

BC Moly Ltd.
An Exploration Stage Company

Interim Financial Statements
For the three-month period ended July 31, 2020

(Expressed in Canadian dollars)

Contact Information :

BC Moly Ltd.

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BC Moly Ltd.
Management's Comments on Unaudited Interim Financial Statements

The accompanying unaudited interim financial statements of BC Moly Ltd. for the three months ended July 31, 2020 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the three-month period ended July 31, 2020.

BC Moly Ltd.
Statement of Financial Position
(Unaudited – expressed in Canadian Dollars)

	Notes	As at July 31, 2020	As at April 30, 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		9,374	14,059
Marketable securities		83	83
Prepaid expenses		5,274	8,328
		14,731	22,470
Reclamation deposits	5	42,500	42,500
Equipment	4	2,473	2,614
Exploration advances	5	1	1
Exploration and evaluation assets	5	1	1
		44,975	45,116
Total assets		59,706	67,586
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		293,321	269,215
Loan payable		798,931	775,308
		1,092,252	1,044,523
Shareholders' equity			
Capital stock	7	34,352,940	34,352,940
Share-based payment reserve	7	3,900,747	3,900,747
Deficit		(39,286,233)	(39,230,624)
		(1,032,546)	(976,937)
Total liabilities and shareholders' equity		59,706	67,586

Approved and authorized by the Board on September 18, 2020.

"Ed Yurkowski" Director
Ed Yurkowski

"Brian Kynoch" Director
Brian Kynoch

BC Moly Ltd.
Interim Statement of Changes in Shareholders' Equity
(Unaudited – expressed in Canadian Dollars)

		Three months ended	
	Notes	July 31, 2020	July 31, 2019
General and administrative			
Consulting fees	6	15,000	27,000
Rent		-	9,072
Professional fees		12,519	2,712
Depreciation		141	182
Filing fees		1,313	1,250
Transfer agent fees		807	778
Office and misc.		2,294	3,442
Interest expense		23,622	18,626
Loss from operations		(55,696)	(63,062)
Interest income		87	112
Write-off reclamation deposit		-	(4,000)
		87	(3,888)
Net loss and comprehensive loss		(55,609)	(66,950)
Weighted average shares outstanding			
Basic and diluted		8,836,707	8,836,707
Income / (Loss) per share			
Basic and diluted		(0.01)	(0.01)

BC Moly Ltd.
Notes to the Interim Financial Statements
(Unaudited – expressed in Canadian Dollars)

	Capital stock		Share-based payment reserve	Deficit	Total
	Shares	Amount			
		\$	\$	\$	\$
Balance, April 30, 2020	8,836,707	34,352,940	3,900,747	(39,230,624)	(976,937)
Net loss and comprehensive loss	-	-	-	(55,609)	(55,609)
Balance, July 31, 2020	8,836,707	34,352,940	3,900,747	(39,286,233)	(1,032,546)
Balance, April 30, 2019	8,836,707	34,352,940	3,900,747	(39,045,198)	(791,511)
Net loss and comprehensive loss	-	-	-	(66,950)	(66,950)
Balance, July 31, 2019	8,836,707	34,352,940	3,900,747	(39,112,148)	(858,461)

BC Moly Ltd.
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(Unaudited – expressed in Canadian Dollars)

	Three months ended	
	July 31, 2020	July 31, 2019
Cash flows used in operating activities:		
Net loss and comprehensive loss for the period	(55,609)	(66,950)
Adjustments for non-cash		
Depreciation	141	182
Interest	23,622	18,626
Write-off reclamation deposit	-	4,000
	(31,846)	(44,142)
Change in non-cash working capital items:		
Accounts receivable	-	(2,392)
Prepaid expenses	3,054	2,893
Accounts payable and accrued liabilities	24,107	(24,689)
	27,161	(24,188)
	(4,685)	(68,330)
Cash flows provided by financing activities:		
Loan advances	-	80,000
Increase (decrease) in cash and cash equivalents	(4,685)	11,670
Cash and cash equivalents, beginning of period	14,059	9,504
Cash and cash equivalents, end of period	9,374	21,174

BC Moly Ltd.
Notes to the Interim Financial Statements
(Unaudited – expressed in Canadian Dollars)

