LUCKY MINERALS INC.

(an exploration stage company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED JULY 31, 2021 AND 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of Lucky Minerals Inc.

Lucky Minerals Inc.'s independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

LUCKY MINERALS INC. (an exploration stage company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Note	July 31, 2021	October 31, 2020
		($)	($)
ASSETS			
Current assets			
Cash and cash equivalents		89,642	115,214
Prepaid and other receivables		223,929	271,455
		313,571	386,669
Equipment and right-of-use asset	**12**	60,479	17,001
Exploration and evaluation assets	**5**	5,631,276	4,925,502
TOTAL ASSETS		6,005,326	5,329,172
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**6 & 11**	559,804	510,758
Lease liability	**6 & 12**	5,674	5,962
Special warrants liability	**9**	–	60,542
Convertible debenture liability	**8**	1,375,975	1,046,924
		1,941,453	1,624,186
Non-current liabilities			
Loans payable	**7**	197,000	–
Lease liability	**12**	47,367	–
TOTAL LIABILITIES		2,185,820	1,624,186
Shareholders' equity			
Share capital	**9**	15,577,994	13,283,013
Shares to be issued	**9**	138,825	138,825
Reserves		3,663,147	3,559,336
Deficit		(15,560,460)	(13,276,188)
TOTAL SHAREHOLDERS' EQUITY		3,819,506	3,704,986
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,005,326	5,329,172

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved and authorized for issuance by the Board of Directors on September 27, 2021

"François Perron"	*"Robert Rosner"*
François Perron	Robert Rosner
President, CEO, Director	Director

The accompanying notes are an integral part to the condensed interim consolidated financial statements

LUCKY MINERALS INC. (an exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian dollars)

	Note	Three months July 31, 2021	Three months July 31, 2020	Nine months July 31, 2021	Nine months July 31, 2020
Expenses					
Consulting	**11**	55,465	219,690	259,439	514,579
Directors' fees	**11**	52,500	15,000	127,500	3,750
Exploration and evaluation		247,764	120,061	538,936	236,778
Lease liability accretion		–	–	–	–
Management	**11**	–	60,000	–	187,500
Office and administration		77,511	39,482	200,191	101,933
Professional fees		23,896	26,094	261,904	229,159
Salaries and wages	**11**	104,401	18,531	344,459	18,531
Shareholder communication		63,466	86,389	167,752	177,782
Share-based compensation	**8**	–	982,046	45,237	982,046
Transfer agent and regulatory fees		4,049	52,317	41,064	106,336
Travel		–	1,720	71	36,874
Loss before other items:		(629,052)	(1,621,330)	(1,986,553)	(2,595,268)
Accretion and interest expense	**8**	(129,227)	(108,179)	(357,352)	(313,240)
Change in fair value for special warants	**9**	20,782	29,074	60,542	29,074
Interest income		–	27	–	27
Gain on settlement of debt	**8**	–	61,222	–	1,319,029
Loss on lease modification		–	–	(909)	–
Other income		–	101,536	–	101,536
Net loss and comprehensive Loss		(737,497)	(1,537,650)	(2,284,272)	(1,458,842)
Loss per share, basic and diluted		(0.01)	(0.04)	(0.04)	(0.05)
Weighted average number of outstanding shares		64,739,795	36,100,561	64,751,191	26,562,496

The accompanying notes are an integral part to the condensed interim consolidated financial statements

LUCKY MINERALS INC. (an exploration stage company)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian dollars)

	Common shares		Shares to be issued	Reserves			
	Number	Amount		Options	Warrants	Deficit	Shareholders' Equity
	(#)	($)	($)	($)	($)	($)	($)
Balance, October 31, 2019	**16,556,527**	**9,618,307**	**138,825**	**1,933,477**	**502,878**	**(10,251,061)**	**1,942,426**
Shares issuance on private placement, net of shares issuance costs	25,205,504	3,234,537	–	–	140,935	–	3,375,472
Shares issued for debt, net of issuance costs	4,490,802	438,536	–	–	–	–	438,536
Shares issued in lieu of cash for convertible debenture interest payment	200,727	36,633	–	–	–	–	36,633
Share-based compensation	–	–	–	982,046	–	–	982,046
Net loss and comprehensive loss	–	–	–	–	–	(1,458,842)	(1,458,842)
Balance, July 31, 2020	**46,453,560**	**13,328,013**	**138,825**	**2,915,523**	**643,813**	**(11,709,903)**	**5,316,271**
Shares returned to treasury	(300,000)	(45,000)	–	–	–	–	(45,000)
Net loss and comprehensive loss	–	–	–	–	–	(1,566,285)	(1,566,285)
Balance, October 31, 2020	**46,153,560**	**13,283,013**	**138,825**	**2,915,523**	**643,813**	**(13,276,188)**	**3,704,986**
Balance, October 31, 2020	**46,153,560**	**13,283,013**	**138,825**	**2,915,523**	**643,813**	**(13,276,188)**	**3,704,986**
Shares issuance on private placement, net of shares issuance costs	30,605,600	2,249,905	–	–	58,574	–	2,308,479
Shares issued in lieu of cash for convertible debenture interest payment	200,726	21,076	–	–	–	–	21,076
Service paid in shares	266,667	24,000	–	–	–	–	24,000
Share-based compensation	–	–	–	45,237	–	–	45,237
Net loss and comprehensive loss	–	–	–	–	–	(2,284,272)	(2,284,272)
Balance, July 31, 2021	**77,226,553**	**15,577,994**	**138,825**	**2,960,760**	**702,387**	**(15,560,460)**	**3,819,506**

