HI HO SILVER RESOURCES INC.

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian dollars)

FOR THE THREE MONTHS ENDED

OCTOBER 31, 2020 AND 2019

NOTICE OF NO REVIEW BY AUDITOR

In accordance with National Instrument 51-102 Part 4, Continuous disclosure Obligations, subsection 4.3(3)(a), we hereby give notice that our financial statements for the interim period ended October 31, 2020, which follows this notice, have not been reviewed by an auditor.

HI HO SILVER RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2020 AND JULY 31, 2020
(Unaudited – Stated in Canadian dollars)

	Notes		October 31, 2020		July 31, 2020
ASSETS					
Current					
Cash		$	717	$	13,943
Sales tax and other receivables			2,349		8,045
Prepaid expenses and deposits			3,000		3,000
			6,066		24,988
Equipment	5		147,087		156,643
Exploration and evaluation assets	6		695,610		695,610
		$	848,763	$	877,241
LIABILITIES					
Current					
Trade payables and accrued liabilities		$	296,843	$	305,140
Due to related parties	12		288,326		244,551
Loans payable	13		193,500		193,500
Promissory note payable	13		51,580		51,580
Provisions	11		286,258		285,532
Current portion of lease liabilities	14		46,187		38,191
			1,162,694		1,118,494
Government assistance loan payable			40,000		40,000
Lease liabilities	14		103,523		110,178
			1,306,217		1,268,672
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Common shares	7		13,857,658		13,857,658
Warrant reserves	8		527,338		518,831
Shares issuable	7		112,200		98,500
Subscriptions received	7		94,000		94,000
Equity reserves	7,8,9		5,926,280		5,926,280
Accumulated deficit			(20,974,930)		(20,886,700)
			(457,454)		(391,431)
		$	848,763	$	877,241

Nature of operations and going concern	1
Commitments	15
Subsequent event	16

Approved by the Board of Directors:

/s/ Bill Jorgenson
Bill Jorgenson, Director

/s/ Dennis Jorgenson
Dennis Jorgenson, Director

The accompanying notes are an integral part of these condensed interim financial statements. Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

HI HO SILVER RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited – Stated in Canadian dollars)

	Notes		For the three months ended October 31, 2020		2019
					(Restated – Note 17)
OPERATING EXPENSES					
Accounting, audit and legal		$	9,976	$	25,373
Advertising and promotion			-		373
Amortization	5		9,556		10,078
Consulting, salaries, and benefits	12		36,000		40,830
Listing, exchange, and transfer fees			5,716		4,369
Office, administration and miscellaneous			134		2,238
Share based payments	7,12		22,207		43,945
			83,589		127,206
OTHER EXPENSES (INCOME)					
Finance expenses			4,641		3,693
Write down of accounts payable			-		(6,220)
NET LOSS AND COMPREHENSIVE LOSS		$	88,230	$	124,679
Weighted average common shares outstanding			57,332,804		55,832,804
Basic and diluted loss per common share		$	(0.00)	$	(0.00)

The accompanying notes are an integral part of these condensed interim financial statements. Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

HI HO SILVER RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE THREE MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited – Stated in Canadian dollars)

	Number of shares	Common shares	Warrant reserves	Shares issuable	Subscriptions received (unpaid)	Equity reserves	Accumulated deficit	Total Shareholders' equity (deficit)
Balance, July 31, 2019 (Note 2)	**55,832,804**	**$ 13,790,158**	**$ 478,180**	**$ 38,000**	**$ 94,000**	**$ 5,926,280**	**$ (20,435,057)**	**$ (108,439)**
Share based payments (Restated – Note 17)	-	-	11,956	18,000	-	-	-	29,956
Net loss and comprehensive loss (Restated – Note 17)	-	-	-	-	-	-	(124,679)	(124,679)
Balance, October 31, 2019	**55,832,804**	**$ 13,790,158**	**$ 490,136**	**$ 56,000**	**$ 94,000**	**$ 5,926,280**	**$ (20,559,736)**	**$ (203,162)**
Balance, July 31, 2020	**57,332,804**	**$ 13,857,658**	**$ 518,831**	**$ 98,500**	**$ 94,000**	**$ 5,926,280**	**$ (20,886,700)**	**$ (391,431)**
Share based payments	-	-	8,507	13,700	-	-	-	22,207
Net loss and comprehensive loss	-	-	-	-	-	-	(88,230)	(88,230)
Balance, October 31, 2020	**57,332,804**	**$ 13,857,658**	**$ 527,338**	**$ 112,200**	**$ 94,000**	**$ 5,926,280**	**$ (20,974,930)**	**$ (457,454)**

