

BESSOR MINERALS INC.
(FORMERLY TROYMET EXPLORATION CORP.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JANUARY 31, 2020
(UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

Notice to Reader

The accompanying unaudited condensed interim financial statements of Bessor Minerals Inc. (formerly Troymet Exploration Corp.) for the quarter ended January 31, 2020 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

Dated March 26, 2020

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Joseph Meagher”

Joseph Meagher
Chief Financial Officer

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	January 31 2020	October 31 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	\$ 540,084	\$ 556,782
Accounts receivable	1,750	710
Prepaid expenses	8,518	587
	550,352	558,079
RECLAMATION ADVANCE (Note 6)	5,000	5,000
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 7)	388,313	387,113
INVESTMENT IN PRIVATE COMPANY (Note 8)	1	1
	\$ 943,666	\$ 950,193
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	\$ 22,808	\$ 14,973
EQUITY		
SHARE CAPITAL (Note 9)	9,548,571	9,548,571
RESERVE (Note 10)	1,056,536	1,056,536
DEFICIT	(9,684,249)	(9,669,887)
	920,858	935,220
	\$ 943,666	\$ 950,193

Subsequent Event (Note 15)

Approved on behalf of the Board of Directors:

“Kieran Downes” Director Kieran Downes	“David Billard” Director David Billard
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See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
Condensed Interim Statements of Loss and Comprehensive Loss
For the Three Months Ended
(Unaudited – Expressed in Canadian Dollars)

	January 31, 2020	January 31, 2019
EXPENSES		
Foreign exchange gain	\$ (37)	\$ (2,948)
General and administration	3,866	3,869
Management fees (Note 11)	6,000	22,000
Professional fees	2,781	7,902
Public company costs	2,775	3,264
Travel and related costs	81	4,052
	15,466	38,139
LOSS BEFORE OTHER INCOME	(15,466)	(38,139)
FINANCE INCOME	1,104	1,169
NET LOSS AND COMPREHENSIVE LOSS	\$ (14,362)	\$ (36,970)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	19,985,623	12,435,622
BASIC AND DILUTED LOSS PER SHARE	\$ (0.00)	\$ (0.00)

See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
Condensed Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Equity
Balance, October 31, 2018	12,435,623	\$ 9,184,714	\$ 1,056,536	\$ (9,554,443)	\$ 686,807
Net loss for the period	-	-	-	(36,970)	(36,970)
Balance, January 31, 2019	12,435,623	9,184,714	1,056,536	(9,591,413)	649,837
Private placements	7,250,000	362,500	-	-	362,500
Share issue costs	-	(16,643)	-	-	(16,643)
Shares issued for mineral exploration and evaluation assets	300,000	18,000	-	-	18,000
Net loss for the period	-	-	-	(78,474)	(78,474)
Balance, October 31, 2019	19,985,623	9,548,571	1,056,536	(9,669,887)	935,220
Net loss for the period	-	-	-	(14,362)	(14,362)
Balance, January 31, 2020	19,985,623	\$ 9,548,571	\$ 1,056,536	\$ (9,684,249)	\$ 920,858

See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
Condensed Interim Statements of Cash Flow
For the Three Months Ended
(Unaudited – Expressed in Canadian Dollars)

	January 31, 2020	January 31, 2019
OPERATING ACTIVITIES		
Net loss	\$ (14,362)	\$ (36,970)
Changes in non-cash working capital		
Accounts receivable	(1,040)	(7)
Prepaid expenses	(7,931)	(7,457)
Accounts payable and accrued liabilities	7,835	20,429
CASH USED IN OPERATING ACTIVITIES	(15,498)	(24,005)
INVESTING ACTIVITIES		
Investment in mineral exploration and evaluation assets	(1,200)	(1,200)
Reclamation advances refunded	-	17,424
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,200)	16,224
CHANGE IN CASH AND CASH EQUIVALENTS	(16,698)	(7,781)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	556,782	336,662
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 540,084	\$ 328,881
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 1,104	\$ 1,169
Income tax paid	\$ -	\$ -
CASH AND CASH EQUIVALENTS		
Cash	\$ 6,906	\$ 74,403
Guaranteed investment certificates	533,178	254,478
	\$ 540,084	\$ 328,881