1. Nature of business and going concern

BC Moly Ltd. (the “Company”) was incorporated under the laws of Alberta on May 3, 1984, was continued into British Columbia on March 18, 1999 and is in the business of exploration and development of mineral resource properties. The Company is an exploration stage company.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months and intends to continue the exploration of its Storie Property and to continue additional exploration programs on its other mineral properties; however, there are several conditions that cast significant doubt on the Company's ability to continue as a going concern, including that the Company has incurred significant operating losses over the past several fiscal years (2020: \$185,426; 2019: \$224,808), is currently financed but unable to self-finance operations in the long term, and has a deficit of \$39,286,233, has limited resources, no source of operating cash flows and no assurances that sufficient funding will be available to conduct further exploration and development of its mineral property projects. The recoverability of amounts shown for mineral properties is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of mineral properties.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its mineral interests.

BC Moly Ltd.
Notes to the Interim Financial Statements
(Unaudited – expressed in Canadian Dollars)

2. Basis of preparation

Statement of compliance

These interim financial statements are unaudited and have been prepared in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The Board of Directors approved the financial statements for issue on September 18, 2020.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for certain non-current assets and financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. The financial statements have also been prepared on the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated and have been rounded to the nearest dollar.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the impairment of assets, the recoverability of income tax assets and the determination of site restoration costs.

Critical accounting estimates:

Recoverability of asset carrying values

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

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Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of property and equipment, discounted to its present value, and capitalized as part of the cost of that asset. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and a corresponding adjustment to equipment. The accretion on the reclamation provision is included in the statements of comprehensive loss. Actual expenditures incurred are charged against the reclamation liability.

Critical accounting judgment:

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3. Significant accounting policies

The following is a list of significant accounting policies used by the Company.

a) *Financial instruments*

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

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- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value, with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

Financial liabilities are classified as amortized cost, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. In this context, interest expense includes initial transaction costs and premiums payable on redemptions, as well as any interest or coupon payable while the liability is outstanding.

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) *Equipment*

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Equipment is depreciated at the following annual rates using the declining-balance method:

Computer equipment	30%
Furniture and fixtures	20%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the statements of loss and comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

c) *Exploration and evaluation assets*

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and follows the practice of capitalizing all costs upon obtaining the legal right to explore relating to the acquisition of, exploration for and evaluation of mineral claims and crediting all proceeds received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral claims 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 an exploration and evaluation asset 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.

The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

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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. At such time as commercial production commences, these costs are reclassified as mining assets and will be charged to operations on a unit-of-production method based on proven and probable reserves.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment at each financial position reporting date. 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.

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards 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 transfers and title may be affected by undetected defects.

d) *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 statements of loss and comprehensive 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 the statements of loss and comprehensive loss.

e) *Capital stock*

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

f) *Share-based payment transactions*

The Company's stock option plan allows employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase 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. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

The fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. The fair value of the options is accrued and charged either to operations or exploration and evaluation assets, with the offset credit to share-based payments reserve, over the vesting period. If and when the stock options are exercised, the applicable amounts from share-based payments reserve are transferred to capital stock.

g) *Earnings or loss per share*

Basic earnings or loss per share is calculated by dividing the earnings or loss for the year by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common shares. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. The calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

h) *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 directly in equity, in which case it is recognized as equity.

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

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner

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of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it will not be recognized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) *Provision for site reclamation*

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 property interest. Such costs arising from the decommissioning of plant and other site reclamation 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, as soon as the obligation to incur such costs arises. 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 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. Costs for restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses. As at April 30, 2020 and 2019, the Company has no provisions for site reclamation.

j) *New and amended standards adopted by the Company*

IFRS 16 Leases

Effective May 1, 2019, the Company adopted IFRS 16 *Leases* ("IFRS 16") using the modified retrospective approach. The comparative figures for the 2019 reporting period have not been restated and are accounted for under IAS 17 *Leases*, ("IAS 17") and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, as permitted under the specific transitional provisions in the standard. IFRS 16 requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS. The adoption of IFRS 16 did not have an impact on the Company's financial statements as the Company does not have any lease agreements.