The accompanying notes are an integral part of these condensed interim financial statements. Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

HI HO SILVER RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited – Stated in Canadian dollars)

	Notes		For the three months ended October 31, 2020		2019
					(Restated – Note 17)
CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES					
Net loss		$	(88,230)	$	(124,679)
Items not affecting cash:					
Accrued interest	11,14		4,641		1,421
Amortization	5		9,556		10,078
Share-based payments	7,12		22,207		43,945
Write down of accounts payable			-		(6,220)
Net change in non-cash working capital items:					
Accounts payable and accrued liabilities			(8,940)		28,073
Due to related parties			43,775		25,475
Prepaid expenses and deposits			-		3,357
Sales tax and other receivables			5,696		20,566
			(11,295)		2,016
CASH FLOWS USED IN INVESTING ACTIVITIES					
Exploration and evaluation assets costs	6		-		(14,261)
			-		(14,261)
CASH FLOWS USED IN FINANCING ACTIVITIES					
Loan proceeds received			-		18,000
Payments on lease liabilities	14		(1,931)		(7,479)
			(1,931)		10,521
CHANGE IN CASH			(13,226)		(1,724)
CASH, BEGINNING OF PERIOD			13,943		1,724
CASH, END OF PERIOD		$	717	$	-
Cash paid for interest		$	145	$	-

The accompanying notes are an integral part of these condensed interim financial statements. Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

1. NATURE OF OPERATIONS AND GOING CONCERN

Hi Ho Silver Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act on April 7, 2005 and continued to the provincial jurisdiction of British Columbia on March 30, 2018. The address of the Company's corporate office is Box 21199 Maple Ridge Square, Maple Ridge, BC, V2X 1P7. Its registered records office is Suite 404-999 Canada Place, Vancouver, BC, V6C 3E2.

The Company currently has interests in mineral properties in Canada. Substantially all of the Company's efforts are devoted to financing and exploring these properties. There has been no determination whether the properties in which the Company holds interest contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operation and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. As the Company does not generate positive cash flows from operations and does not have sufficient working capital to meet its projected minimum financial obligations for the next fiscal year, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. The condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

1. NATURE OF OPERATIONS AND GOING CONCERN (CONTINUED)

Cease Trade

On November 29, 2019, the Company was the subject of a management cease trade order by the British Columbia Securities Commission due to the late filing of the Company's annual Audited Financial Statements and MD&A for the fiscal year ended July 31, 2019. On January 31, 2020, a cease trade order by the British Columbia Securities Commission was also imposed on the Company due to the late filing. Under the Management Cease Trade Order, the Company's officers and directors were prohibited from trade in securities of the Company during the effective period of the Order. Under the Cease Trade Order, the Company was suspended from trading its securities until lifting of the Order. On October 5, 2020, both of the aforementioned Orders were revoked by the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission.

On December 1, 2020, the Company was the subject of a management cease trade order by the British Columbia Securities Commission due to the late filing of the Company's annual Audited Financial Statements and MD&A for the fiscal year ended July 31, 2020.

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

The condensed interim financial statements were authorized for issue on January 29, 2021 by the Board of Directors of the Company.

Significant accounting policies and the applicable basis of measurement used in the preparation of these condensed interim financial statements are described in Note 3.

Basis of Measurement

These condensed interim financial statements are expressed in Canadian dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. The accounting policies set out below have been applied consistently to all years presented in these condensed interim financial statements as if the policies have always been in effect.

