LUCKY MINERALS INC.

(an exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED OCTOBER 31, 2021 AND 2020

(Expressed in Canadian Dollars)

Independent auditor's report

To the Shareholders of Lucky Minerals Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lucky Minerals Inc. and its subsidiaries (together, the Company) as at October 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at October 31, 2021 and 2020;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
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. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 in the consolidated financial statements, which describes events or 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.

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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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, 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.

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 IFRS, 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.

Auditor's 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 auditor's 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 skepticism 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 auditor's 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 auditor's 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 auditor's report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
January 31, 2022

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	October 31, 2021	October 31, 2020
		($)	($)
ASSETS			
Current assets			
Cash and cash equivalents		1,942,430	115,214
Subscription receivable		353,000	–
Prepaid and other receivables		281,609	271,455
		2,577,039	386,669
Equipment and right-of-use asset		54,574	17,001
Exploration and evaluation assets	**5**	5,599,709	4,925,502
TOTAL ASSETS		8,231,322	5,329,172
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**6 & 11**	374,946	510,758
Lease liability		20,484	5,962
Special warrants liability	**9**	–	60,542
Convertible debenture liability	**8**	–	1,046,924
		395,430	1,624,186
Non-current liabilities			
Lease liability		28,323	–
Convertible debenture liability	**8**	1,448,149	–
TOTAL LIABILITIES		1,871,902	1,624,186
Shareholders' equity			
Share capital	**9**	19,399,202	13,421,838
Reserves		4,220,571	3,559,336
Deficit		(17,260,353)	(13,276,188)
TOTAL SHAREHOLDERS' EQUITY		6,359,420	3,704,986
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,231,322	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 January 31, 2022

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

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

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	Year ended October 31, 2021	2020
Expenses			
Amortization		27,453	35,091
Consulting	**11**	604,402	567,669
Directors' fees	**11**	156,667	71,250
Exploration and evaluation		872,957	506,670
Management fees	**11**	244,664	227,500
Office and administration		381,237	183,438
Professional fees		252,006	245,327
Salaries and wages		206,251	102,816
Shareholder communication		223,406	142,148
Share-based compensation	**9**	561,975	982,046
Transfer agent and regulatory fees		74,930	125,907
Travel		3,429	40,364
Loss before other items:		(3,609,377)	(3,230,226)
Accretion and interest expense	**8**	(475,744)	(438,497)
Change in fair value for derivative liability	**8**	41,323	250,496
Change in fair value for special warrants	**9**	60,542	156,756
Write off of exploration and evaluation assets	**5**	–	(1,052,751)
Interest income		–	27
Gain on settlement of debt	**9**	–	1,190,062
Loss on lease modification		(909)	–
Other income		–	99,006
Net loss and comprehensive Loss		(3,984,165)	(3,025,127)
Loss per share, basic and diluted		(0.05)	(0.10)
Weighted average number of outstanding shares		74,872,668	31,559,977

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

LUCKY MINERALS INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Common shares		Reserves			
	Number	Amount	Options	Warrants	Deficit	Shareholders' Equity
	(#)	($)	($)	($)	($)	($)
Balance, October 31, 2019	**16,556,527**	**9,757,132**	**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
Shares returned to treasury	(300,000)	(45,000)	–	–	–	(45,000)
Net loss and comprehensive loss	–	–	–	–	(3,025,127)	(3,025,127)
Balance, October 31, 2020	**46,153,560**	**13,421,838**	**2,915,523**	**643,813**	**(13,276,188)**	**3,704,986**
Shares issuance on private placement, net of shares issuance costs	79,553,600	5,931,659	–	99,497	–	6,031,156
Shares issued for exercise of warrants	4,900	629	–	(237)	–	392
Shares issued in lieu of cash for convertible debenture interest payment	200,726	21,076	–	–	–	21,076
Shares issued for services	266,667	24,000	–	–	–	24,000
Share-based compensation	–	–	561,975	–	–	561,975
Net loss and comprehensive loss	–	–	–	–	(3,984,165)	(3,984,165)
Balance, October 31, 2021	**126,179,453**	**19,399,202**	**3,477,498**	**743,073**	**(17,260,353)**	**6,359,420**