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4. Equipment

Office furniture and computer equipment	
Three months ended July 31, 2020	\$
Cost	
Balance at July 31, 2020	107,605
Accumulated depreciation	
Balance, beginning of year	104,991
Charge for the period	141
Disposal	-
Balance at July 31, 2020	105,132
Net book value at April 30, 2019	2,614
Net book value at July 31, 2020	2,473

5. Exploration assets

Environmental

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Title to mineral properties

The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain mineral properties located in certain regions of Canada. Several aboriginal groups are claiming inextinguishable aboriginal title to the lands and resources in these regions, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful aboriginal claim would materially affect the ability of the Company to exploit its mineral properties is not determinable at this time.

Exploration advances

As at July 31, 2020, the Company had advanced \$60,000 (2019: \$60,000) to one vendor for exploration costs that are to be incurred on the Storie Property. There are no interest or payment terms associated with this advance. During the year ended April 30, 2016, the Company determined that the exploration advances

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may not be recoverable and recorded an impairment provision of \$59,999. The impairment was made in accordance with Level 3 of the fair value hierarchy.

Reclamation deposits

As at July 31, 2020, the Company has refundable reclamation deposits of \$42,500 (2019: \$46,500); with the B.C. Ministry of Mines for potential reclamation work.

Storie Property, British Columbia

The Company holds a 100% interest in the Storie Property located in the Liard Mining Division in British Columbia, subject to a 2.5% net smelter return (“NSR”), which may be purchased by the Company for a total purchase price of \$4,000,000, or \$1,600,000 for each 1% NSR purchased.

By agreements dated June 7, 2010, the Company acquired certain properties from Velocity Minerals Ltd. (“Velocity”) and S. Gerald Diakow in the vicinity of the Company’s Storie Property as a potential alternative tailing site for the future development of the Company’s molybdenum project. Under the agreement with Velocity, the Company agreed to pay \$25,000 (paid) and issue 200,000 shares (issued with a fair value of \$30,000), and under the agreement with S. Gerald Diakow the Company agreed to pay \$5,000 (paid).

By agreements dated February 22, 2011, the Company acquired from Eveready Resources Corporation (“Eveready”) twelve mineral claims (the “Additional Property”), adjacent to the Company’s Storie Property molybdenum deposit. Under the agreement with Eveready, the Company has agreed to issue 650,000 shares to Eveready (issued with a fair value of \$110,500). Eveready has retained a 5% NSR on the Additional Property. Additionally, as part of the Agreement, the buyout of Eveready’s 2.5% NSR on the Storie Property claims has been increased by \$1,200,000 from \$4,062,000 to \$5,262,000.

During the year ended April 30, 2015, management identified indicators of impairment and given the stage of exploration activities at the Storie Property, management was unable to determine a reliable recoverable amount in line with either the fair value less costs to sell, or value in use methods. As no acceptable recoverable amount could be calculated, the Company impaired the Storie Property to \$1 during the year ended April 30, 2015, in accordance with Level 3 of the fair value hierarchy.

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6. Related party transactions

Key management personnel compensation

Key management includes directors and other key personnel, including the CEO, President, and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company. The compensation paid to these key management personnel for the three months ended July 31, 2020 and 2019 is outlined below:

	Three months ended July 31, 2020	Three months ended July 31, 2019
Consulting fees	15,000	27,000

The following is a list of other related party transactions:

- a) As at July 31, 2020, the Company held marketable securities of a company with certain common directors with a cost of \$2,500 (2019 - \$2,500) and a market value of \$83 (2019 - \$83).
- b) As at July 31, 2020, accounts payable and accrued liabilities included \$275,000 (2019 - \$260,000) owing to companies with certain common directors and/or companies controlled by directors.

The above noted amounts due to related parties are unsecured, have no stated terms of repayment and are interest-free.