See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three Months Ended January 31, 2020
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

Bessor Minerals Inc. (formerly Troymet Exploration Corp. ("Troymet")) (the "Company") of Box 37033 Country Club PO, Nanaimo, British Columbia, V9T 6N4 was incorporated under the *Business Corporations Act* (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc. and Cash Minerals Ltd. was completed on August 7, 2007. The Company was listed on the TSX Venture Exchange ("TSX-V") on September 20, 2007. The Company trades under the symbol "BST". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired.

On April 11, 2019, the Company changed its name to Bessor Minerals Inc. and completed a consolidation of its common shares on the basis of one new common share for every existing ten common shares.

2. GOING CONCERN

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

The Company is in the process of exploring and evaluating its mineral exploration and evaluation assets. On the basis of the information to date, it has not yet determined whether these assets contain economically recoverable ore reserves. The underlying value of the mineral exploration and evaluation assets and related deferred costs 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. The amounts shown as mineral exploration and evaluation assets and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

The Company's ability to continue as a going concern is dependent on accessing capital markets or entering into collaborative agreements that would provide additional financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Realization values may be substantially different from carrying values as shown. These condensed interim financial statements do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

3. BASIS OF PRESENTATION

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2019 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

BESSOR MINERALS INC.
(formerly Troymet Exploration Corp.)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Three Months Ended January 31, 2020
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3. BASIS OF PRESENTATION (continued)

Approval of the condensed interim financial statements

The condensed interim financial statements of the Company for the three months ended January 31, 2020 were authorized for issue on March 26, 2020 by the Board of Directors of the Company.

Measurement basis

The condensed interim financial statements are presented in Canadian dollars. The condensed interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended October 31, 2019.

Significant accounting judgments, estimates and assumptions

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the condensed interim financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, the recoverability and measurement of deferred income tax assets and liabilities, the recognition and valuation of provisions for restoration and environmental liabilities and assumptions used in valuing options in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year include the Company's going concern assessment.

BESSOR MINERALS INC.
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standard adopted during the period

IFRS 16 Leases

Initial adoption

On November 1, 2019, the Company adopted IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company has elected to apply IFRS 16 using a modified retrospective approach, which does not require restatement of prior period financial information. Modified retrospective application recognizes the cumulative effect of IFRS 16 as an adjustment to opening deficit at November 1, 2019 and applies the standard prospectively. The Company has determined that at November 1, 2019, adoption of IFRS 16 will not result in the recognition of a right-of-use ("ROU") asset nor a lease obligation.

Ongoing recognition and measurement

On the date that the leased asset becomes available for use, the Company recognizes a ROU asset and a corresponding lease obligation. Interest expense associated with the lease obligation is charged to the statement of income/loss over the lease period with a corresponding increase to the lease obligation. The lease obligation is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized in depreciation expense.

5. CASH AND CASH EQUIVALENTS

At January 31, 2020, the Company held one cashable guaranteed investment certificate ("GIC") with a total value of \$300,750, interest at 1.25% and a maturity date of February 20, 2020, and another cashable GIC with a total value of \$232,428, interest at 1.12% and a maturity date of April 10, 2020.

At October 31, 2019, the Company held one cashable GIC with a total value of \$254,478, interest at 1.12%, and a maturity date of April 10, 2020.

Included in the balance of cash and cash equivalents is \$2,205 (October 31, 2019 - \$1,442) of accrued interest.

6. RECLAMATION ADVANCE

During the year ended October 31, 2015, the Company advanced \$5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (Note 7). The amount is without interest.