The accompanying notes are an integral part to the condensed interim consolidated financial statements

LUCKY MINERALS INC. (an exploration stage company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian dollars)

	Nine months July 31, 2021	Nine months July 31, 2020
	($)	($)
Operating activities		
Gain (Loss) for the period	(2,284,272)	(1,458,842)
Adjustments for non-cash items		
Accretion expense and interest expense	357,352	313,197
Amortization	21,547	25,129
Loss on lease modification	909	–
Gain on special warrants	(60,542)	(29,074)
Gain on shares for debt settlement	–	(1,319,029)
Share-based compensation	45,237	982,046
Shares issued for services	24,000	–
	(1,895,769)	(1,486,573)
Changes in non-cash operating working capital		
Prepaid expenses and other receivable	47,526	11,532
Accounts payable and accrued liabilities	22,966	(168,084)
Cash used in operating activities	(1,825,277)	(1,643,125)
Investing activities		
Exploration and evaluation asset expenditures	(705,774)	(470,173)
Cash used in financing activities	(705,774)	(470,173)
Financing activites		
Proceeds from common shares issuances	2,448,448	3,655,826
Share issuance costs	(139,969)	(218,509)
Lease payment	–	(36,000)
Changes in due to related parties	–	(137,211)
Advances from related parties	–	33,437
Proceeds from loan payable	197,000	–
Repayment of interest bearing loan from related parties	–	(36,853)
Repayment of loan payable	–	(195,526)
Cash provided by financing activities	2,505,479	3,065,164
Change in cash	(25,572)	951,866
Cash, beginning of the period	115,214	1,966
Cash, end of the period	89,642	953,832

The accompanying notes are an integral part to the condensed interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Lucky Minerals Inc. (the "Company" or "Lucky"), incorporated in British Columbia, is an exploration stage company engaged principally in the acquisition, exploration, and evaluation of mineral properties. The address of the Company's head office and principal business is Suite 1010, 789 West Pender, Vancouver, British Columbia, Canada.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent acquisition costs incurred to date, less any amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company raising capital, the sale or entering into a joint venture of the Company's exploration and evaluation assets, and/or the attainment of profitable operations.

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for at least twelve months from the period end. At July 31, 2021 the Company had a working capital (current assets less current liabilities) deficit of $1,627,882 (October 31, 2020: working capital deficit of $1,237,517). Current liabilities include the convertible debentures and derivative liability with a carrying value of $1,375,975 (October 31, 2020: $1,046,924). During the period ended July 31, 2021 the Company incurred a loss of $2,284,272 (nine months ended July 31, 2020: $1,458,842) and used cash for operating activities of $1,825,277 (nine months ended July 31, 2020: $1,643,125).

The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurance that sufficient funding will be available to conduct further exploration and development of its mineral properties. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures and to realize proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements; however, there is no assurance that the Company will be successful in these actions. These condensed interim consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in the future. The Company continues to operate its business and adheres to Canadian Federal and Provincial, US Federal and State, and Ecuadorian Federal and State emergency measures as those are developed.

2. BASIS OF PREPARATION

In November 2019, the Company's year-end was changed from September 30 to October 31.

a) Share consolidation

Effective June 10, 2020 the common shares of the Company were consolidated on the basis of 1 new common share for each 7.5 then outstanding common share (the "Share Consolidation"). All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these condensed interim consolidated financial statements have been adjusted retrospectively to reflect the Share Consolidation.

b) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Interim financial statements do not include all the information required for full annual financial statements. These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended October 31, 2020. These condensed interim consolidated financial statements are presented in Canadian dollars, except where otherwise noted.