The preparation of these condensed interim financial statements requires management to make estimates, judgements and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

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. The estimates and judgments applied in these condensed interim financial statements are described in Note 4.

Comparative information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year. The reclassification was related to the cancellation of 4,000,000 common shares issued to ITOCO Mining Corp. ("ITOCO") during the year ended July 31, 2019 as a result of the termination of the Norbeau Earn-in Agreement that the Company and ITOCO entered into on July 20, 2017. The cancelled common shares were returned to treasury and the Company recorded a loss on the transaction of $40,000 as at July 31, 2019. The effects of the share cancellation and loss on this transaction were not reflected on the opening balance of the condensed interim statements of shareholders' deficiency as at October 31, 2019. Therefore, the Company has reclassified the equity components to reflect the impacts of this transaction on the opening balance of the comparative condensed interim shareholders' deficiency for the three months ended October 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended July 31, 2020 and have been consistently followed in the preparation of these condensed interim financial statements. These consolidated condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2020.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim financial statements and the reported amount of revenues and expenses during the period. These and other estimates are subject to measurement uncertainty and the effect on the condensed interim financial statements of changes in these estimates could be material. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed consolidated interim financial statements, the significant estimates and critical judgments were the same as those applied to the Company's audited consolidated financial statements for the year ended July 31, 2020.

(Unaudited – Stated in Canadian dollars)

5. EQUIPMENT

The following table provides a continuity of equipment for the three months ended October 31, 2020 and year ended July 31, 2020:

		Right of use - Truck	Right of use - Mobile office	Trucks and equipment	Total
Cost					
Balance at July 31, 2019	$	-	-	43,520	43,520
Additions		14,313	146,570	-	160,883
Balance at July 31, 2020 and October 31, 2020	**$**	**14,313**	**146,570**	**43,520**	**204,403**
Accumulated depreciation					
Balance at July 31, 2019	$	-	-	10,407	10,407
Amortization		6,273	22,192	8,888	37,353
Balance at July 31, 2020		6,273	22,192	19,295	47,760
Amortization		1,671	5,663	2,222	9,556
Balance at July 31, 2020	**$**	**7,944**	**27,855**	**21,517**	**57,316**
NET BOOK VALUE					
Balance at July 31, 2020	**$**	**8,040**	**124,378**	**24,225**	**156,643**
Balance at October 31, 2020	**$**	**6,369**	**118,715**	**22,003**	**147,087**

(Unaudited – Stated in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following table summarizes costs of expenditures on exploration and evaluation assets for the three months ended October 31, 2020 and year ended July 31, 2020:

Acquisition costs	Fairview South Okanagan	Norbeau Gold	Illite Clay	Beaurox Mines Limited	Total
July 31, 2019	$ 196,526	$ 112,501	$ 62,250	$ -	$ 371,277
Additions	-	83,750	-	33,750	117,500
Impairment	-	(196,251)	-	(33,750)	(230,001)
As at July 31 and October 31, 2020	**$ 196,526**	**$ -**	**$ 62,250**	**$ -**	**$ 258,776**
Exploration costs	Fairview South Okanagan	Norbeau Gold	Illite Clay	Beaurox Mines Limited	Total
July 31, 2019	$ 354,276	$ 20,650	$ 55,012	$ -	$ 429,938
Geological consulting	13,538	-	12,973	-	26,511
Site travel and maintenance	-	-	1,035	61,394	62,429
Impairment	-	(20,650)	-	(61,394)	(82,044)
As at July 31 and October 31, 2020	**$ 367,814**	**$ -**	**$ 69,020**	**$ -**	**$ 436,834**
Balance as at July 31 and October 31, 2020	**$ 564,340**	**$ -**	**$ 131,270**	**$ -**	**$ 695,610**

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

(a) Fairview South Okanagan Property

On August 24, 2012, the Company entered into an option to acquire a 100% interest in a series of claims, collectively referred to as the Fairview South Okanagan Property, located in British Columbia. As consideration for the interest, the Company made a cash payment of $25,000 and issued a total of 120,000 common shares. The value of the shares was recorded at $120,000, representing the fair value of the shares at the time of issuance. The Company also incurred $5,000 in legal and paid a $5,000 finder's fee in association with acquiring the interest.