BESSOR MINERALS INC.
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6. RECLAMATION ADVANCE (continued)

At October 31, 2018, the Company had US \$13,258 held by the Utah Department of Natural Resources as surety for work on a former exploration project. During the year ended October 31, 2019, a refund of US \$13,258 was received.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

Redhill

On July 8, 2015, and as amended July 30, 2019, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on the first and second anniversaries of the agreement (paid);
- \$10,000 on the third anniversary of the agreement (paid);
- \$7,500 and 300,000 common shares of the Company upon TSX-V acceptance of the amendment (paid and issued);
- \$12,500 and 500,000 common shares of the Company on the fifth anniversary of the agreement;
- \$40,000 on the sixth through ninth anniversaries of the agreement; and
- \$255,000 on the tenth anniversary of the agreement.

In addition to the option payments, the Company must spend \$600,000 on exploration under the terms of the original agreement as follows:

- \$20,000 on or before the first anniversary of the agreement (spent);
- \$50,000 on or before the second anniversary of the agreement (spent);
- \$150,000 on or before the third anniversary of the agreement (spent);
- \$30,000 on or before the fourth through ninth anniversaries of the agreement (spent);
- An additional \$100,000 on or before October 2020, as a result of the July 30, 2019 amendment; and
- \$100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% net smelter return royalty, one-half (1%) of which can be purchased by the Company for \$1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of \$500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company's election and excess expenditures in any year will be credited towards future years.

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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

At January 31, 2020, expenditures incurred on mineral exploration and evaluation assets are as follows:

	Redhill
Balance, October 31, 2018	\$ 365,761
Acquisition Costs	25,500
Deferred Exploration Costs	
Drilling	1,200
Total Deferred Exploration Costs	1,200
Mineral Exploration Tax Credit	(5,348)
Balance, October 31, 2019	387,113
Deferred Exploration Costs	
Drilling	1,200
Total Deferred Exploration Costs	1,200
Balance, January 31, 2020	\$ 388,313

8. INVESTMENT IN McCLARTY LAKE

The McClarty Lake property is comprised of five contiguous mineral claims totaling 596 hectares. The Company owns 100% of three of the claims that were staked in 2000. Pursuant to an option agreement between the Company and Hudson Bay Exploration and Development Company Limited ("HBED"), dated February 15, 2000, and amended September 28, 2000, August 31, 2001, August 31, 2005 and June 28, 2007, the Company had an option to acquire a 60% interest in two claims comprising 252 hectares. As consideration, the Company made option payments totaling \$125,000 to HBED. No further option payments are required.

The Company has fulfilled the expenditure requirements and completed the earn-in requirements of the option agreement by incurring \$800,000 of exploration expenditures on or before August 15, 2008. Pursuant to the option agreement, HBED incurred sufficient expenditures to earn back a 20% interest in the two claims covered by the option agreement by spending \$750,000 on exploration and development. This earn-back was completed in June 2011.

On July 30, 2012, the Company signed an agreement with HBED for joint exploration of the McClarty Lake property. Both companies, having previously incurred expenditures on the McClarty Lake property, agreed to combine their interests and jointly explore the property going forward, with the Company incurring 40% of the expenditures and HBED incurring 60% of the expenditures. No new entity was created upon signing of the agreement. The Company's contribution to the McClarty Lake agreement was its exploration expenditures on the McClarty Lake property of \$1,557,428. Under terms of the agreement, HBED must contribute \$1,151,052 in joint venture expenditures before the Company is required to fund its participating interest.

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8. INVESTMENT IN McCLARTY LAKE (continued)

During the year ended October 31, 2016, the Company recorded an impairment of \$1,565,117 related to the investment in McClarty Lake as a result of no exploration plan for the foreseeable future by either HBED or the Company, bringing the value to \$1.

During the year ended October 31, 2018, the Company sold its investment in McClarty Lake to an arm's length private purchaser for \$100,000 cash and 2,250,000 common shares of the private purchaser (recorded at a value of \$1). The Company issued 250,000 common shares (valued at \$25,000) to the purchaser as part of the sale agreement. As a result, the Company recognized a gain on sale of McClarty Lake of \$75,000.