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

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year ended October 31,	
	2021	**2020**
	($)	($)
Operating activities		
Loss for the year	(3,984,165)	(3,025,127)
Adjustments for non-cash items		
Accretion expense and interest expense	471,099	438,497
Amortization	27,453	35,091
Change in fair value of derivative liability	(41,323)	(250,496)
Loss on lease modification	909	(5,420)
Gain on special warrants	(60,542)	(156,756)
Gain on shares for debt settlement	–	(1,190,062)
Share-based compensation	561,975	982,046
Write off of exploration and evaluation assets	–	1,052,751
	(3,024,594)	(2,119,476)
Changes in non-cash operating working capital		
Prepaid expenses and other receivable	(10,154)	(81,596)
Accounts payable and accrued liabilities	(111,812)	(278,230)
Cash used in operating activities	(3,146,560)	(2,479,302)
Investing activities		
Purchase of equipment	–	(10,139)
Exploration and evaluation asset expenditures- Tenure costs	(674,207)	(419,811)
Cash used in financing activities	(674,207)	(429,950)
Financing activities		
Proceeds from common shares issuances	5,950,628	3,547,770
Share issuance costs	(272,473)	(55,453)
Proceeds from warrant exercise	392	–
Lease payment	(27,422)	(36,000)
Repayment to related parties	–	(133,968)
Advances from related parties	–	33,437
Repayment of interest-bearing loan from related parties	–	(137,760)
Proceeds from loan payable	222,000	–
Repayment of loan payable	(225,142)	(195,526)
Cash provided by financing activities	5,647,983	3,022,500
Change in cash and cash equivalents	1,827,216	113,248
Cash and cash equivalents, beginning of the year	115,214	1,966
Cash and cash equivalents, end of the year	1,942,430	115,214

The accompanying notes are an integral part to the 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 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.

GOING CONCERN

These 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 year end. At October 31, 2021 the Company had a working capital (current assets less current liabilities) of $2,181,609 (October 31, 2020: working capital deficit of $1,237,517). During the year ended October 31, 2021 the Company incurred a loss of $3,984,165 (October 31, 2020: $3,025,127) and used cash for operating activities of $3,146,560 (October 31, 2020: $2,479,302). Also refer Note 14.

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, through entering into joint ventures or by realizing 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 can be no assurance that the Company will be successful in these actions. These 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.

COVID 19:

The outbreak of the coronavirus (COVID-19) global pandemic has adversely affected workforces, economies, and financial markets globally. Since March 2020, governmental measures have been implemented and amended in Canada and the rest of the world in response to the pandemic. The Company continues to operate its business, and adheres to Canadian Federal and Provincial, and

Ecuadorian Federal, Regional, Provincial, municipal and parish emergency measures as those are developed. COVID-19 and the various government measures, which could include government mandated temporary closures of international borders or restrictions on travel of various personnel, could impact the Company's ability to conduct its exploration programs in a timely manner. The Company continues to adapt to these changing circumstances and to evaluate the best way to move its exploration activities forward during current conditions and when emergency measures are lifted.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). They have been prepared on a historical cost basis, except for certain financial instruments which are measured at their fair value. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. The consolidated financial statements are presented in Canadian dollars, except where otherwise noted.

These consolidated financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on January 31, 2022.

b) Basis of Consolidation

These 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 and balances have been eliminated.

c) 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 consolidated statements of loss and comprehensive loss for the period. Unless otherwise indicated, all dollar amounts in these financial statements are in Canadian dollars.

d) Estimation uncertainty and accounting policy judgments

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its consolidated financial statements. In addition, the preparation of the financial data requires the Company's management to make estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Accounting policy judgments
The significant accounting policy judgements made in the preparation of the financial statements are as follows:

(i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the 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 also 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: whether 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 in relation to the Company's exploration and evaluation asset and has concluded that no impairment indicators exist at October 31, 2021. As at October 31, 2020, the Company recognized an impairment of the Emigrant and St. Julian projects (Note 5).