On September 2, 2014, the Company entered into a loan agreement with 1095474 B.C. Ltd. (formerly Prairie Enterprises (Alberta) Inc.) ("Prairie") under which Prairie agreed to advance to the Company an unsecured loan of up to \$300,000, subject to the satisfaction of certain conditions, including the receipt of any and all required regulatory approvals. The loan will be advanced in instalments of \$25,000, or even multiples thereof, as and when requested by the Company and approved by Prairie. The loan bears interest at the rate of 12% per annum, calculated monthly and matured August 31, 2015; therefore, the loan is now payable on demand. On April 24, 2018, the loan was amended to an unsecured amount of \$500,000. As at April 30, 2020, \$530,000 has been advanced to the Company (2019: \$400,000) plus accrued interest of \$245,308 (2019: \$162,936). The proceeds of the loan were used by the Company to fund working capital requirements. Prairie is a corporation controlled by Edward Yurkowski, a director of the Company.

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7. Capital stock

Authorized

Unlimited number of common shares, without par value
Unlimited number of preferred shares, without par value

Included in capital stock are 1,128 (2019: 1,128) common shares held in escrow, which may not be transferred, assigned or otherwise dealt with without regulatory approval.

No common shares were issued during the years ended April 30, 2020 and 2019.

Options

The following summarizes information about stock options outstanding and exercisable at July 31, 2020:

Expiry Date	Number of Options		Exercise Price
	July 31, 2020	April 30, 2020	
December 9, 2025	420,000	420,000	\$0.05
Outstanding and exercisable	420,000	420,000	\$0.05

Warrants

There are no warrants outstanding at July 31, 2020.

8. Commitments

On January 1, 2016, the Company entered into a one-year term renewable agreement with 1095474 B.C. Ltd. (formerly Prairie Enterprises (Alberta) Inc.) for the provision of President and Chief Executive Officer services at the current cost of \$5,000 per month (\$60,000 per annum). Mr. Yurkowski controls 1095474 BC Ltd.

In July 2008, the Company adopted a bonus program for the 2009 fiscal year and for future years (the "Bonus Program"), which does not limit the Company's discretion to grant bonuses generally as an incentive and in recognition of the services provided to it by its directors, officers, employees and consultants. The Bonus Program is summarized as follows:

- As of July 2, 2008, the Company's market capitalization was approximately \$21 million and for any increase in the Company's market capitalization up to and including \$50 million, 2% of such increase shall, if such funds are available to the Company, be allocated to the Company's Bonus Program for distribution by the Company in its sole discretion to directors, officers, employees and/or consultants; and

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- For any increases in market capitalization in excess of \$50 million, then 1% of any such additional increase in the Company's market capitalization shall, if such funds are available, be allocated to the Bonus Program for distribution by the Company in its sole discretion to directors, officers, employees and/or consultants.

For the period ended July 31, 2020, the Company's market capitalization was below the \$21 million threshold; therefore, no bonuses have been accrued or paid under the Bonus Program (2019: \$nil).

9. Capital management

The Company's shareholders' equity comprises its capital under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. 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.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

To fund future operations and exploration activities, the Company will need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the period ended July 31, 2020. The Company is not subject to externally imposed capital requirements.

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10. Financial instruments

Fair value

The Company classifies its cash and marketable securities as fair value through profit or loss; deposits, as loans and receivables; and accounts payable and accrued liabilities and loan payable, as other financial liabilities.

The carrying values of deposits, accounts payable and accrued liabilities, and loan payable approximate their fair values due to the short-term maturity of these financial instruments.

The Company's measurement of fair value of financial instruments in accordance with the fair value hierarchy is as follows:

		Total		Level 1		Level 2		Level 3
July 31, 2020								
Cash	\$	9,374	\$	9,374	\$	-	\$	-
Marketable securities	\$	83	\$	83	\$	-	\$	-
July 31, 2019								
Cash	\$	21,174	\$	21,174	\$	-	\$	-
Marketable securities	\$	83	\$	83	\$	-	\$	-

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

Credit risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and accounts receivable. Management believes that the credit risk concentration with respect to cash is remote as it maintains accounts with highly rated financial institutions

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At July 31, 2020, the Company had accounts payable and accrued liabilities of \$1,092,252 (April 30, 2020: \$1,044,523). Based on the current funds held, the Company will need to rely upon financing from shareholders and/or debt holders to obtain sufficient working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company. Refer to Note 1 for further information

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company currently has no significant interest rate risk, foreign currency risk and other price risk.

11. Segmented information

The Company currently has one business segment, which is the mineral exploration business in Canada.

12. COVID-19

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. 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 in future periods.