICAN GOLD LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2021 $	April 30, 2020 $
ASSETS			
Current assets			
Cash		1,776,271	21,759
GST receivable		15,501	8,668
Prepaids		158,853	1,678
Total current assets		1,950,625	32,105
Non-current assets			
Exploration and evaluation assets	4	515,159	-
Total non-current assets		515,159	-
TOTAL ASSETS		2,465,784	32,105
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	141,473	245,850
Advances	5	-	118,856
TOTAL LIABILITIES		141,473	364,706
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	6	29,209,019	26,055,130
Share-based payments reserve		1,834,209	1,477,619
Deficit		(28,718,917)	(27,865,350)
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		2,324,311	(332,601)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		2,465,784	32,105

Nature of Operations - see Note 1

These consolidated annual financial statements were approved for issue by the Board of Directors on August 26, 2021 and are signed on its behalf by:

/s/ ***Mark Saxon***	/s/ ***Nick DeMare***
Mark Saxon	Nick DeMare
Director	Director

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

AGUILA AMERICAN GOLD LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended April 30 2021 $	Year Ended April 30 2020 $
Expenses			
Accounting and administration	7(b)(ii)	40,850	15,800
Audit		6,667	7,000
Corporate development		90,146	-
Director and officer compensation	7	112,580	48,000
Insurance		8,102	-
Investor relations		125,825	-
Legal		36,605	-
Office		3,436	1,057
Professional fees		25,567	-
Regulatory fees		16,420	11,446
Share-based compensation	6(d)	356,590	38,220
Shareholder costs		7,190	-
Transfer agent		10,286	2,787
Website		5,079	-
		845,343	124,310
Loss before other items		(845,343)	(124,310)
Other items			
Interest income		9,993	331
Interest expense	5	(1,373)	(3,856)
Foreign exchange		(16,844)	37
		(8,224)	(3,488)
Net loss and comprehensive loss for the year		(853,567)	(127,798)
Basic and diluted loss per common share		$(0.06)	$(0.04)
Basic and diluted weighted average number of common shares outstanding		14,744,594	3,098,711

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

AGUILA AMERICAN GOLD LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIT) EQUITY
(Expressed in Canadian Dollars)

	Year Ended April 30, 2021				
	Common Shares				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity (Deficit) $
Balance at April 30, 2020	3,238,985	26,055,130	1,477,619	(27,865,350)	(332,601)
Common shares issued for cash:					
- private placements	16,812,556	3,179,225	-	-	3,179,225
- warrants exercised	175,000	23,650	-	-	23,650
Share issue costs	-	(48,986)	-	-	(48,986)
Share-based compensation	-	-	356,590	-	356,590
Net loss for the year	-	-	-	(853,567)	(853,567)
Balance at April 30, 2021	20,226,541	29,209,019	1,834,209	(28,718,917)	2,324,311

	Year Ended April 30, 2020				
	Common Shares				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity (Deficit) $
Balance at April 30, 2019	2,744,985	25,917,290	1,477,619	(27,737,552)	(342,643)
Common shares issued for cash:					
- share options exercised	294,000	67,620	-	-	67,620
- warrants exercised	200,000	32,000	-	-	32,000
Transfer on exercise of share options	-	38,220	(38,220)	-	-
Share-based compensation	-	-	38,220	-	38,220
Net loss for the year	-	-	-	(127,798)	(127,798)
Balance at April 30, 2020	3,238,985	26,055,130	1,477,619	(27,865,350)	(332,601)

AGUILA AMERICAN GOLD LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended April 30, 2021 $	Year Ended April 30, 2020 $
Operating activities		
Net loss for the year	(853,567)	(127,798)
Adjustments for:		
Share-based compensation	356,590	38,220
Interest expense	1,373	3,856
Changes in non-cash working capital items:		
GST receivable	(6,833)	1,718
Prepaids	(157,175)	4,789
Accounts payable and accrued liabilities	(110,339)	(11,286)
Net cash used in operating activities	(769,951)	(90,501)
Investing activity		
Exploration and evaluation assets expenditures	(509,197)	-
Net cash used in investing activity	(509,197)	-
Financing activities		
Issuance of common shares	3,202,875	99,620
Share issue costs	(48,986)	-
Advances received	-	48,500
Repayment of advances and accrued interest	(120,229)	(47,000)
Net cash provided by financing activities	3,033,660	101,120
Net change in cash during the year	1,754,512	10,619
Cash at beginning of year	21,759	11,140
Cash at end of year	1,776,271	21,759