On February 24, 2015, the Company entered into an agreement to acquire a 100% interest in additional mineral claims comprising 760.1 hectares. As consideration, the Company issued 120,000 common shares valued at $30,000, representing the fair value of the shares at the time of issuance.

On August 6, 2015, the Company entered into a purchase agreement to acquire 100% undivided interest in one mineral title comprising 21.12 hectares located in British Columbia. As consideration, the Company has issued 60,000 of its common shares valued at $6,000, representing the fair value of the shares at the time of issuance.

On July 9, 2018, the Company entered into an option agreement with 1150892 B.C. Ltd. (the "Optionee") whereby the Optionee can acquire up to a 100% undivided participating interest in certain mineral tenures comprising the Fairview South Okanagan Property by making periodic cash payments totaling $1,500,000 to the Company and incurring exploration expenditures totaling $975,000 on or before July 9, 2022. The agreement has been terminated during the year ended July 31, 2020. The Company has not received any payments in relation to this option agreement.

(b) Norbeau Gold

On March 1, 2017, the Company obtained an option to acquire 100% interest in the Norbeau Gold Property, Chibougamau region, northwestern Quebec, Canada.

On July 20, 2017, the Company entered into an Earn in Agreement with ITOCO Mining Corp ("ITOCO") whereby ITOCO shall acquire the Norbeau Earn in Agreement from the Company and the Company shall retain a net profit 5% interest in the Norbeau Property, see Note 6. In evaluating the proceeds receivable from ITOCO to complete the Norbeau Gold Property sale, the fair market value of the shares and value of cash received indicate a nominal amount being attributed to the Norbeau Property and as a result the carrying value of the property was written-down to $1 as at July 31, 2018.

On October 3, 2018, the Company entered into an option agreement to reacquire 100% interest in the Norbeau Property situated in Quebec. This property, previously held by the Company, was subject to forfeiture, and is being reacquired together with additional claims from the previous vendor. To exercise the option and earn its interest in the property, the Company must make total cash payments of $220,000 and issue a total of 4,500,000 common shares in stages as follows:

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

i. $25,000 on October 3, 2018 (paid);
ii. 750,000 common shares on October 18, 2018 (issued);
iii. $25,000 on or before January 20, 2019 (paid);
iv. $50,000 cash and 750,000 common shares (cash paid and shares issued subsequent to October 31, 2019) on or before October 3, 2019;
v. $60,000 cash and 1,000,000 common shares on or before October 3, 2020;
vi. $60,000 cash and 1,000,000 common shares on or before October 3, 2021; and
vii. 1,000,000 common shares to be issued subject to a calculated proven economic reserve.

Required exploration expenditures comprise a total of $1,500,000 before October 3, 2021. The option agreement is subject to a 2% Net Smelter Return ("NSR"). The NSR can be reduced at any time to 1% by paying the vendor $1,000,000.

On November 9, 2018, the Company issued a total of 500,000 common shares as finders' fees for the Norbeau option at a fair value of $25,000 and 750,000 common shares at a fair value of $37,500 as the second periodic payment.

During the year ended July 31, 2019 the company paid the first and third installments totaling $50,000.

On November 4, 2019, the Company issued 750,000 shares with a fair value of $33,750 on option instalments for the Norbeau Gold property. The fourth instalment of $50,000 was also paid by a third party on behalf of the Company during the year ended July 31, 2020 (Note 14).

On October 5, 2020, the Company received a Notice of Default from the vendors as the Company did not meet the following requirements under the option agreement dated October 3, 2018:

1. Pay to the vendor an additional $60,000 on or before October 3, 2020
2. Issue to the vendor an additional 1,000,000 shares of the Company on or before October 3, 2020
3. Incur $200,000 of Expenditures on the Norbeau Gold Property
4. Ensure annual filing requirements is met and is publicly trading. The Company was subject to a Cease Trade Order from January 30, 2020 to October 5, 2020 as disclosed in Note 1.