The arm's length private company became a related party with common control subsequent to the transaction.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

b) Issued

Three months ended January 31, 2020

There were no share capital transactions for the three months ended January 31, 2020.

Year ended October 31, 2019

On April 11, 2019, the Company completed a consolidation of its common shares on the basis of one new common share for every existing ten common shares.

On May 31, 2019 and June 14, 2019, the Company closed a private placement in two tranches. The Company issued 7,250,000 common shares at a price of \$0.05 for gross proceeds of \$362,500. The Company incurred share issue costs of \$16,643 in relation to the private placement.

On August 21, 2019, the Company issued 300,000 common shares (valued at \$18,000) for the Redhill property (Note 7).

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9. SHARE CAPITAL (continued)

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period.

There were no stock option transactions during the three months ended January 31, 2020 or the year ended October 31, 2019.

Options outstanding

A summary of options outstanding at January 31, 2020 is as follows:

Number of Shares Under Option	Number of Options Exercisable	Exercise Price	Expiry Date
135,000	135,000	\$ 0.50	January 16, 2025
60,000	60,000	\$ 0.50	December 7, 2025
220,000	220,000	\$ 0.50	April 4, 2026
25,000	25,000	\$ 0.50	July 10, 2028
440,000	440,000		

At January 31, 2020, the weighted average remaining life of the options is 5.89 (October 31, 2019 - 6.14) years.

Share-based compensation

There was no share-based compensation expense for the three months ended January 31, 2020 or the year ended October 31, 2019.

d) Share purchase warrants

The Company had no share purchase warrants outstanding during the three months ended January 31, 2020 or the year ended October 31, 2019.

10. RESERVE

The share-based payment reserve records stock options recognized as share-based payments expense until such time as the stock options are exercised, at which time the corresponding amount is transferred to share capital.

BESSOR MINERALS INC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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11. RELATED PARTY TRANSACTIONS

Key management personal compensation

The Company has paid or accrued fees of \$6,000 (2019 - \$22,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in general and administration expenses as outlined below:

	January 31, 2020	January 31, 2019
Short-term compensation:		
Management fees	\$ 6,000	\$ 22,000

Management fees consisted of \$6,000 (2019 - \$6,000) paid to a company controlled by the Chief Financial Officer and \$nil (2019 - \$16,000) paid to a company controlled by the President and Chief Executive Officer.

12. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents and investment in private company are classified as fair value through profit or loss; reclamation advance, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

January 31, 2020	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 540,084	\$ -	\$ -
October 31, 2019	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 556,782	\$ -	\$ -

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

12. FINANCIAL INSTRUMENTS (continued)

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is as follows:

	January 31, 2020	October 31, 2019
Cash and cash equivalents	\$ 540,084	\$ 556,782

All of the Company's operations are conducted in Canada. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by chartered banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

The Company's accounts receivable consists entirely of Goods and Services Tax at January 31, 2020 and October 31, 2019.

As at January 31, 2020 and October 31, 2019, the Company's accounts receivable were current (less than 90 days). The Company believes that all outstanding balances are collectible, and therefore, there is no allowance for doubtful accounts at January 31, 2020 and October 31, 2019.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

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12. FINANCIAL INSTRUMENTS (continued)

b) Liquidity risk (continued)

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at January 31, 2020 are summarized below:

	Carrying Amount	Contractual Cash Flows	Less than One Year	One to Two Years	Two to Five Years	More than Five Years
Non-derivative financial liabilities						
Trade and other payables	\$ 22,808	\$ -	\$ 22,808	\$ -	\$ -	\$ -
	\$ 22,808	\$ -	\$ 22,808	\$ -	\$ -	\$ -

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – The Company has nominal funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.
- iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

13. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

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13. MANAGEMENT OF CAPITAL (continued)

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the three months ended January 31, 2020.

The Company is not exposed to externally imposed capital requirements.

14. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, mineral exploration and development. All of the Company's assets are located in Canada.

15. SUBSEQUENT EVENT

In early March 2020, there was a global outbreak of coronavirus (COVID-19) that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company's project exploration activities and liquidity.