These condensed interim consolidated financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on September 27, 2021.

c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, Lucky Minerals Montana, Inc ("LMMI"), incorporated in the United States, and Goldmindex S.A. ("Goldmindex"), incorporated in Ecuador. All inter-company transactions, balances, and unrealized foreign exchange translation gains or losses have been eliminated.

d) Foreign currency translation

The presentation currency of the Company and the functional currency of the Company and both of its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in the condensed interim consolidated statements of loss and comprehensive loss for the period. Unless otherwise indicated, all dollar amounts in these financial statements are in Canadian dollars.

e) Significant accounting estimates and judgments

The Preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, 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:

Judgments

(i) The assessment by management of the Company’s liquidity position and whether going concern disclosure is required in the condensed interim consolidated financial statements.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months. The assessment of the Company’s liquidity position takes into account the Company’s working capital position, the timing of discretionary and non-discretionary expenditures and the status of any potential equity financings.

(ii) The assessment for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Management has assessed for impairment indicators on the Company’s exploration and evaluation assets and has concluded that no impairment indicators exist as of July 31, 2021 for the Fortuna Project.

(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies have been used in the preparation of these condensed interim consolidated financial statements as those used in the most recent audited annual financial statements and in the opinion of management reflect all the adjustments considered necessary for the fair presentation in accordance with IFRS of the result of the interim periods presented.

4. ACQUISITION OF GOLDMINDEX S.A.

During the year ended September 30, 2018, the Company entered into agreement to acquire 100% of Goldmindex S.A. ("Goldmindex"), which owns the rights to the Fortuna Concession in Ecuador, pursuant to which the Company paid $250,000, issued a total of 2,133,334 common shares. The shares are subject to an escrow agreement that releases them over three years, such that as at July 31, 2021, there remained 320,000 shares in escrow.

5. EXPLORATION AND EVALUATION ASSETS

	Fortuna	Emigrant	St. Julian	Total
	($)	($)	($)	($)
Balance, October 31, 2019	**4,505,691**	**836,150**	**216,601**	**5,558,442**
Tenure costs	769,054	-	-	769,054
Recovery	(349,243)	-	-	(349,243)
Write off	-	(836,150)	(216,601)	(1,052,751)
Balance, October 31, 2020	**4,925,502**	**-**	**-**	**4,925,502**
Tenure costs	705,774	-	-	705,774
Balance, July 31, 2021	**5,631,276**	**-**	**-**	**5,631,276**

a) *Fortuna Project, Ecuador*

Goldmindex owns the rights to the Fortuna Concession ("Fortuna Project") in Ecuador. The property consists of 12 contiguous mining concessions which have been granted to the Company for a period of 25 years.

On June 9, 2020, in respect of a memorandum of understanding entered into in March 2020, the Company and First Quantum Minerals Ltd. ("First Quantum") entered into an option agreement ("Option Agreement") pursuant to which First Quantum had the right to earn, over 3 phases, an undivided 70% interest in the property, in consideration of:

Phase I	Exclusivity period	First Quantum could incur all tenure costs on the property and had the right to explore for copper deposits until January 23, 2021.
Phase II	Target testing	First Quantum would incur all tenement fees and provide a proposed work program on the selected concessions. Additionally, on or before February 23, 2021, First Quantum would provide notice

(Unaudited - Expressed in Canadian dollars)

		to the Company of its intent to continue to target test.
Phase III	Earn-in	First Quantum and the Company could enter into an option agreement and First Quantum would make a one-time cash payment to Lucky of US$1,000,000. The earn-in period was for a maximum of five years in which First Quantum was required to drill a total of 5,000m per year on the optioned property, failing which First Quantum was required to pay the Company an annual payment of US$1,000,000, with a one-time 12-month deferral option on payment of US$500,000. If drilling had been completed before the five-year term was up and First Quantum was moving toward the achievement of all geological, mining, metallurgical, environmental, social and economic studies necessary to make a commercial decision to mine, Lucky could waive this penalty fee. Upon completion of this work commitment and preparation of a NI 43-101 compliant resource report demonstrating a minimum of 500,000 tonnes of payable copper, the Company and First Quantum could enter into a joint venture agreement whereby the Company retained a 30% interest in the project by financing its share of a feasibility study, up to a maximum commitment of US$1,500,000, above which all costs were First Quantum's obligation. Should the Company elect not to finance this study, it would have retained a 15% interest in the project, at no cost, through to the completion of a feasibility study.