On December 1, 2020, the Company received a notice of termination of the Norbeau Gold Mine Property Option Agreement as a result of unremedied defaults listed above. As at the year-ended July 31, 2020, the Company has recorded an impairment loss of $216,901 (July 31, 2019: $nil) to write off 100% of capitalized acquisition and exploration costs incurred on this property due to the termination of the option agreement.

(c) Illite Clay

During the year ended July 31, 2018, the Company acquired a 100% interest in mineral tenures comprising the Illite Clay property and purchase consideration was a cash payment of $13,500 and 750,000 common shares of the Company. Both the cash payment and share issuance were settled during the period. The common shares were valued at $48,750, being the fair value of the common shares at the time of issuance. The agreement also includes the right of first option on any further clay properties acquired by either party in the Mining District within 2 km of the current property.

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

During the year ended July 31, 2019, the company incurred costs for geological consulting and sampling, and reduced deferred exploration costs by $38,880 of incidental revenue earned through the sale of sample clay.

(d) Beaurox Option

On October 28, 2018, the Company obtained an option to acquire a 100% interest in the Beaurox property situated in Quebec. To exercise the option and earn its interest in the property, the Company must make total cash payments of $250,000 and issue a total of 4,500,000 common shares in stages as follows:

i. an initial payment of $50,000 cash (paid) on October 28, 2018;
ii. 750,000 common shares (issued) on or before November 28, 2018;
iii. $70,000 cash and 750,000 (issued subsequent to October 31, 2019) common shares on or before October 28, 2019;
iv. $70,000 cash and 1,000,000 common shares on or before October 28, 2020;
v. $60,000 cash and 1,000,000 common shares on or before October 28, 2021; and
vi. 1,000,000 common shares to be issued on reaching a Drill Indicated Economic Reserve on the property or upon sale of the property and work commitments until commercial production is attained.

Required exploration expenditures comprise a total of $3,800,000 before October 28, 2021.

In addition, the option requires annual Advanced Royalty Payments of one kilogram of fine gold of no less than 99.9% purity commencing on the 3rd anniversary of the agreement and thereafter at 12-month intervals until commencement of commercial production. Payment in the alternative to fine gold can be made by substituting free and tradeable shares for debt at a 25% discount to market or payment of cash equivalent of one kilogram of fine gold. The company has the right to purchase one half of the 2.5% NSR for payment of $3,000,000 cash.

On November 9, 2018, the Company issued 500,000 common shares as finders' fees for the Beaurox option at a fair value of $25,000, and 750,000 common shares at a fair value of $37,500 as the second periodic payment.

During the year ended July 31, 2019 the company paid the first installment of $50,000, but the Company did not make the third cash instalment prior to the deadline. The default was not cured in the permitted time frame, so the Company lost the option on the Beaurox property. As a result, the Company wrote off 100% of the acquisition costs related to the Beaurox property. The Company recorded an impairment charge of $112,500 in the statement of comprehensive loss for the year ended July 31, 2019.

During the year ended July 31, 2020, the Company issued 750,000 common shares as the first anniversary share instalment for the Beaurox option at a fair value of $33,750. These amounts have been written off in full for the year ended July 31, 2020 due to the cancellation of the Beaurox property option.

(Unaudited – Stated in Canadian dollars)

7. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares without par value
An unlimited number of preferred shares without par value

(b) Shares Issued

For the three months ended October 31, 2020, the Company recorded an obligation to issue 540,000 units pursuant to consulting agreements. Each unit consists of one common share and one warrant to purchase one additional share at an exercise price of $0.30 per share for a period of two years from the date of issuance. As at October 31, 2020, the units remain issuable, and $13,700 and $8,507 were recorded to shares issuable and warrants issuable, respectively.

