GRANDE PORTAGE RESOURCES LTD.
(An Exploration Stage Company)
Consolidated Financial Statements
October 31, 2020 and 2019
(Expressed in Canadian Dollars)

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Grande Portage Resources Ltd.

Opinion

We have audited the consolidated financial statements of Grande Portage Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at October 31, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 26, 2021

GRANDE PORTAGE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT OCTOBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Note	2020	2019
		$	$
ASSETS			
CURRENT ASSETS			
Cash		1,492,146	304,379
Amounts receivable		15,104	7,200
Prepaid expenses and deposits		61,417	37,361
Marketable securities		1,192	2,171
		1,569,859	351,111
RECLAMATION BONDS	6	72,153	54,759
EXPLORATION AND EVALUATION ASSETS	7	10,787,096	7,752,235
		12,429,108	8,158,105
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	9	450,327	230,601
EQUITY			
SHARE CAPITAL	8	28,791,187	23,993,075
RESERVES		2,923,929	2,633,829
DEFICIT		(19,736,335)	(18,699,400)
		11,978,781	7,927,504
		12,429,108	8,158,105

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Note 13)
Subsequent Event (Note 14)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Ian Klassen"	Director	*"Alistair MacLennan"*	Director
Ian Klassen		Alistair MacLennan	

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

GRANDE PORTAGE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Note	2020	2019
		$	$
Expenses			
Share-based compensation	8	243,600	175,500
Investor and shareholder relations		309,270	301,846
Management fees	9	187,600	168,600
Legal and accounting	9	92,553	89,242
Directors' fees		20,000	-
Regulatory and transfer agent fees		61,197	29,600
Office and miscellaneous		17,790	13,926
Consulting fees		63,755	74,916
Rent		18,000	18,000
Travel and promotion		24,026	3,703
Loss before other items		(1,037,791)	(875,333)
Other items			
Foreign exchange gain (loss)		1,125	(4,059)
Interest and investment income		68	76
Unrealized gain (loss) on marketable securities		(337)	(2,029)
		856	(6,012)
Net loss and comprehensive loss		(1,036,935)	(881,345)
Loss per share – basic and diluted		(0.02)	(0.02)
Weighted average number of common shares outstanding		67,409,508	47,587,098

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

GRANDE PORTAGE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	Issued Capital				
	Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance, October 31, 2018	**45,193,365**	**23,031,952**	**2,457,054**	**(17,818,055)**	**7,670,951**
Shares issued for warrant exercise	232,500	63,938	-	-	63,938
Shares issued for private placement	8,181,818	900,000	-	-	900,000
Share issue costs	-	(2,815)	1,275		(1,540)
Share-based compensation	-	-	175,500	-	175,500
Comprehensive loss	-	-	-	(881,345)	(881,345)
Balance, October 31, 2019	**53,607,683**	**23,993,075**	**2,633,829**	**(18,699,400)**	**7,927,504**
Shares issued for warrant exercise	1,281,820	199,707	-	-	199,707
Shares issued for private placement	24,040,622	4,711,225	-	-	4,711,225
Share issue costs	-	(112,820)	-	-	(112,820)
Share-based compensation	-	-	290,100	-	290,100
Comprehensive loss	-	-	-	(1,036,935)	(1,036,935)
Balance, October 31, 2020	**78,930,125**	**28,791,187**	**2,923,929**	**(19,736,335)**	**11,978,781**

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

GRANDE PORTAGE RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED OCTOBER 31, 2020 AND 2019
(Expressed in Canadian Dollars)

	2020	2019
	$	$
Operating activities		
Net loss	(1,036,935)	(881,345)
Items not involving cash:		
Share-based compensation	290,100	175,500
Unrealized loss on marketable securities	979	2,029
	(745,856)	(703,816)
Changes in non-cash working capital balances		
Accounts payable and accrued liabilities	219,726	(117,930)
Amounts receivable	(7,904)	32,608
Prepaid expenses and deposits	(24,056)	259,603
	(558,090)	(529,535)
Investing activities		
Expenditures on exploration and evaluation assets	(3,034,861)	(264,097)
Reclamation bond advances	(17,394)	-
	(3,052,255)	(264,097)
Financing activities		
Proceeds from issuance of common shares	4,711,225	963,938
Share issuance costs	(112,820)	(1,540)
Proceeds from warrant exercises	199,707	-
	4,798,112	962,398
Change in cash	1,187,767	168,766
Cash, beginning of year	304,379	135,613
Cash, end of year	1,492,146	304,379
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

Non-cash transactions (Notes 8 and 9)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Grande Portage Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia. The Company is an exploration-stage public company, whose principal business activities are the exploration for and development of natural resource properties, namely gold in Alaska. The Company's shares are listed for trading on the TSX Venture Exchange under the symbol GPG.