On February 23, 2021, the Company was advised by First Quantum that First Quantum was terminating the Option Agreement.

b) St. Julian Project, Montana, USA

On November 1, 2015 the Company entered into an option agreement (“Option Agreement”) to acquire a 100% interest of certain patented and unpatented mineral claims located in Montana, pursuant to the following:

(Unaudited - Expressed in Canadian dollars)

St. Julien Project

Date Due	USD $	
November 1, 2015	10,000	(paid)
February 1, 2016	10,000	(paid)
November 1, 2016	30,000	(paid)
November 1, 2017	40,000	(paid)
November 1, 2018	50,000	(paid)
November 1, 2019	60,000	(1)
November 1, 2020	70,000	
November 1, 2021	80,000	
November 1, 2022	90,000	
November 1, 2023	100,000	
November 1, 2024	110,000	
November 1, 2025	120,000	

(1) On May 26, 2020, the Company gave notice to the optionor that it was exercising its right to seek relief under the Force Majeure clause in the Option Agreement, to suspend future option payments until the Appeal decision from the Supreme Court of Montana is rendered. The optionor confirmed the acceptance of the Company's exercise of the Force Majeure clause.

In November 2015, the Company and the Montana Department of Environmental Quality ("DEQ") were served with a complaint contending that the DEQ improperly issued an exploration license to the Company in respect of the St. Julian claims. The Montana Sixth Judicial District Court held for the plaintiff. The Company, the DEQ and the Montana Attorney General all appealed (the "Appeal") to the Supreme Court of Montana. Judgement of the Appeal ("Judgement") was rendered on November 29, 2020 upholding the decision from the Montana Sixth Judicial Court, pursuant to which the Company wrote off costs of $216,601 in respect of the project on October 31, 2020.

c) Emigrant Project, Montana, USA

On June 15, 2014, the Company entered into an assigned option agreement, as amended (the "Assignment Agreement"), pursuant to which the Company has the option to acquire a 100% interest in certain claims in Montana, in consideration for making the following payments:

(Unaudited - Expressed in Canadian dollars)

Emigrant Project

Date Due	USD $	
June 1, 2013	5,000	(paid)
Oct 1, 2013	5,000	(paid)
June 1, 2014	15,000	(paid)
June 1, 2015	20,000	(paid)
June 1, 2016	25,000	(paid)
June 1, 2017	30,000	(1)
June 1, 2018	35,000	(2)
June 1, 2019	10,000	(3)
June 1, 2020	10,000	(4)
Annual payment until total consideration of US$1,000,000 is reached	50,000	

(1) amended in May 2016, as to US$10,000 per year from June 1, 2016 until the Company has received permission to drill and explore the property, after which the original payment schedule resumes; the Company paid US$10,000 during the year ended September 30, 2017

(2) amended in June 2018, pursuant to which the Company paid US$12,000 during the year ended September 30, 2018

(3) amended in June 2019 to postpone the June 1, 2019 date to June 1, 2020, subject to a penalty of US$5,000 to be added to the June 1, 2020 payment

(4) The Emigrant and St. Julian claims are contiguous. On May 26, 2020, the Company gave notice to the optionor that it was exercising its right to seek relief under the Force Majeure clause in the Assignment Agreement, to extend the due date on the June 1, 2020 option payment until the Appeal decision from the Supreme Court of Montana is rendered. The optionor confirmed the acceptance of the Company's exercise of the Force Majeure clause

Pursuant to the Judgement the Company wrote off costs of $836,150 in respect of the project on October 31, 2020.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	July 31, 2021	October 31, 2020
	($)	($)
Accounts payable	347,286	165,902
Accrued liabilities	23,625	220,604
Due to related parties (note 11)	188,893	124,252
Lease liability – current (note 12)	5,674	5,962
	565,478	516,720

7. LOANS PAYABLE

a) On March 26, 2019, the Company entered into an agreement for US$100,000 in respect of the advance made by a creditor to Goldmindex. The loan was unsecured and bore interest of 12% per month. The loan and interest were settled on February 18, 2020.

b) Between February and October 2019, a total of $326,861 was advanced by a consultant to the Company. The loans were unsecured and bore interest of 12% per annum. The loans and interest were settled on December 5, 2019 by way of common shares of the Company.

c) Between March and May 2019, a consultant to the Company advanced $55,548 to the Company. The loans were unsecured and bore interest of 12% per annum. The loan and interest were settled on December 5, 2019 by way of common shares of the Company.

d) On July 22, 2021, an officer advanced $2,000 to the company. The loan is unsecured and bears no interest.

e) On July 29, 2021, the Company entered into a secured loan agreement to receive a principal amount up to $300,000. As of July 31, 2021, the Company received $195,000. The loan is secured by Company assets and bears interest of 8% per annum.

8. CONVERTIBLE DEBENTURE

On October 4, 2018, the Company issued 2,875 units of convertible debentures (the “2018 Debentures”) for gross proceeds of $2,875,000. Each unit issued consisted of $1,000 principal amount of 12% three-year convertible unsecured unsubordinated debentures and convertible at a price of $1.125 per common share, and 333 warrants. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $1.65 for a period of 24 months.