Significant estimates
Key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

Fair value of derivative instruments
Where the fair value of financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using various other valuation techniques. Inputs to the estimation are taken from observable markets where possible, but where this is not feasible, an increased degree of estimation uncertainty arises when establishing fair values. The estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. When measuring the fair value of financial liabilities, the Company uses observable market data as far as possible.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents comprise of bank deposits and highly-liquid investments, which are readily convertible into known amounts of cash and which mature within 90 days from the original dates of acquisition.

b) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost: Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial liabilities at FVTPL: Financial liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial liabilities held at FVTPL are included in the statement of comprehensive loss in the period in which they arise.

Derecognition

Financial assets: 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.

Financial liabilities: The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. 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.

Gains and losses on derecognition are generally recognized in profit or loss.

Convertible debt

At inception, convertible debt is separated into debt and derivative components depending on the characteristics of the instrument. The debt component is measured at amortized cost using the effective interest rate method. The conversion option on the Company's convertible debt has been accounted for as a derivative instrument and is recorded at fair value through profit and loss.

c) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, consultants and advisors. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when stock options are expensed. When stock options are exercised, capital stock is credited by the sum of the consideration paid and the related portion of stock-based compensation previously recorded in contributed surplus.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

d) Exploration and evaluation assets

Exploration and evaluation costs related to mineral resource interests, excluding acquisition and tenure costs, are expensed to the statement of loss. Acquisition and tenure costs related to mineral resource interests are capitalized to the statement of financial position. Costs capitalized will be amortized on a units of production basis or written off if the mineral interest is deemed impaired, abandoned or sold.

At the end of each reporting period, the Company’s exploration and evaluation assets are assessed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the asset’s fair value less cost of disposal and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

e) Income taxes

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax: The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax: Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

f) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new common shares are recognized in equity, net of tax, as a deduction from the share proceeds (share issue costs). The Company uses the residual method in determining the fair value of warrants issued to subscribers, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued.

g) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period.

(Expressed in Canadian dollars)

h) Fair value of derivative instruments

Where the fair value of financial liabilities recorded in the financial statements cannot be derived from active markets, their fair value is determined using various other valuation techniques. Inputs to the estimation are taken from observable markets where possible, but where this is not feasible, an increased degree of estimation uncertainty arises when establishing fair values. The estimates include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. When measuring the fair value of financial liabilities, the Company uses observable market data as far as possible.

4. ACQUISITION OF GOLDMINDEX S.A.

During the year ended September 30, 2018, the Company entered into an 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 and issued a total of 2,133,334 common shares. The shares were subject to an escrow agreement that released them over three years. As at October 31, 2021, there remained Nil 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
Partner 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	674,207	–	–	674,207
Balance, October 31, 2021	**5,599,709**	**–**	**–**	**5,599,709**

a) *Fortuna Project, Ecuador*

Goldmindex owns the rights to the Fortuna concessions ("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 from various dates in 2017.

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 would incur all tenure costs on the property and have the right to explore for copper deposits until January 23, 2021.

(Expressed in Canadian dollars)

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 to the Company of its intent to continue to target test.
Phase III	Earn-in	First Quantum and the Company would 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 would be for a maximum of five years in which First Quantum would drill a total of 5,000m per year on the optioned property, failing which First Quantum would be 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 was 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 would 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 would be First Quantum's obligation. Should the Company have elected not to finance this study, it would retain 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) Montana Projects, Montana, USA

The St. Julian and Emigrant claims are contiguous.

St. Julian Project

On November 1, 2015 the Company entered into an option agreement ("Option Agreement") to acquire a 100% interest in certain patented and unpatented mineral claims located in Montana, pursuant to making certain payments. 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 "St. Julian Complaint"). 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. 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. As a result of this decision, the Company wrote off costs of $216,601 in respect of the project in its October 31, 2020 statement of financial position.