The address of the Company's corporate office and principal place of business is #280 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

The Company incurred a net loss and comprehensive loss of $1,036,935 (2019 - $881,345) for the year ended October 31, 2020 and has an accumulated deficit of $19,736,335 (2019 - $18,699,400) which has been funded primarily by the issuance of equity. The Company's ability to continue as a going concern is dependent upon the generation of profits from exploration and evaluation assets, obtaining additional financing or maintaining continued support from its shareholders and creditors. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favourable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern. In the event that additional financial support is not received or operating profits are not generated, the carrying values of the Company's assets may be adversely affected.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. In assessing the appropriateness of the going concern assumption management is required to consider all available information about the future, which is at least, but not limited to, twelve months from the year end date. Management has carried out an assessment of the going concern assumption and has concluded that it is appropriate that the consolidated financial statements are prepared on a going concern basis. Accordingly, these consolidated financial statements do not reflect any adjustments to the carrying value of assets and liabilities, or the impact on the consolidated statements of loss and consolidated statements of financial position classifications that would be necessary were the going concern assumption not appropriate.

On March 11, 2020, various authorities declared a pandemic related to COVID-19 resulting in restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. These restrictions are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates.

2. BASIS OF PREPARATION

a) Statement of Compliance

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

These audited consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on February 26, 2021.

2. BASIS OF PREPARATION (continued)

b) Consolidation and Measurement

These audited consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, GPG Alaska Resources Inc. All material inter-company balances and transactions have been eliminated upon consolidation.

These audited consolidated financial statements are prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 4. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

3. ADOPTION OF NEW OR AMENDED ACCOUNTING STANDARDS

The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended October 31, 2020, except for the following:

IFRS 16 - Leases - On November 1, 2020, the Company adopted IFRS 16 –Leases ("IFRS 16") which replaced IAS 17 –Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019.

IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e.: leases of 12 months or less) and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate as at November 1, 2019, the date of initial application, resulting in no adjustment to the opening balance of deficit. The associated right-of-use assets will be measured at the lease liabilities amount, plus prepaid lease payments made by the Company.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

The adoption of IFRS 16 did not have any impact on the Company's consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash consist of cash on hand and balances with banks.

b) Exploration and Evaluation Assets

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

All exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized as exploration and evaluation assets and are classified as intangible assets. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs including drilling costs directly attributable to a property, and directly attributable general and administrative costs including share-based payments to geologists. General exploration costs not related to specific exploration and evaluation property are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Exploration and evaluation assets are tested for impairment and no amortization is taken during the exploration and evaluation phase.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets. Upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves

i) Impairment

Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if one of the following factors are present; the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned or budgeted, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications that in an area with development likely to proceed the carrying amount is unlikely to be recovered in full be development or sale. The related property costs are written down to management's estimate of their net recoverable amount.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or on-going production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

c) Equipment

Equipment is recorded at cost less accumulated amortization and impairment.

Amortization on additions during the year is calculated at one-half of the annual rate. Useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of loss.

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. Subsequent costs to replace parts of an item of equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and the cost of the item can be measured reliably.

d) Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years.

Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting not taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

e) Basic and Diluted Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings/loss per share does not adjust the loss attributable to common shareholders or the weight average number of common shares outstanding when the effect is anti-dilutive.

f) Share-based Payment Transactions

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock.

h) Government Assistance

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

i) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Marketable securities

Investments in publicly traded companies listed on an active stock exchange are recorded at fair value based upon the closing bid price at the year-end date. If an active market does not exist, the investments are recorded at fair value using a valuation technique based upon management's estimates which consider reliable and observable market inputs. The amounts at which investments in publicly traded companies could be disposed of may differ from fair value as a result of a number of factors including, but not limited to, premiums paid for large blocks of shares or discounts due to a lack of liquidity.