8. WARRANTS

A summary of warrant activity for the three months ended October 31, 2020 and year ended July 31, 2020 is as follows:

	Number of warrants		Weighted average exercise price
Outstanding, July 31, 2019	14,150,000	$	0.30
Issued	-		-
Expired	-		-
Outstanding, July 31, 2020	14,150,000		0.30
Issued	-		-
Expired	-		-
Outstanding, October 31, 2020	**14,150,000**	**$**	**0.30**

As at October 31, 2020 the following warrants were outstanding:

Grant date	Number of warrants outstanding	Expiry date		Exercise price
June 12, 2017	500,000	June 13, 2021	$	0.20
October 28, 2017	460,000	October 28, 2021		0.30
October 30, 2017	390,000	October 30, 2021		0.30
January 24, 2018	260,000	January 24, 2022		0.30
May 2, 2018	3,420,000	May 2, 2021		0.30
May 2, 2018	620,000	May 1, 2022		0.30
June 15, 2018	5,960,000	June 15, 2021		0.30
August 31, 2018	220,000	August 31, 2021		0.30
August 31, 2018	760,000	August 31, 2022		0.30
January 29, 2019	900,000	January 29, 2023		0.30
May 6, 2019	660,000	May 6, 2021	$	0.30
October 31, 2020	**14,150,000**			

(Unaudited – Stated in Canadian dollars)

8. WARRANTS (CONTINUED)

As at October 31, 2020, the weighted-average remaining contractual life of warrants outstanding was 0.91 years (July 31, 2020 – 1.13 years).

9. STOCK OPTIONS

The Company has established a stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, and employees of the Company as well as persons providing ongoing services to the Company. The maximum number of common shares reserved for issuance upon the exercise of options is not to exceed 20% of the total number of common shares outstanding immediately prior to such an issuance. No more than 5% of the issued shares of the Company may be granted to any one insider and no more than 10% of the issued and outstanding shares may be issued to insiders in aggregate during any 12-month period. No more than 2% of the issued shares of the Company may be granted to any one consultant during any 12-month period. The options are non-transferable and non-assignable and may be granted for a term not exceeding five years. The exercise price of options equals the market price of the Company's stock on the date of grant. Under the plan, the Board of Directors has the choice of either vesting or allowing options issued to be exercisable upon issuance. Options are normally issued for two to five-year terms.

A summary of stock option activity for the three months ended October 31, 2020 and year ended July 31, 2020 is as follows:

	Number of options		Weighted average exercise price
Outstanding, July 31, 2019	7,225,000		0.06
Issued	-		-
Expired	-		-
Outstanding, July 31, 2020	7,225,000		0.06
Issued	-		-
Expired	-		-
Outstanding, October 31, 2020	**7,225,000**	**$**	**0.06**

As at October 31, 2020, the following stock options were outstanding and exercisable:

Grant date	Number of options outstanding and exercisable	Expiry date		Exercise price
October 28, 2017	1,000,000	October 28, 2022	$	0.075
October 30, 2017	525,000	October 31, 2022		0.040
March 28, 2018	500,000	March 19, 2023		0.050
November 1, 2018	5,200,000	November 1, 2023	$	0.060
October 31, 2020	**7,225,000**			

As at October 31, 2020, the weighted-average remaining contractual life of options outstanding was 2.71 years (July 31, 2020 – 2.96 years).

(Unaudited – Stated in Canadian dollars)

10. LOSS PER SHARE

The calculation of basic and diluted loss per share was based on the following data:

For the three months ended October 31,		2020		2019
Weighted average number of shares – basic:				
Issued common shares as at August 1		57,332,804		55,832,804
Effect of common shares issued during the period		-		-
		57,332,804		55,832,804
Net loss	$	(88,230)	$	(124,679)
Loss per share – basic and diluted	$	(0.00)	$	(0.00)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and share purchase warrants currently outstanding (Notes 8 and 9) were anti-dilutive.