The 2018 Debentures are convertible at the option of the holder prior to maturity into: (i) the number of debenture shares computed on the basis of the principal amount divided by the conversion price of $1.125, subject to adjustments in certain events; and (ii) an amount equal to the make-whole amount payable, at the option of the holder, in cash or through the issuance of common shares issuable at an issue price per share equal to the higher of $0.825 and the current market price of the Company’s shares. The make whole amount is equal to the interest payments that would have been made in respect of the aggregate principal amount outstanding under the 2018 Debentures converted by the holders pursuant to the conversion right if the aggregate principal amount remained outstanding from the date of conversion to the maturity date and such amount will be reduced by 1% for each 1% that the current market price exceeds the conversion price calculated as at the business day immediately preceding the notice of conversion. Additionally, the 2018 Debentures provide the right to the Company to settle interest payments in shares, with the number of common shares determined by dividing the interest amount by the higher of $0.825 (post consolidation) or the current market price of the shares.

(Unaudited - Expressed in Canadian dollars)

For accounting purposes, the 2018 Debentures were separated into liability and derivative components with their fair value at the date of inception estimated using a mathematical model, within which specific assumptions including share price volatility and risk free rates are developed using market-based indications as inputs into the analysis to determine the fair value of the derivative component.

Transaction costs consisted of $381,454 paid in cash and $235,000 being the estimated fair value of 38.33 compensation options. The compensation options are exercisable to acquire units (each comprised of one debenture and one warrant) at an exercise price per unit of $7,500.

The compensation options were fair valued using a Black Scholes model using the following assumptions: Risk free-interest rate – 2.3%; Dividend yield – 0.00%; Expected volatility – 114%; Expected life – 2 years. The transaction costs have been recorded pro rata against the liability and derivative components. Interest and accretion expense for the period ended July 31, 2021 was $350,127 (October 31, 2020: $387,752).

	Liability	**Derivative liability**	**Derivative asset**	**Total**
	$	$	$	$
Balance October 31, 2019	**927,972**	**18,329**	**-**	**946,301**
Interest expense	387,752	-	-	387,752
Interest settled	(165,600)	-	128,967	(36,633)
Change in fair value of derivative liability	-	(10,529)	(239,967)	(250,496)
Balance October 31, 2020	**1,150,124**	**7,800**	**(111,000)**	**1,046,924**
Interest expense	347,462	-	-	347,462
Interest settled	(165,600)	-	147,189	(18,411)
Balance July 31, 2021	**1,331,986**	**7,800**	**36,189**	**1,375,975**

No conversions of any of the debenture into common shares of the Company occurred in the period ended July 31, 2021.

On December 31, 2020 and June 30, 2021 each, the Company issued 100,363 common shares in lieu of cash payment in respect of interest of $10,538 on the convertible debenture.

As at July 31, 2021, 1,380 units with a face value of $1,380,000 remained outstanding from the original issuance of 2,875 units.

(Unaudited - Expressed in Canadian dollars)

9. SHARE CAPITAL

a) Authorized

Authorized share capital consists of an unlimited number of common shares without par value.

b) Share issuances

Nine months ended July 31, 2021

Convertible debenture (Note 8)

In lieu of cash payment in respect of interest on the convertible debenture, the Company issued the following common shares:

Date of issuance	Interest	Shares Issued
	($)	**(#)**
December 31, 2020	10,538	100,363
June 30, 2020	10,538	100,363
	21,076	**200,726**

Goldmindex transaction (Note 4)

In connection with the Goldmindex transaction, the Company issued 266,667 common shares at a fair value of $24,000 on February 12, 2021.

Financings

The Company closed private placements ("Offerings") pursuant to which it issued units ("Units") comprised of common shares ("Shares"), warrants ("Warrants"), and paid finders' fees in cash, warrants ("Finders' Warrants") as follows:

Private Placement announced January 13, 2021

	Tranche #1	**Tranche #2**	
Closing Date	February 17, 2021	February 19, 2021	**Total**
Gross Proceeds	$1,983,648	$464,800	**$2,448,448**
Shares Issued	24,795,600	5,810,000	**30,605,600**
Warrants Issued	24,795,600	5,810,000	**30,605,600**
Warrant Exercise Price	$0.150	$0.150	
Warrant Expiry Date	February 19, 2023	February 19, 2023	
Finders' Fees			
Cash	$74,085	$19,684	**$93,769**
Finders' Warrants	926,060	246,050	**1,172,110**
Exercise Prices	$0.080	$0.080	
Expiry Date	February 17, 2022	February 19, 2022	

All of the Warrants were issued for $Nil value.