(Expressed in Canadian dollars)

Emigrant Project

On June 15, 2014, the Company entered into an assigned option agreement, as amended (the "Assignment Agreement"), pursuant to which the Company had the option to acquire a 100% interest in certain claims in Montana, in consideration for making certain payments. As the Emigrant and St. Julian claims are contiguous, and upon receipt of the St. Julian Complaint, the Company gave notice to the optionor, on May 26, 2020, 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 was rendered. The optionor confirmed the acceptance of the Company's exercise of the Force Majeure clause. As a result of this decision, the Company wrote off costs of $836,150 in respect of the project in its October 31, 2020 statement of financial position.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2021	October 31, 2020
	($)	($)
Accounts payable	314,279	165,902
Accrued liabilities	31,500	220,604
Due to related parties (note 11)	29,167	124,252
	374,946	510,758

7. LOANS PAYABLE

During the year ended October 31, 2021

a) On July 22, 2021, an officer of the Company advanced $2,000 to the Company. The advance was unsecured, bore no interest and was settled on September 29, 2021.

b) On July 29, 2021, the Company entered into a secured loan agreement to receive a principal amount of up to $300,000 (the "Loan Agreement"). The Loan Agreement was secured by Company assets and bore interest of 8% per annum. During the year ended October 31, 2021, the Company drew $195,000 in connection with the Loan Agreement. The principal amount of $195,000 and interest accrued thereon of $3,142 was settled on October 1, 2021.

c) On August 13, 2021, an officer advanced $25,000 to the Company. The advance was unsecured, bore no interest, and was settled on September 29, 2021.

During the year ended October 31, 2020

a) On March 26, 2019, the Company entered into an agreement for US$100,000 in respect of an advance made by a creditor to Goldmindex. The loan was unsecured and bore interest of 12% per month, amended to 50% effective June 1, 2019. The principal amount of US$100,000 and interest accrued thereon amounting to $59,061 was 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 principal amount of $326,861 and interest accrued thereon of $24,479 was settled on December 5, 2019 by issuing 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 principal amount of $55,548 and interest accrued thereon of $4,509 was settled on December 5, 2019 by issuing common shares of the Company.

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 of which $1,380,000 remained outstanding as at October 31, 2021. Each unit issued consisted of $1,000 principal amount of 12% three-year convertible unsecured unsubordinated debentures convertible into common shares of the Company 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 were convertible at the option of the holder prior to maturity into: (i) the number of shares computed on the basis of the principal amount divided by the conversion price of $1.125; 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 was equal to the interest payments that would have been made as if the principal amount in relation to debentures converted 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. The conversion option available with the holder and make whole payment obligation was recognized as a derivative liability. The 2018 Debentures provided 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 the fixed price of $0.825 (post consolidation) or the current market price of the shares. The option to make interest payments in shares with a fixed exchange ratio element was recognized as a derivative asset.

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.

The 2018 Debentures were amended on October 4, 2021 (the "Amended 2018 Debentures"), such that the maturity date was extended to October 31, 2023, the coupon interest rate reduced to 8% per annum, each debenture is convertible into 10,000 common shares and 5,000 warrants at the option of holder, no make whole payment is required, and accrued interest, if settled in shares, will be settled at the current market price of the shares. As the Amended 2018 Debentures have substantially different terms from the 2018 Debentures, the 2018 Debentures were derecognized and a new liability for the

(Expressed in Canadian dollars)

Amended 2018 Debentures was recorded. The option available to the holder to convert the Amended 2018 Debentures into common shares and warrants was identified as a derivative liability.

On October 4, 2021, the fair value of the derivative liability was estimated at $538,864 using a Binomial tree model with the following assumptions:

- Share price as at October 3, 2021: $0.085
- Volatility: 70%
- Credit spread: 11.55%

	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 (to October 4, 2021)	440,996	-	-	440,996
Interest settled	(165,599)	-	144,523	(21,076)
Derivative Gain	-	(7,800)	(33,523)	(41,323)
Balance October 4, 2021	**1,425,521**	**-**	**-**	**1,425,521**
Derecognition of original liability and recognition of liability for amended agreement	(538,864)	538,864	-	-
Interest expense (October 4 ,2021 to October 31, 2021)	22,628	-	-	22,628
Balance October 31, 2021	**909,285**	**538,864**	**-**	**1,448,149**

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

9. SHARE CAPITAL

a) Authorized

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

b) Share issuances

Year ended October 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:

(Expressed in Canadian dollars)

Date of issuance	Fair value of shares issued	Shares Issued
	($)	**(#)**
December 31, 2020	10,538	100,363
June 30, 2021	10,538	100,363
	21,076	**200,726**

Services

On February 12, 2021, the Company issued 266,667 common shares at a fair value of $24,000 to a consultant.

