

BESSOR MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

NINE MONTHS ENDED JULY 31, 2021

(UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

Notice to Reader

The accompanying unaudited condensed interim financial statements of Bessor Minerals Inc. for the quarter ended July 31, 2021 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

Dated September 24, 2021

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Joseph Meagher”

Joseph Meagher
Chief Financial Officer

BESSOR MINERALS INC.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	July 31, 2021 (unaudited)	October 31, 2020 (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	\$ 383,712	\$ 480,423
Accounts receivable	970	744
Prepaid expenses	3,518	579
	388,200	481,746
RECLAMATION ADVANCE (Note 6)	5,000	5,000
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 7)	469,153	415,453
MARKETABLE SECURITIES (Note 8)	1	1
	\$ 862,354	\$ 902,200
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 562	\$ 14,034
EQUITY		
SHARE CAPITAL (Note 9)	9,606,071	9,571,071
RESERVE (Note 10)	1,056,536	1,056,536
DEFICIT	(9,800,815)	(9,739,441)
	861,792	888,166
	\$ 862,354	\$ 902,200

Approved on behalf of the Board of Directors:

<p style="text-align: center;"><i>"Kieran Downes"</i></p> <p style="text-align: center;">..... Director</p> <p style="text-align: center;">Kieran Downes</p>	<p style="text-align: center;"><i>"David Billard"</i></p> <p style="text-align: center;">..... Director</p> <p style="text-align: center;">David Billard</p>
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See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended July 31, 2021	Three Months Ended July 31, 2020	Nine Months Ended July 31, 2021	Nine Months Ended July 31, 2020
EXPENSES				
Foreign exchange loss	\$ -	\$ 25	\$ -	\$ 18
General and administration	3,743	3,878	11,133	11,330
Management fees (Note 11)	6,000	6,000	18,000	18,000
Professional fees	1,613	1,605	10,681	5,237
Public company costs	869	877	23,072	10,458
Travel and related costs	301	-	441	210
	12,526	12,385	63,327	45,253
LOSS BEFORE OTHER INCOME	(12,526)	(12,385)	(63,327)	(45,253)
FINANCE INCOME	289	959	1,953	3,267
NET LOSS AND COMPREHENSIVE LOSS	\$ (12,237)	\$ (11,426)	\$ (61,374)	\$ (41,986)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED				
	20,285,623	19,985,623	20,329,579	19,985,623
BASIC AND DILUTED LOSS PER SHARE				
	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

See accompanying notes to condensed interim financial statements.

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

	Number of Common Shares	Share Capital	Reserve	Deficit	Total Equity
Balance, October 31, 2019	19,985,623	\$ 9,548,571	\$ 1,056,536	\$ (9,669,887)	\$ 935,220
Net loss for the period	-	-	-	(41,986)	(41,986)
Balance, July 31, 2020	19,985,623	9,548,571	1,056,536	(9,711,873)	893,234
Shares issued for mineral exploration and evaluation assets	300,000	22,500	-	-	22,500
Net loss for the period	-	-	-	(27,568)	(27,568)
Balance, October 31, 2020	20,285,623	9,571,071	1,056,536	(9,739,441)	888,166
Shares issued for mineral exploration and evaluation assets	500,000	35,000	-	-	35,000
Net loss for the period	-	-	-	(61,374)	(61,374)
Balance, July 31, 2021	20,785,623	\$ 9,606,071	\$ 1,056,536	\$ (9,800,815)	\$ 861,792

See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
Condensed Interim Statements of Cash Flow
For the Nine Months Ended
(Unaudited – Expressed in Canadian Dollars)

	July 31, 2021	July 31, 2020
OPERATING ACTIVITIES		
Net loss	\$ (61,374)	\$ (41,986)
Changes in non-cash working capital		
Accounts receivable	(226)	276
Prepaid expenses	(2,939)	(2,658)
Accounts payable and accrued liabilities	(13,472)	(10,536)
CASH USED IN OPERATING ACTIVITIES	(78,011)	(54,904)
INVESTING ACTIVITIES		
Investment in mineral exploration and evaluation assets	(18,700)	(1,200)
Refund of Mineral Exploration Tax Credit	-	360
CASH USED IN INVESTING ACTIVITIES	(18,700)	(840)
CHANGE IN CASH AND CASH EQUIVALENTS	(96,711)	(55,744)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	480,423	556,782
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 383,712	\$ 501,038
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 1,953	\$ 3,267
Income tax paid	\$ -	\$ -
CASH AND CASH EQUIVALENTS		
Cash	\$ 31,159	\$ 24,577
Guaranteed investment certificates	352,553	476,461
	\$ 383,712	\$ 501,038

See accompanying notes to condensed interim financial statements.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

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

2. GOING CONCERN

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

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

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

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

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

3. BASIS OF PRESENTATION

Statement of compliance

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

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2020 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3. BASIS OF PRESENTATION (continued)

Approval of the condensed interim financial statements

The condensed interim financial statements of the Company for the nine months ended July 31, 2021 were authorized for issue on September 24, 2021 by the Board of Directors of the Company.

Measurement basis

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended October 31, 2020.

Significant accounting judgments, estimates and assumptions

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

Significant accounting estimates

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

Significant accounting judgments

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

5. CASH AND CASH EQUIVALENTS

At July 31, 2021, the Company held one cashable guaranteed investment certificate ("GIC") with a total value of \$200,000, interest at 0.30% and a maturity date of April 19, 2022, and another cashable GIC with a total value of \$152,243, interest at 0.30% and a maturity date of April 28, 2022.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

5. CASH AND CASH EQUIVALENTS (continued)

At October 31, 2020, the Company held one cashable GIC with a total value of \$225,000, interest at 0.80% and a maturity date of April 17, 2021, and another cashable GIC with a total value of \$225,427, interest at 0.80% and a maturity date of April 28, 2021.