(Unaudited - Expressed in Canadian dollars)

The Finders' Warrants issued on in respect of the Offerings were recorded at the fair value of $58,574 using the Black-Scholes pricing model using the following assumptions:

Risk-free interest rate (%)	0.15
Expected stock price volatility (%)	168 to 170
Expected dividend yield (%)	0
Expected life of warrants (years)	1

Year ended October 31, 2020

Shares for debt, loans and liabilities

In respect of the settlement of debt, loans and liabilities, the Company issued the following common shares:

Date	Shares (#)	Market Price ($/sh)	Payment on Interest ($)	Fair Value of Shares Issued ($)	Gain Recongnised on Settlement ($)
December 5, 2019	4,186,650	0.110	1,569,993	460,531	1,109,462
March 11, 2020	304,152	0.110	114,057	33,457	80,600
	4,490,802		**1,684,050**	**493,988**	**1,190,062**

Financings

The Company closed private placements ("Offerings") pursuant to which it issued units ("Units") comprised of common shares ("Shares"), warrants ("Warrants"), and paid finders' fees in cash, warrants ("Finders' Warrants") and special warrants ("Finder's Special Warrants") as follows:

Private Placements Completed

Announced	January 20, 2020 (1)	May 15, 2020		
Closing Date	February 12, 2020	June 8, 2020	June 26, 2020	**Total**
Date of Issuance of Securities	February 24, 2020	June 10, 2020	June 26, 2020	
Gross Proceeds	$683,625	$2,136,710	$890,490	**$3,710,825**
Shares Issued	4,557,502	14,244,733	5,936,603	**24,738,838**
Warrants Issued	4,557,502	14,244,733	5,936,603	**24,738,838**
Warrant Exercise Price	$0.375	$0.220	$0.220	
Warrant Expiry Date	February 24, 2022	June 10, 2022	June 26, 2022	
Finders' Fees				
Cash	$0	$134,801	$28,255	**$163,056**
Finders' Warrants	Nil	744,636	177,870	**922,506**
Exercise Prices	N/A	$0.150	$0.150	
Expiry Date	N/A	June 10, 2021	June 26, 2021	
Finders' Special Warrants (2)	Nil	626,336	Nil	**$626,336**
Exercise Prices	N/A	$0.150	N/A	
Expiry Date	N/A	June 10, 2021	N/A	

(Unaudited - Expressed in Canadian dollars)

(1) announced for 3,333,333 Units; increased by 1,333,333 Units on February 5, 2020
(2) The 626,336 Finders' Special Warrants allow for the acquisition of up to, in the aggregate, 626,336 units at $0.15 per unit until June 10, 2021 (the "Units"); each Unit is comprised of one common share and one underlying warrant ("Underlying Warrant"), with each Underlying Warrant allowing the holder to acquire one additional common share at $0.20 per common share for 24 months after the date of exercise of the Special Warrant. The Finders' Special Warrants expired on June 10, 2021

An advisory fee was paid by way of 166,666 common shares with a fair value of $25,000.

All of the Warrants were issued for $Nil value.

The Finders' Warrants issued on in respect of the Offerings were recorded at the fair value of $140,935 using the Black-Scholes pricing model using the following assumptions:

Risk-free interest rate (%)	1.6
Expected stock price volatility (%)	199
Expected dividend yield (%)	-
Expected life of warrants (years)	1

The Finders' Special Warrants issued on June 10, 2020, classified and measured at FVTPL, are convertible instruments which, upon conversion, result in another convertible instrument (the Underlying Warrant) being issued. The Finders' Special Warrants were initially recorded at fair value of $217,298, based on the Black-Scholes pricing model using the following assumptions:

Risk-free interest rate (%)	1.6
Expected stock price volatility (%)	199
Expected dividend yield (%)	-
Expected life of warrants (years)	1-3

The Finders' Special Warrants expired June 10, 2021.

The shares-to-be issued balance relates to the make-whole interest (note 8) triggered by the holders of the convertible debentures on the dates of conversion between April 15, 2019 to July 25, 2019 at prices ranging from $0.11 to $0.13.