11. PROVISIONS

The Company raised capital through the issuance of flow-through shares in 2012, which provided indemnity to the shareholders for additional taxes payable if the Company was unable to, or failed to, renounce the qualifying expenditures as agreed, without limiting the recourse of the subscriber. The Company was not able to spend $527,315 of the flow-through funds raised. The Company is exposed to costs for the indemnification of the shareholders and Part XII.6 tax liability. The Company estimated the potential shareholder indemnification liability is in the amount of $205,653 and the Part XII.6 liability is $68,987. To estimate the potential indemnification liability, management used a combined tax rate of 39% of unspent flow-through funds raised.

The accrued amounts are subject to measurement uncertainty due to the tax filing positions of the subscribers, their tax rates and the amount of personal taxes that may be payable and the, interpretation of the indemnity agreements, which will not be known until potentially affected subscribers are reassessed for their tax positions by the Canada Revenue Agency (“CRA”) and these amounts become known to the Company.

During the three months ended October 31, 2020, the Company recorded $364 in interest charges using the CRA prescribed interest rate on the outstanding balance (October 31, 2019 - $1,420). The balance as at October 31, 2020 is $285,896 (July 31, 2020 - $285,532).

12. RELATED PARTY TRANSACTIONS AND BALANCES

During the three months ended October 31, 2020, 540,000 units consisting of one common share and one transferable common share purchase warrant exercisable at a price of $0.30 per share for a period of two and three years were granted to officers and directors of the Company, pursuant to the consulting service agreements. The fair value assigned to the shares and warrants was $13,700 and $8,507, respectively. As at October 31, 2020, the unit shares and warrants remained issuable.

(Unaudited – Stated in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

As at October 31, 2020, the balance due to related parties of $288,326 (July 31, 2020 - $244,551) is comprised of accrued consulting fees and amounts due to management. These balances are non-interest bearing, unsecured and payable on demand.

During the year ended July 31, 2019, the Company entered into a vehicle lease agreement with a related party for a motorhome to be used as a mobile office. Pursuant to the agreement, the Company is required to make lease payments totaling $7,500 during the three months ended October 31, 2020, and is committed to a monthly lease payment of $2,500 for a period of 64 (July 31, 2020 – 67) months as at October 31, 2020.

Key management compensation

The Company considers its directors and officers to be key management personnel and compensation earned by key management for the three months ended October 31, 2020 and 2019 as follows:

	For the three months ended October 31,			
		2020		**2019**
Consulting fees, salaries and benefits	$	36,000	$	36,000
Share-based payments		22,207		43,945
Total	$	58,207	$	79,945

13. LOANS PAYABLE

As at October 31, 2020, the Company had loans payable to arm's length parties in the gross amount of $193,500 (July 31, 2020 - $193,500). Of the total loan proceeds received, $73,500 are non-interest-bearing, unsecured and due on demand.

The remaining $120,000 loan payable relates to the convertible loan agreement that the Company entered into with an arm's length party. Pursuant to the agreement, the Company received gross proceeds of $100,000. Of the total proceeds, $50,000 was paid directly to the optionees by the party and towards installment iv on the Norbeau Gold property that was capitalized as exploration and evaluation assets (Note 7), and $50,000 for general working capital. The loan agreement has the following options for repayment to be chosen by the lender:

a) After 90 days from the agreement date, repayment of $120,000 or,
b) Issuance of $120,000 worth of common shares of the Company in the next completed private placement or,
c) 10% of the profit from processing the sludge after dewatering the Norbeau mine
d) JV partner option available

If a, b, or c is chosen, but cannot be fulfilled, the Chief Executive Officer has personally guaranteed to repay the amount of $120,000 for no additional consideration. For accounting purpose, the loan should be separated into liability and equity components. The Company determined that options b, c, d do not have material value, and therefore $nil was allocated to the equity component.

During the year ended October 31, 2014, the Company entered into a promissory note agreement with a vendor who had previously provided exploration services on the Company's Fairview South Okanagan and English Bay Properties. Pursuant to the agreement, $51,580 was converted from accounts payable to a formalized promissory note which remains payable. The promissory note is non-interest bearing and unsecured. As at October 31, 2020, repayment of the note remained in default and payment is overdue.