k) Financial instruments – IFRS 9

Financial instruments are accounted for in accordance with IFRS 9, "Financial Instruments: Classification and Measurement". A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of equity instrument of another entity.

i) Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and marketable securities are measured at FVTPL.

ii) Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable are classified at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

l) Provisions

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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

m) Foreign currency translation

The functional currency of both the Company and its subsidiary, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. Foreign denominated monetary assets and liabilities are translated at the year-end rates of exchange. Non-monetary items are translated using the exchange rates prevailing at the date of the transaction. Revenues and expenses are translated using average rates of exchange during the year. Exchange gains or losses arising from currency translation are recognized in the consolidated statement of comprehensive loss.

n) Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether indicators of impairment exist, considering estimates and assumptions around the reserves, prices and future costs required to develop and decommission those reserves. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the carrying amount exceeds the recoverable amount, the amount capitalized is written down to the recoverable amount in the profit or loss in the period the new information becomes available.

ii) Estimated reclamation provisions

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

iii) Share-based payment transactions

Management uses the Black-Scholes pricing model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

iv) Impairment of exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's exploration and evaluation assets are impaired. External sources of information management consider includes changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mining interests. Internal sources of information management consider include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's exploration properties, management makes estimates of the discounted future pre-tax cash flows expected to be derived from the Company's exploration properties, and the appropriate discount rate.

v) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable, and can therefore be recognized in the consolidated statements of financial position and consolidated comprehensive income or loss.

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. The management monitor future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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).

The Company's financial instruments include cash, marketable securities and accounts payable.

The fair value of cash and marketable securities are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. As at October 31, 2020, the Company believes that the carrying values of accounts payable approximate their fair values because of their nature and relatively short maturity dates or durations.

Assets measured at fair value on a recurring basis were presented on the Company's consolidated statements of financial position as of October 31, 2020, as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $	Total $
October 31, 2020				
Cash	1,492,146	–	–	1,492,146
Marketable securities	1,192	–	–	1,192
October 31, 2019				
Cash	304,379	–	–	304,379
Marketable securities	2,171	–	–	2,171

a) Credit risk

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

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

Concentration of credit risk exists with respect to the Company's cash and marketable securities as all are placed with two major Canadian financial institutions. The Company is not exposed to significant credit risk on its cash and marketable securities as all have been placed with major financial institutions.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. At October 31, 2020, the Company had a working capital of $1,119,532 (2019 - $120,510). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

c) Interest Rate Risk

The Company is not subject to any significant interest rate risk.

d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company is not subject to any significant foreign currency risk as it does not have a significant amount of financial instruments denominated in foreign currencies. The Company does not engage in any hedging activity.

e) Commodity Price Risk

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

f) Market Risk

The Company's financial instruments include marketable securities which are publicly traded and therefore subject to the risks related to the fluctuation in market prices. The Company closely monitors market values to determine the most appropriate course of action.

(Expressed in Canadian Dollars)

6. RECLAMATION BONDS

The Company placed Guaranteed Interest Certificates ("GICs") in trust as reclamation deposits pursuant to a condition of receiving consent from a government agency to explore its resource property interests. As at October 31, 2020, the Company held GICs totaling $72,153 (US $54,177) (2019 – $54,759; (US $42,472)).

7. EXPLORATION AND EVALUATION ASSETS

	Herbert Gold
Balance, October 31, 2018	$7,488,138
Acquisition costs:	
Cash payments and other	39,858
Deferred exploration costs:	
Assaying	27,097
Claim maintenance fees	19,042
Consulting	1,355
Drilling	9,181
Field expenses	23,076
Food and lodging	26,631
Geological consulting	47,035
Helicopter costs	27,821
Legal fees	22,155
Site Personnel	11,863
Travel costs	6,817
Vehicle rentals	2,166
Total additions	264,097
Balance, October 31, 2019	**$ 7,752,235**
Acquisition costs:	
Cash payments and other	41,635
Deferred exploration costs:	
Assaying	31,476
Claim maintenance fees	20,429
Consulting	34,369
Drilling	1,812,954
Field expenses	58,479
Food and lodging	90,922
Geological consulting	188,676
Helicopter costs	611,695
Legal fees	21,678
Share-based compensation	46,500
Site Personnel	53,054
Travel costs	4,908
Vehicle rentals	18,086
Total additions	3,034,861
Balance, October 31, 2020	**$10,787,096**