Supplemental cash flow information - See Note 9

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

1. Nature of Operations

Aguila American Gold Limited (the "Company") is listed and traded on the TSX Venture Exchange ("TSXV") under the symbol "AGL", the OTCQB under the symbol "AGLAF" and the Frankfurt Stock Exchange under the Symbol "AGP". The Company's principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Canada.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values. The Company's ability to continue as a going concern and the recoverability of the amounts capitalized as exploration and evaluation assets are dependent upon the ability of the Company to raise additional financing in order to complete the acquisition, exploration and development of its mineral property interests, the discovery of economically recoverable reserves and obtaining future profitable production or proceeds from disposition of the Company's mineral properties. As a mineral company in the exploration stage the ability of the Company to complete the acquisition, exploration and development of its mineral property interests will be affected principally by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. To date the Company has not earned any revenue and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

These consolidated financial statements do not reflect any 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.

In March 2020 the World Health Organization ("WHO") declared the outbreak of a novel coronavirus, identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented COVID-19 safe plans and will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise stated. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

2. Basis of Preparation (continued)

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

On November 10, 2020 the Company established a United States subsidiary, Aguila Gold Inc., ("Aguila USA") in the state of Nevada to conduct the Company's activities in the United States. As at April 30, 2021 Aguila USA is the Company's sole subsidiary.

3. Summary of Significant Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

(iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

(iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3. Summary of Significant Accounting Policies (continued)

(v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 8.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar 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 decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

(ii) The assessment of any impairment of exploration and evaluation assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2021 management concluded that there were no impairment indicators and no impairment charge was required.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. As at April 30, 2021 and 2020 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records a credit losses at an amount equal to the lifetime expected credit losses using a present value and probability-weighted model.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost initially at fair value and are subsequently measured at amortized cost using the effective interest method

3. Summary of Significant Accounting Policies (continued)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties, net of government assistance. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's 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 or cash generating unit 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.

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 so that the increased carrying amount 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.

3. Summary of Significant Accounting Policies (continued)

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at April 30, 2021 and 2020 the Company does not have any decommissioning obligations.

Financial Instruments

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit and loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company adopted a residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the price reservation date, if applicable, or the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

3. Summary of Significant Accounting Policies (continued)

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized separately in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3. Summary of Significant Accounting Policies (continued)

Loss Per Share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings and loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of the Company's subsidiary is prepared in the local currency of its home jurisdiction. Consolidation of the subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. The subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

Adoption of New Accounting Standards

Definition of a Business (Amendments to IFRS 3)

Effective May 1, 2020 the Company adopted amendment *Definition of a Business* (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

There was no impact on the Company's consolidated financial statements upon the adoption of this amendment.

Accounting Standards and Interpretations Issued but Not Yet Effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";

(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counter-party of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

4. Exploration and Evaluation Assets

	Total $
Balance at April 30, 2020	-
Exploration costs	
Assays	43,302
Drilling	254,694
Geological	64,562
Permits	12,274
Travel	7,366
Vehicle rental	3,783
	385,981
Acquisition cost	
Option payments	129,178
Balance at April 30, 2021	515,159

Effective December 27, 2017, as amended, Mawson Gold Limited and its subsidiary, Mawson Resources USA Inc. ("Mawson USA") (collectively "Mawson"), entered into an agreement (the "WUSA Option Agreement") whereby it was granted the option to lease and to conduct exploration on mineral rights (the "WUSA Gold Project") located in Oregon, USA. Pursuant to the WUSA Option Agreement Mawson had agreed to pay an annual option to lease payments (adjusted for inflation) of:

Option Year 1 - US $100,000 (paid by Mawson);
Option Year 2 - payments of US $25,000 (the "August Payment") on or before August 1, 2020 (paid) and US $75,000 on or before February 1, 2021 (paid); and
Option Year 3 - US $25 per acre. The option lease payment will be determined by the acreage retianed.

Mawson was also required to expend minimum annual exploration expenditures as follows:

Option Year 1 - US $500,000, which was met by Mawson as at November 30, 2018;
Option Year 2 - US $750,000, of which a minimum of US $200,000 shall be completed on or before December 31, 2020, and the remaining US $550,000 on or before December 31, 2021;
Option Year 3 - US $1,000,000; and
Option Year 4 - US $1,000,000.