Convertible debenture (Note 8)
In lieu of cash payment in respect of interest on the convertible debenture, the Company issued the following common shares:

Date of issuance	Interest	Shares issued
	($)	(#)
December 31, 2019	15,055	100,364
June 30, 2020	21,578	100,363
	36,633	**200,727**

(Unaudited - Expressed in Canadian dollars)

c) Finders' Special Warrants

The Finders' Special Warrants do not meet the definition of equity and as such are recognized as a financial liability measured at fair value through profit and loss. During the nine months ended July 31, 2021, the Company recorded a non-cash gain of $60,542 related to the Finders' Special Warrants, based primarily on changes in the market price of the Company's common shares since October 31, 2020. The Finders' Special Warrants expired June 10, 2021.

d) Options

The Company has a stock option plan (the "Plan") administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant. The terms of all options cannot exceed 5 years and the minimum exercise price cannot be less than the closing price of the Company's common shares on the TSX-V on the last trading day preceding the grant of the option. All of the outstanding options of the Company were issued with an expiry date of 5 years from the date of issue. Except as may be prescribed by the Exchange, the Board of Directors determines the vesting terms of the options. Share-based payments reserve is included in shareholders' equity and consists of the estimated fair value of stock options.

On March 25, 2021, the Company granted incentive stock options allowing for the purchase of up to, in the aggregate, 700,000 shares at $0.10 per share until March 25, 2026. The options vested immediately and the total amount of share-based payments expense was calculated at $45,237, which was recognized during the period ended July 31, 2021. The grant date fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk-free rate (%)	0.15
Expected stock price volatility (%)	139
Expected dividend yield (%)	0
Expected life of options (years)	5

Share-based payments reserve is included in shareholders' equity and consists of the estimated fair value of stock options.

A summary of the Company's stock option transactions follows:

	Number of Options (#)	**Weighted Average Exercise Price ($)**
Balance - October 31, 2019	**1,520,000**	**1.275**
Cancelled	(1,520,000)	1.275
Granted	4,577,000	0.220
Balance - October 31, 2020	**4,577,000**	**0.220**
Granted	700,000	0.100
Expired	(40,000)	0.220
Balance - July 31, 2021	**5,237,000**	**0.204**

(Unaudited - Expressed in Canadian dollars)

At July 31, 2021, the following options, with a weighted average life of 4.03 years, were outstanding:

Expiry Date	Number of Options (#)	Exercise Price ($/share)
July 9, 2025	4,537,000	$0.220
March 25, 2026	700,000	$0.100
	5,237,000	

d. Warrants

A summary of the Company's warrant transactions follows:

	Number of warrants (#)	Weighted average exercise price ($/share)
Balance - October 31, 2019	**3,854,113**	**1.575**
Issued	25,661,335	0.245
Expired	(1,513,886)	1.650
Balance - October 31, 2020	**28,001,562**	**0.350**
Issued	31,777,710	0.147
Expired	(2,340,227)	1.500
Expired	(744,636)	0.150
Expired	(177,870)	0.150
Balance - July 31, 2021	**56,516,539**	**0.192**

At July 31, 2021, the following warrants, with a weighted average life of 1.21 years, were outstanding:

Date of issuance (date)	Expiry date (date)	Number of warrants (#)	Exercise price ($/share)
February 24, 2020	February 24, 2022	4,557,493	0.375
June 10, 2020	June 10, 2022	14,244,733	0.220
June 26, 2020	June 26, 2022	5,936,603	0.220
February 17, 2021	February 19, 2023	24,795,600	0.150
February 17, 2021	February 17, 2022	926,060	0.080
February 19, 2021	February 19, 2023	5,810,000	0.150
February 19, 2021	February 19, 2022	246,050	0.080
Balance - July 31, 2021		**56,516,539**	

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at July 31, 2021, the Company's financial instruments consist of cash, accounts payable and accrued liabilities, due to related parties and the convertible loan liability. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:
• Level 1 - Quoted prices 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.

As at July 31, 2021, the Company believes that the carrying values of cash, accounts payable and accrued liabilities, and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at July 31, 2021, the Company had cash of $89,642 to settle current liabilities of $1,941,453. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means (see Note 1).

Credit risk
Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. The Company's cash is held at large financial institutions such that counterparty risk is considered to be very low.

Interest rate risk
Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at July 31, 2021, this risk relates to the Company's cash where interest rate risk is low due to the low prevailing interest rates.

11. RELATED PARTY TRANSACTIONS

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations. The Company incurred the following transactions with directors and key management personnel during the period ended July 31, 2021 and 2020:

(Unaudited - Expressed in Canadian dollars)

	July 31, 2021 ($)		July 31, 2020 ($)
Consulting fees	56,000		209,114
Directors' fees	127,500		3,750
Management fees	135,000		187,500
Share-based compensation	-		700,971
	318,500	(1)	**1,101,335**

(1) a total of $146,725 was owed to various parties at July 31, 2021 (October 31, 2020: $52,875)

At July 31, 2021, the Company owed $2,284 (October 31, 2020: $708) to various related parties in respect of expenses incurred on behalf of the Company.