7. EXPLORATION AND EVALUATION ASSETS (continued)

Herbert Gold Project

Pursuant to an agreement dated June 16, 2010, as amended on June 12, 2012, (the "Option Agreement") with Quaterra Alaska, Inc. ("Quaterra"), the Company was granted and has exercised an option to acquire a 65% interest in a mining lease dated November 1, 2007 (the "Mining Lease") for the Herbert Gold Project, consisting of 84 unpatented mining claims (now 91 unpatented mining claims pursuant to the area of interest provisions of the Mining Lease), located 20 miles north of Juneau, Alaska. The Company was required to incur at least USD$1,250,000 (incurred) under the Option Agreement in exploration expenditures on the property to acquire its 65% interest.

On October 24, 2011, the Company entered into a joint operation with Quaterra (the "JVA") with their initial joint interests being Quaterra 35% and the Company 65%. Under the JVA, the Company's subsidiary was appointed as operator of the project. Pursuant to the JVA, Quaterra and the Company's subsidiary were deemed to have contributed a value of $673,077 and $1,250,000, respectively, as Initial Contributions. These initial values were deemed contributed in full by both parties as at October 31, 2012. Each party was also required to contribute its proportionate share of costs for all future exploration and development work. During the year ended October 31, 2015, Quaterra gave the Company a notification of its election not to participate in future programs on the property. This notice did not cancel the JVA between the Company and Quaterra, according to which Quaterra continued to be responsible for 35% of the claim maintenance fees.

During the year ended October 31, 2016, the Company entered into a purchase agreement with Quaterra to acquire Quaterra's remaining 35% interest in the Mining Lease in exchange for the issuance of 1,182,331 common shares (issued) on a non-diluted basis, equal to 9.0% of the Company's outstanding common shares and, a cash payment of $250,000 USD (due within 90 days of the earlier of: (i) the delivery of a favorable feasibility report on the Herbert Gold Project; or (ii) change of control of the Company; or (iii) sale of the Herbert Gold Project). The Company issued the 1,182,331 common shares during the year ended October 31, 2016, but these were held by the Company until such time that the assignment of the remaining 35% interest to the Company was completed during the year ended October 31, 2017. Quaterra was also granted a limited right to participate in any future equity financings of the Company up to the next $1.0 million raised, in order to maintain its equity interest in the Company at its then current equity interest in the Company on a non-diluted basis. The opportunity to participate has now expired.

An additional 760,464 common shares of the Company were issued to Quaterra during the year ended October 31, 2018 with respect to the private placement completed in June 2017, pursuant to Quaterra's anti-dilution rights described above (which are now fulfilled).

The Herbert Glacier Project is subject to a 5% net smelter returns royalty reserved to the underlying lessor, plus minimum annual advance royalties of $30,000 USD due every November 1. All advance royalties will be credited towards any net smelter returns royalty paid upon the commencement of commercial production.

Realization of assets

The investment in and expenditures on exploration and exploration assets comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Environmental

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its property interests and properties in which it has previously had an interest. 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 property interests that may result in material liability to the Company.

8. SHARE CAPITAL

a) Authorized - Unlimited number of common shares without par value.

b) Issued

As at October 31, 2020, there were 78,930,125 common shares issued and outstanding (2019: 53,607,683).

(i) During the year ended October 31, 2020, the Company closed a non-brokered private placement and issued 9,092,000 units at a price of $0.11 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable at a price of $0.15 for a period of 18 months for gross proceeds of $1,000,120. The Company paid a cash commission of $12,389 and issued 112,630 finders share purchase warrants exercisable at a price of $0.15 for a period of 18 months.

(ii) The Company also issued 1,281,820 shares for the exercise of warrants priced at $0.15 and $0.16 for gross proceeds of $199,707.

(iii) During the year ended October 31, 2020, the Company closed a non-brokered private placement and issued 4,297,122 units at a price of $0.12 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable at a price of $0.16 for a period of 18 months for gross proceeds of $515,655. The Company paid a cash commission of $9,530 and issued 79,419 finders share purchase warrants exercisable at a price of $0.16 for a period of 18 months.