On July 27, 2020 Mawson entered into an agreement with the Company whereby it granted the Company the right to earn up to an 80% indirect interest in the WUSA Gold Project. The Company can earn an initial 51% indirect interest (the "Initial Interest") by funding a minimum of US $200,000 in exploration expenditures by December 31, 2020 and making the August Payment to the landholder. As at April 30, 2021 the Company has earned the Initial Interest.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

The Company can earn an additional 29% indirect interest by funding a further US $1,000,000 in exploration expenditures by December 31, 2022. The Company has also agreed to make all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

The Company and Mawson have a director in common.

5. Advances

	April 30, 2021 $	April 30, 2020 $
Advances	-	115,000
Accrued interest	-	3,856
	-	118,856

Advances had been previously provided from private companies controlled or affiliated with the Company's CFO. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During fiscal 2021 the Company recorded $1,373 (2020 - $3,856) interest expense and repaid $120,229, representing the $115,000 principal and $5,229 of accrued interest outstanding.

6. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Fiscal 2021

(i) On June 11, 2020 the Company completed a non-brokered private placement of 3,000,000 units at $0.10 per unit, for total proceeds of $300,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.13 per share on or before June 11, 2022. Directors and officers of the Company purchased a total of 1,205,000 units of the private placement.

(ii) On June 25, 2020 the Company completed a non-brokered private placement of 1,905,000 units at $0.105 per unit, for total proceeds of $200,025. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.14 per share on or before June 25, 2022. Directors and officers of the Company purchased a total of 1,260,000 units of the private placement.

(iii) On September 25, 2020 the Company completed a non-brokered private placement of 11,907,556 units at $0.225 per unit, for total proceeds of $2,679,200. Each unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of $0.45 per share on or before September 25, 2022. The Company paid finders' fees totalling $14,850. Directors and officers of the Company and close family members purchased a total of 434,000 units of the private placement.

The Company incurred a total of $34,136 for legal and other costs associated with these private placements.

(Expressed in Canadian Dollars)

6. Share Capital (continued)

Fiscal 2020

No financings were conducted by the Company during fiscal 2020.

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2021 and 2020 and the changes for the years ended those dates is as follows:

	2021		2020	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of year	342,500	0.50	542,500	0.37
Issued	8,406,278	0.38	-	-
Exercised	(175,000)	0.14	(200,000)	0.16
Expired	(342,500)	0.50	-	-
Balance, end of year	8,231,278	0.36	342,500	0.50

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2021:

Number	Exercise Price $	Expiry Date
1,415,000	0.13	June 11, 2022
862,500	0.14	June 25, 2022
5,953,778	0.45	September 25, 2022
8,231,278		

(d) ***Share Option Plan***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2021 the Company granted share options to purchase 1,904,000 (2020 - 294,000) common shares and recorded compensation expense of $356,590 (2020 - $38,220).

The fair value of share options granted during fiscal 2021 and 2020 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	2021	2020
Risk-free interest rate	0.29% - 0.30%	1.42%
Estimated volatility	84% - 85%	87%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

(Expressed in Canadian Dollars)

6. Share Capital (continued)

The weighted average measurement date fair value of all share options granted during fiscal 2021, using the Black-Scholes Option Pricing Model, was $0.19 (2020 - $0.13) per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at April 30, 2021 and 2020 and the changes for the years ended on those dates, is as follows:

	2021		2020	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	-	-	-	-
Granted	1,904,000	0.34	294,000	0.23
Exercised	-	-	(294,000)	0.23
Balance, end of year	1,904,000	0.34	-	-

The following table summarizes information about the share options outstanding and exercisable at April 30, 2021:

Number Outstanding	Exercise Price $	Expiry Date
450,000	0.32	August 18, 2023
364,000	0.40	August 18, 2023
1,090,000	0.32	November 6, 2023
1,904,000		

See also Note 12.

7. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During fiscal 2021 the Company incurred $100,580 (2020 - $36,000) executive compensation with respect to the Company's executive officers who hold the positions of Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (formerly also the Interim CEO). As at April 30, 2021, $89,630 (2020 - $170,100) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

During fiscal 2021 the Company also recorded $122,710 (2020 - $14,820) share-based compensation for share options granted to the executive officers.