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	Total
Closing Date	February 17, 2021	February 19, 2021	
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	

Warrants issued in connection with the Units were valued $Nil, using the residual method on the date of completion of private placement.

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

(Expressed in Canadian dollars)

Private Placements September, 2021	**Tranche #1**	**Tranche #2**	**Total**
Closing Date	September 7, 2021	September 16, 2021	
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	

Warrants issued in connection with the Units were valued $Nil, using the residual method on the date of completion of private placement. At October 31, 2021, a total of $353,000 was receivable in connection with the private placement. All of the amounts were received subsequent to October 31, 2021 (see Note 15).

The Finders' Warrants issued in respect of the Offerings were recorded at a fair value of $40,922 using the Black-Scholes pricing model with the following assumptions:

Risk-free interest rate (%)	0.27 to 0.28
Expected stock price volatility (%)	104 to 105
Expected dividend yield (%)	0
Expected life of warrants (years)	1

Warrants exercised

On August 4, 2021, 4,900 Warrants were exercised at $0.08 per share for total proceeds of $392 and the fair value of the exercised warrants of $237 was transferred from reserves to share capital during the year ended October 31, 2021.

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:

(Expressed in Canadian dollars)

Date	Shares	Market Price	Payment on Interest	Fair Value of Shares Issued	Gain Recongnised on Settlement
	(#)	($/sh)	($)	($)	($)
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	

(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.

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

Warrants issued in connection with the Units were valued $Nil, using the residual method on the date of completion of private placement.

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

(Expressed in Canadian dollars)

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

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. The Finders' Special Warrants expired unexercised on June 10, 2021; therefore, the Company recorded a non-cash gain of $60,542 related to the Finders' Special Warrants prior to October 31, 2021.

d) Options

The Company has a stock option plan (the "Plan") administered by the Board of Directors, which provides the Board of Directors 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 year ended October 31, 2021. The grant date fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

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

On October 1, 2021, the Company granted incentive stock options allowing for the purchase of up to, in the aggregate, 7,755,000 shares at $0.10 per share until October 1, 2026. The options vested immediately and the total amount of share-based payments expense was calculated at $516,738, which was recognized during the year ended October 31, 2021. The grant date fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

(Expressed in Canadian dollars)

Risk-free interest rate (%)	0.29
Expected stock price volatility (%)	129
Expected dividend yield (%)	0
Expected life of warrants (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	8,455,000	0.100
Forfeited	(1,540,000)	0.220
Balance - October 31, 2021	**11,492,000**	**0.132**

At October 31, 2021, the following options, with a weighted average life of 4.56 years, were outstanding and exercisable:

Expiry Date	**Number of Options (#)**	**Exercise Price ($/share)**
July 9, 2025	3,037,000	$0.220
March 25, 2026	700,000	$0.100
October 1, 2026	7,755,000	$0.100
	11,492,000	

During the year ended October 31, 2020:

During the year ended October 31, 2020, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 4,577,000 common shares at $0.22 per share until July 9, 2025. These options were vested immediately and accordingly, the share-based payments expense of $982,046 was recognized during the year ended October 31, 2020. The fair value for stock options granted during the period was determined using the Black-Scholes Option Pricing Model and the following assumptions:

(Expressed in Canadian dollars)

Risk-free interest rate (%)	1.6
Expected stock price volatility (%)	199%
Expected dividend yield (%)	0
Expected life of stock options (years)	5

e) 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	82,189,495	0.149
Exercised	(4,900)	0.149
Expired	(3,262,733)	1.118
Balance - October 31, 2021	**106,923,424**	**0.172**

At October 31, 2021, the following warrants, with a weighted average life of 1.37 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	921,160	0.080
February 19, 2021	February 19, 2023	5,810,000	0.150
February 19, 2021	February 19, 2022	246,050	0.080
September 7, 2021	September 7, 2023	34,098,000	0.150
September 7, 2021	September 7, 2022	1,317,660	0.150
September 16, 2021	September 16, 2023	14,850,000	0.150
September 16, 2021	September 16, 2022	146,125	0.150
Balance - October 31, 2021		**106,923,424**	

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at October 31, 2021, the Company's financial instruments consist of cash and cash equivalents, 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 October 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. Refer to note 8 for disclosures in relation to the fair value of the Amended 2018 Debentures at inception, October 4, 2021. The fair value remained approximately the same as at October 31, 2021.