(iv) During the year ended October 31, 2020, the Company closed a non-brokered private placement and issued 10,500,000 units at a price of $0.30 per unit. Each unit consisted of one common share and one half of a share purchase warrant exercisable at a price of $0.45 for a period of 18 months from gross proceeds of $3,150,000. The Company paid cash a commission of $45,450, issued 75,750 finders share purchase warrants exercisable at price of $0.45, and issued an additional 151,500 finders shares at a price of $0.30.

(v) During the year ended October 31, 2019, the Company closed a non-brokered private placement and issued 8,181,818 units at a price of $0.11 per unit. Each unit consisted of one common share and one purchase warrant exercisable at a price of $0.16 for a period of two years for gross proceeds of $898,460. The Company paid a cash commission of $1,540 and issued 14,000 finders purchase warrants exercisable at a price of $0.16 for a two-period at a fair value of $1,275. The Company also issued 232,500 common shares for the exercise of warrants at a price of $0.275 for gross proceeds of $63,938.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c) Stock options

Effective October 31, 2012, the Company adopted a revised rolling stock option plan under whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. The stock option plan provides for the granting of stock options to directors, officers, employees, consultants, consulting company or management company employees, and eligible charitable organizations. Shares issuable under the plan to insiders as a group, or to any one optionee, consultant, and investor relation person are restricted up to a limit of 10%, 5%, 2% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. An option shall be granted as fully vested, unless a vesting schedule is imposed by the board as a condition of the grant date and provided that if the option is being granted to an eligible person who is providing investor relating activities to the Company, then the option must vest in stages over at least a one-year period and not more than ¼ of such options may be vested in any three-month period.

Details of the status of the Company's stock options as at October 31, 2020 are as follows:

	Number of Options	**Weighted-Average Exercise Price ($)**
Balance, October 31, 2018	3,925,000	$ 0.19
Cancelled	(150,000)	0.17
Expired	(750,000)	0.20
Granted	500,000	0.13
Granted	900,000	0.15
Balance, October 31, 2019	4,425,000	$0.18
Granted	500,000	0.15
Granted	50,000	0.15
Granted	650,000	0.35
Balance, October 31, 2020	**5,625,000**	**$ 0.19**

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for stock options granted to employees. Stock options granted to non-employee are valued using the Black-Scholes Option Pricing Model as the fair values of services received were not reliably measurable.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

The fair value of the options granted was calculated using the following weighted average assumptions:

	2020	**2019**
Expected life (years)	5.00	5.00
Risk-free interest rate	0.35%	1.45%
Expected annualized volatility	173%	173%
Dividend yield	N/A	N/A
Stock price at grant date	$0.25	$0.15
Exercise price	$0.26	$0.15
Weighted average grant date fair value	$0.24	$0.14

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

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

Outstanding Number of Options	**Expiry Date**	**Exercise Price**
325,000	July 13, 2021	0.15
750,000	July 19, 2022	0.20
1,000,000	February 23, 2023	0.15
950,000	September 24, 2023	0.22
500,000	December 13, 2023	0.13
900,000	July 29, 2024	0.15
500,000	January 16, 2025	0.15
50,000	January 16, 2023	0.15
650,000	June 29, 2025	0.35
5,625,000		

The weighted average remaining contractual life of stock options outstanding at October 31, 2020 is 3.45 years (2019 – 3.60 years).

d) Warrants

The following table summarizes the continuity of the Company’s warrants:

	Number of Warrants	**Weighted-Average Exercise Price**
Balance, October 31, 2018	8,014,667	$0.26
Exercised	(232,500)	0.275
Expired	(7,782,167)	0.26
Granted	8,195,818	0.16
Balance, October 31, 2019	8,195,818	$0.16
Granted	4,658,630	0.15
Granted	2,227,980	0.16
Granted	5,325,750	0.45
Exercised	(1,281,820)	0.16
Balance, October 31, 2020	**19,126,358**	**$0.16**

8. SHARE CAPITAL (continued)

(Expressed in Canadian Dollars)

The Company applies the fair value method using the Black-Scholes Option Pricing Model in accounting for agent warrants. The Company issued 1,281,820 common shares for the exercise of warrants at a price of $0.15 and 40.16 for gross proceeds of $199,707.