(Expressed in Canadian Dollars)

7. Related Party Transactions and Balances (continued)

(b) *Transactions with Other Related Parties*

(i) During fiscal 2021 the Company incurred $12,000 (2020 - $12,000) for compensation to non-executive directors of the Company. As at April 30, 2021 $36,963 (2020 - $75,482) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

During fiscal 2021 the Company also recorded $48,000 (2020 - $15,600) share-based compensation for share options granted to non-executive directors.

(ii) During fiscal 2021 the Company incurred $40,850 (2020 - $15,800) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by the CFO of the Company. As at April 30, 2021 $3,800 (2020 - $nil) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2021 the Company also recorded $3,780 (2020 - $7,800) share-based compensation for share options granted to Chase.

(iii) See also Notes 4,5 and 6.

8. Income Taxes

Deferred income tax assets and liabilities of the Company as at April 30, 2021 and 2020, are as follows:

	2021 $	2020 $
Deferred income tax assets		
Losses carried forward	1,159,100	1,023,200
Mineral resource interests	14,300	14,300
Other	10,600	100
	1,184,000	1,037,600
Valuation allowance	(1,184,000)	(1,037,600)
Net deferred income tax asset	-	-

The recovery of income taxes shown in the statements of income (loss) and comprehensive income (loss) and deficit differs from the amounts obtained by applying statutory rates to the income (loss) before provision for income taxes due to the following:

	2021 $	2020 $
Income tax rate reconciliation		
Combined federal and provincial income tax rate	27.0%	27.0%
Expected income tax expense (recovery)	(230,500)	(34,500)
Permanent differences	96,300	10,200
Foreign income tax rate difference	400	-
Unrecognized benefit of income tax losses	133,800	24,300
Actual income tax expense (recovery)	-	-

As at April 30, 2021 the Company has accumulated non-capital losses of approximately $4,288,200 (2020 - $3,789,600) and accumulated tax pools of approximately $92,000 (2020 - $53,100) carried forward for Canadian income tax purposes which are available to reduce taxable income of future years. The non-capital losses expire commencing in 2028 through 2041.

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

The Company's subsidiary has incurred losses of approximately $6,200 (US $5,000) for tax purposes. The losses may be carried forward indefinitely.

9. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during fiscal 2021 and 2020 are as follows:

	2021 $	2020 $
Operating activity		
Accounts payable and accrued liabilities	5,962	-
Investing activity		
Exploration and evaluation assets	(5,962)	-
Financing activities		
Transfer on exercise of share options	-	38,220
Share-based payment reserve	-	(38,220)
	-	-

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	April 30, 2021 $	April 30, 2020 $
Cash	FVTPL	1,776,271	21,759
Accounts payable and accrued liabilities	Amortized cost	(141,473)	(245,850)
Advances	Amortized cost	-	(118,856)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

The recorded amounts for cash, accounts payable and accrued liabilities and advances approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at April 30, 2021				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	1,776,271	-	-	-	1,776,271
Accounts payable and accrued liabilities	(141,473)	-	-	-	(141,473)

	Contractual Maturity Analysis at April 30, 2020				
	Less than 3 Months $	3 - 12 Months $	1 - 5 Years $	Over 5 Years $	Total $
Cash	21,759	-	-	-	21,759
Accounts payable and accrued liabilities	(245,850)	-	-	-	(245,850)
Advances	(118,856)	-	-	-	(118,856)

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. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2021, 1 Canadian Dollar was equal to 0.81 US Dollar.

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Balances are as follows:

	US Dollars	CDN $ Equivalent
Cash	319,259	394,147
Accounts payable and accrued liabilities	(7,353)	(9,078)
	311,906	385,069

Based on the net exposures as of April 30, 2021 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately $36,500 higher (or lower).

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 mineral properties or evaluate business opportunities which may become available. 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 Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for precious metals. The Company's mineral property interest is located in the United States and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	April 30, 2021		
	Corporate Canada $	Mineral Operations USA $	Total $
Current assets	1,911,503	39,122	1,950,625
Exploration and evaluation assets	-	515,159	515,159
	1,911,503	554,281	2,465,784

12. Event after the Reporting Period

On July 16, 2021 the Company granted share options to a consultant to purchase 150,000 common shares of the Company at an exercise price of $0.22 per share, expiring July 16, 2024.