(Unaudited – Stated in Canadian dollars)

14. LEASE LIABILITIES

The following table presents the lease liabilities for the Company:

		Vehicle lease	Mobile office lease	Total
Balance, July 31, 2020	$	9,224	139,145	148,369
Accretion and interest	$	145	3,127	3,272
Lease payments	$	(1,931)	-	(1,931)
Balance, October 31, 2020	**$**	**7,438**	**142,272**	**149,710**

The Company's minimum lease payments are summarized in the following table:

		Vehicle lease	Mobile office lease	Total
Not later than one year	$	7,724	50,210	57,934
Later than one year and not later than five years	$	-	120,000	120,000
Later than five years	$	-	7,500	7,500
	$	7,724	177,710	185,434
Less: imputed interest		(286)	(35,438)	(35,724)
Total	**$**	**7,438**	**142,272**	**149,710**
Less: Current portion	$	(7,438)	(38,749)	(46,187)
Long-term portion	$	-	103,523	103,523

15. COMMITMENTS AND CONTINGENCIES

Environmental contingencies

The Company's mining and exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through expenditures

On February 27, 2012, pursuant to the issuance of 367,257 flow-through units, the Company renounced $642,700 of qualified exploration expenditures to flow-through shareholders which it was to expend by December 31, 2012. As at that date, the Company had spent $115,385.

The Company has agreed to indemnify the subscribers for any tax related amounts that become payable by the subscriber as a result of the Company not meeting its expenditure commitments.

(Unaudited – Stated in Canadian dollars)

16. SUBSEQUENT EVENT

On November 20, 2020, the Company entered into a debt settlement agreement with a certain vendor and committed to issue 700,000 common shares in the capital of the Company to this vendor to settle $21,000 in amounts payable by the Company.

17. RETROSPECTIVE RESTATEMENT

The figures for the three months ended October 31, 2019 have been restated for adjustments reflecting the correction of errors which are summarized below.

Condensed Interim Statements of Changes in Equity:

For the three months ended October 31, 2019	As previously reported $	Adjustment $	As Restated $
Warrant reserves	514,180	(24,044)	(490,136)
Accumulated deficits	(20,583,780)	24,044	(20,559,736)
Shares issuable - Note 17 b)	8,000	(8,000)	-
Total shareholders' deficiency – Note 17 b)	(195,162)	(8,000)	(203,162)

Condensed Interim Statement of Loss and Comprehensive Loss:

For the three months ended October 31, 2019	As previously reported $	Adjustment $	As Restated $
Expenses			
Share-based payments	67,989	(24,044)	43,945
Net loss and comprehensive loss for the period	148,723	(24,044)	124,679
Loss per share, basic and diluted	(0.00)		(0.00)

Condensed Interim Statement of Cash Flows:

For the three months ended October 31, 2019	As previously reported $	Adjustment $	As Restated $
Operating activities			
Net loss and comprehensive loss for the period	(148,723)	24,044	(124,679)
Items not affecting cash			
Share-based payments	67,989	(24,044)	43,945
Net cash used in operating activities	2,016	-	2,016

17. RETROSPECTIVE RESTATEMENT (CONTINUED)

a) The $24,044 adjustment represents a correction to the calculation of fair value of warrants issuable to consultants as part of the compensation for services provided to the Company during the three months ended October 31, 2019. The modified fair value calculation of the warrants was performed using the Black Scholes warrant pricing model using the appropriate inputs. The adjustment has been reflected in the condensed interim statements of loss and comprehensive loss, the condensed interim statements of shareholders' equity and the condensed interim statement of cash flow for the three months ended October 31, 2019.

b) The $8,000 adjustment to share issuable represents the reclassification of a loan proceed to liability. The amount received from a third party during the three months ended October 31, 2019 and was initially classified as equity as at October 31, 2019. The loan was non-interesting bearing, unsecured and due on demand. This adjustment has been reflected on the comparative statement of financial position as at July 31, 2020.