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 October 31, 2021, the Company had cash of $1,942,430 to settle current liabilities of $357,790. 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 October 31, 2021, this risk relates to the Company's cash where interest rate risk is low due to the low prevailing interest rates. Also, on convertible debentures, the Company is required to pay the interest at fixed coupon rate.

(Expressed in Canadian dollars)

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 expenses with directors and key management personnel during the years ended October 31, 2021 and 2020:

	October 30, 2021 ($)	October 31, 2020 ($)
Consulting fees	68,000	236,114
Directors' fees	156,667	71,250
Management fees	244,664	227,500
	469,331	**534,864**

A total of $29,167 was owed to various related parties at October 31, 2021 (October 31, 2020: $52,875)

During the year, the Company obtained non-interest-bearing loans or advances totaling $27,000 (2020: $Nil) from certain officers of the Company. All of the loans and advances were repaid prior to October 31, 2021 (2020: $Nil). The Company owed $70,669 as at October 31, 2020 in respect of loans or advances obtained prior to October 31, 2020.

During the year ended October 31, 2021, the Company incurred and paid, to 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. INCOME TAXES

The reconciliation of the provision for income taxes at the federal statutory rate compared to the Company's income tax expense as reported is as follows**:**

	October 31, 2021 ($)	October 31, 2020 ($)
Net loss for the year	3,984,165	3,136,127
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery	1,075,725	846,754
Permanent differences	(261,105)	(270,602)
Tax benefits not recognized	(814,620)	(576,153)
Total income tax recovery	-	-

	October 31, 2021 ($)	October 31, 2020 ($)
Deferred tax assets		
Non-capital loss carryforwards	2,868,000	2,077,000
Capital cost allowance	175,000	187,000
Share issue costs	101,000	190,000
Deferred tax assets	3,400,000	2,454,000
Deferred tax liabilities		
Convertible debentures	(5,000)	-
Deferred tax liabilities	(5,000)	(530,000)
Unrecognized deferred tax assets	3,395,000	2,454,000

At October 31, 2021 the Company had accumulated Canadian non-capital loss carry-forwards of $9,914,605 that expire between 2027 to 2040. The potential future tax benefits of these expenses and losses carried-forward have not been reflected in these financial statements due to the uncertainty regarding their ultimate realization. Tax attributes are subject to review, and potential adjustment by tax authorities.

13. SEGMENTED INFORMATION

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

	Canada	Ecuador	**Total**
October 31, 2021	($)	($)	**($)**
Non-current assets			
Equipment and Right-of-use asset	54,574	-	**54,574**
Exploration and evaluation assets	-	5,599,709	**5,599,709**
Total	54,574	5,599,709	**5,654,283**
October 31, 2020			
Non-current assets			
Equipment and Right-of-use asset	17,001	-	**17,001**
Exploration and evaluation assets	-	4,925,502	**4,925,502**
Total	17,001	4,925,502	**4,942,503**

14. SUBSEQUENT EVENTS

- In respect of the private placement closed September 16, 2021, all of the amounts receivable at October 31, 2021 were received subsequent to October 31, 2021.

- On January 24, 2022, the Company closed a non-brokered private placement for gross proceeds of $2,011,795, pursuant to which the Company issued 22,353,278 common shares in the capital of the Company and warrants allowing for the purchase of up to, in the aggregate, 22,353,278 common shares in the capital of the Company at $0.20 per share until January 24, 2024. In connection with the private placement, the Company paid cash commission of $35,000 and issued 388,888 broker warrants, each such warrant allowing for the purchase of one common share of the Company at a price of $0.15 per share until January 24, 2023.