The fair value of the finder warrants granted was calculated using the following weighted average assumptions:

	2020	**2019**
Expected life (years)	2.00	2.00
Risk-free interest rate	1.48%	1.54%
Expected annualized volatility	113.17%	123%
Dividend yield	N/A	N/A
Stock price at grant date	$0.20	$0.15
Exercise price	$0.28	$0.16
Weighted average grant date fair value	$0.27	$0.09

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

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

Outstanding Number of Warrants	**Expiry Date**	**Exercise Price**
7,981,818	July 26, 2021	$0.16
4,120,230	July 31, 2021	$0.15
1,698,560	August 6, 2021	$0.16
5,325,750	January 9, 2022	$0.45

The weighted average remaining contractual life of warrants outstanding at October 31, 2020 is 0.87 years (2019 – 1.75 years).

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS AND KEY PERSONNEL COMPENSATION

Included in accounts payable at October 31, 2020 is $79,040 (2019 - $144,783) owing for services to companies controlled by directors and officers of the Company. These amounts are unsecured, non-interest bearing, and are due on demand.

During the year ended October 31, 2020, the Company incurred the following related party transactions:

a) $118,600 (2019 - $99,600) in management fees to a company controlled by the President and CEO of the Company;

b) $69,000 (2019 - $69,000) in management fees to a company controlled by a Director of the Company;

c) $45,005 (2019 - $30,000) in accounting fees to a company controlled by the CFO of the Company.

The Company has identified its directors and senior officers as its key management personnel. No post-employment benefits, other long-terms benefits and termination benefits were made during the years ended October 31, 2020 and 2019. Short-term key management compensation consists of the following for the years ended October 31, 2020 and 2019:

	2020	**2019**
Management fees	$ 187,600	$ 168,600
Accounting fees	45,005	30,000
Share-based payments	80,743	56,933
	$ 285,405	$ 255,533

The Company entered into management fee agreements for a term of two years with a Director, the President, and the CFO of the Company (“Contractors”) in the amounts of annual compensation of $69,000 per annum and $99,600, and $40,020 per annum, respectively. The Company is committed to make monthly payments of $17,385.

(Expressed in Canadian Dollars)

10. INCOME TAXES

Significant components of the Company's deferred income tax assets are as follows:

	2020	2019
	$	$
Exploration and evaluation assets	1,366,000	1,374,000
Non-capital and capital losses	2,027,000	1,782,000
Share issuance costs	33,000	61,000
Unrecognized deferred tax assets, net	3,426,000	3,217,000

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2020	2019
	$	$
Expected income tax recovery	(280,000)	(237,000)
Net adjustment for deductible and non-deductible amounts	36,000	48,000
Deferred tax not recognized	244,000	189,000
	-	-
Combined statutory rate	27%	27%

The Company has capital losses of $1,349,000 carried forward and $6,848,000 in non-capital tax losses carried forward available to reduce future Canadian taxable income. The capital losses can be carried forward indefinitely unless used. The non-capital losses that may be carried forward to apply against future years' income for Canadian income tax purposes will expire as follows:

Available to	**Amount**
	$
2027	602,000
2028	773,000
2029	402,000
2031	180,000
2032	331,000
2033	312,000
2034	270,000
2035	312,000
2036	295,000
2037	602,000
2038	1,041,000
2039	808,000
2040	920,000
	6,848,000

As at October 31, 2020, the Company has tax losses of approximately $4,000 available to be offset against income in the United States.

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach to capital management during the year ended October 31, 2020.

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of resource properties. The Company operates in both Canada and the U.S.A. The Company's exploration and evaluation assets in geographic locations are as follows:

	2020	**2019**
U.S.A.	$ 10,787,096	$ 7,752,235

13. COMMITMENTS AND CONTINGENCIES

a) Commitments

The Company entered into management fee agreements with a Director, the President, and the CFO of the Company (see Note 9). The agreements can be terminated by the Company upon providing twelve months of notice, based on the mutual agreement or with no notice for just cause. In case of the absence of just cause of or the mutual agreement, the Company is required to pay a full twelve months of additional compensation upon termination. The Company is committed to make monthly payments of $17,385.

b) Contingencies

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the ordinary course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. The Company believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate will not have a material adverse effect on the financial condition of the Company.

14. SUBSEQUENT EVENTS

On December 8, 2020, the Company granted 350,000 incentive stock options to a consultant at an exercise price of $0.45 for a period of one year.

During February 2021, 100,000 warrants priced at $0.16, 137,500 warrants priced at $0.15, and 500,000 options priced at $0.15, were exercised for gross proceeds of $111,625.