At July 31, 2021, the Company owed $2,000 (October 31, 2020: $nil) to an officer of the Company in respect of a loan (Note 7).

In connection with various loans made to the Company by a current Director and a former Director, the Company owed a total of $37,884 as at July 31, 2021 (October 31, 2020: $70,669). The loans are unsecured and bear interest of 12%.

During the period ended July 31, 2021, the Company was charged, by a company controlled by a Director of the Company, $12,150 (period ended October 31, 2020: $45,450) in respect of an office lease.

12. LEASES – RIGHT OF USE ASSET AND LEASE LIABILITIES

Until February 28, 2021, the Company subleased corporate office space from an entity associated with a Director of the Company (Note 11). Effective March 1, 2021, the Company entered into a lease agreement which expires on February 29, 2024.

Right-of-use Asset

A summary of the changes in the right-of-use assets for the nine months ended July 31, 2021 follows:

Right-of-use assets	($)
Balance at October 31, 2020	**5,378**
Addition	59,823
Depreciation	(18,940)
Lease modification (termination)	5,202
Balance at July 31, 2021	**51,463**

Lease Liabilities

On March 1, 2021, the Company terminated the sublease agreement and entered into a new lease agreement which resulted in the lease liability of $59,823 (undiscounted value of $71,006, discount rate used is 12%). This liability represents the monthly lease payment from March 1, 2021 to February 29, 2024, the end of the lease term.

(Unaudited - Expressed in Canadian dollars)

A summary of changes in lease liabilities for the nine months ended July 31, 2021 follows:

Lease liabilities	($)
Balance at October 31, 2020	**5,962**
Lease liability from new lease agreement	59,823
Lease payment on principal portion	(21,693)
Lease liability accretion expense	2,838
Lease modification (termination)	6,111
Balance at July 31, 2021	**53,041**
Current portion	5,674
Long term portion	47,367

The following is a schedule of the Company's future lease payments under the new lease obligations:

Future lease payments	($)
Aug 1, 2021 to Oct 31, 2021	(5,726)
Nov 1, 2021 to Oct 31, 2022	(23,414)
Nov 1, 2022 to Oct 31, 2023	(24,178)
Nov 1, 2023 to Feb 29, 2024	(8,144)
Total undiscounted lease payment	(61,462)
Less: imputed interest	10,038
Total carry value of lease obligations	(51,424)

(Unaudited - Expressed in Canadian dollars)

13. SEGMENTED INFORMATION

All of the Company's operations are in the resource sector. The Company's mineral exploration and development operations are in the United States and Ecuador. The following provides segmented disclosure on the non-current assets based on geographical locations:

	Canada	Ecuador	**Total**
July 31, 2021	($)	($)	**($)**
Non-current assets			
Equipment	9,016	-	**9,016**
Right-of-use asset	51,463	-	**51,463**
Exploration and evaluation assets	-	5,631,276	**5,631,276**
Total	60,479	5,631,276	**5,691,755**
October 31, 2020			
Non-current assets			
Equipment	11,623	-	**11,623**
Right-of-use asset	5,378	-	**5,378**
Exploration and evaluation assets	-	4,925,502	**4,925,502**
Total	17,001	4,925,502	**4,942,503**

14. SUBSEQUENT EVENTS

- On August 13, 2021, an officer advanced $25,000 to the company. The loan is unsecured and bears no interest.
- On August 4, 2021, warrants were exercised for gross proceeds of $392, pursuant to which the Company issued 4,900 common shares.
- On August 31, 2021, options allowing for the purchase of up to, in the aggregate, 1,000,000 common shares at $0.22 per share expired.

(Unaudited - Expressed in Canadian dollars)

- In connection with a non-brokered private placement announced August 26, 2021 ("Private Placement"), the Company closed the Private Placement in 2 tranches, pursuant to which it issued units ("Units") comprised of common shares ("Shares"), warrants ("Warrants"), and paid finders' fees in cash and warrants ("Finders' Warrants") as follows:

	Tranche #1	Tranche #2	
Closing Date	September 7, 2021	September 16, 2021	**Total**
Gross Proceeds	$2,727,840	$1,188,000	**$3,915,840**
Shares Issued	34,098,000	14,850,000	**48,948,000**
Warrants Issued	34,098,000	14,850,000	**48,948,000**
Warrant Exercise Price	$0.150	$0.150	
Warrant Expiry Date	September 7, 2023	September 16, 2023	
Finders' Fees			
Cash	$105,413	$13,600	**$119,013**
Finders' Warrants	1,317,660	146,125	**1,463,785**
Exercise Prices	$0.150	$0.150	
Expiry Date	September 7, 2022	September 16, 2022	