Included in the balance of cash and cash equivalents is \$310 (October 31, 2020 - \$1,974) of accrued interest.

6. RECLAMATION ADVANCE

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

7. MINERAL EXPLORATION AND EVALUATION ASSETS

Redhill

On July 8, 2015, and as amended July 30, 2019 and September 15, 2020, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on or before each of July 8, 2016 and July 8, 2017 (paid);
- \$10,000 on or before July 8, 2018 (paid);
- \$7,500 and 300,000 common shares of the Company upon TSX-V acceptance of the July 30, 2019 amendment (paid and issued);
- \$5,000 and 300,000 common shares of the Company upon TSX-V acceptance of the September 15, 2020 amendment (paid and issued);
- \$17,500 and 500,000 common shares of the Company on or before July 8, 2021 (paid and issued);
- \$15,000 and 500,000 common shares of the Company on or before July 8, 2022;
- \$40,000 on or before each of July 8, 2023 and July 8, 2024; and
- \$255,000 on or before July 8, 2025.

In addition to the option payments, the Company must spend \$650,000 on exploration under the terms of the original agreement as follows:

- \$20,000 on or before the first anniversary of the agreement (spent);
- \$50,000 on or before the second anniversary of the agreement (spent);
- \$150,000 on or before the third anniversary of the agreement (spent);
- \$30,000 on or before the fourth through ninth anniversaries of the agreement (spent);
- An additional \$150,000 on or before November 15, 2022, as a result of the September 15, 2020 amendment; and
- \$100,000 on or before the tenth anniversary of the agreement.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

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

At July 31, 2021, expenditures incurred on mineral exploration and evaluation assets are as follows:

	Redhill
Balance, October 31, 2019	\$ 387,113
Acquisition Costs	27,500
Deferred Exploration Costs	
Drilling	1,200
Total Deferred Exploration Costs	1,200
Mineral Exploration Tax Credit	(360)
Balance, October 31, 2020	415,453
Acquisition Costs	52,500
Deferred Exploration Costs	
Drilling	1,200
Total Deferred Exploration Costs	1,200
Balance, July 31, 2021	\$ 469,153

8. MARKETABLE SECURITIES

The Company has an investment in 2,250,000 common shares in K2 Resources Inc. (“K2”), representing approximately 2% of the common shares. K2 is a private company with a portfolio of mineral properties. There is no guarantee that K2 will actively explore its mineral properties, and there is no liquid market for the K2 common shares. As a result, the Company has determined the fair value of the investment in private company to be \$1 (October 31, 2020 - \$1).

A director of the Company is an officer, director and shareholder of K2.

9. SHARE CAPITAL

a) Authorized

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

BESSOR MINERALS INC.
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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (continued)

a) Authorized (continued)

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

b) Issued

Nine months ended July 31, 2021

On July 7, 2021, the Company issued 500,000 common shares (valued at \$35,000) for the Redhill property (Note 7).

Year ended October 31, 2020

On October 21, 2020, the Company issued 300,000 common shares (valued at \$22,500) for the Redhill property (Note 7).

c) Stock options

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

There were no stock option transactions during the nine months ended July 31, 2021 or the year ended October 31, 2020.

Options outstanding

A summary of options outstanding at July 31, 2021 is as follows:

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

At July 31, 2021, the weighted average remaining life of the options is 4.39 (October 31, 2020 - 5.14) years.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (continued)

c) Stock options (continued)

Share-based compensation

There was no share-based compensation expense for the nine months ended July 31, 2021 or the year ended October 31, 2020.

d) Share purchase warrants

The Company had no share purchase warrants outstanding during the nine months ended July 31, 2021 or the year ended October 31, 2020.

10. RESERVE

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

11. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Company has paid or accrued fees of \$18,000 (2020 - \$18,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in management fees, as outlined below:

	2021	2020
Short-term compensation:		
Management fees	\$ 18,000	\$ 18,000

Management fees consisted of \$18,000 (2020 - \$18,000) paid to a company controlled by the Chief Financial Officer.

12. FINANCIAL INSTRUMENTS

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

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

12. FINANCIAL INSTRUMENTS (continued)

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

July 31, 2021	Level 1		Level 2		Level 3	
Cash and cash equivalents	\$	383,712	\$	-	\$	-
Investment in private company	\$	-	\$	-	\$	1

October 31, 2020	Level 1		Level 2		Level 3	
Cash and cash equivalents	\$	480,423	\$	-	\$	-
Investment in private company	\$	-	\$	-	\$	1

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

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

a) Credit risk

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

The maximum exposure to credit risk is as follows:

	July 31, 2021		October 31, 2020	
Cash and cash equivalents	\$	383,712	\$	480,423

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

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

The Company's accounts receivable consists entirely of Goods and Services Tax at July 31, 2021 and October 31, 2020. As at July 31, 2021 and October 31, 2020, the Company's accounts receivable were current (less than 90 days). The Company believes that all outstanding balances are collectible, and therefore, there is no allowance for doubtful accounts at July 31, 2021 and October 31, 2020.

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

12. FINANCIAL INSTRUMENTS (continued)

b) Liquidity risk

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

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

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at July 31, 2021 are summarized below:

	Carrying Amount	Contractual Cash Flows	Less than One Year	One to Two Years	Two to Five Years	More than Five Years
Non-derivative financial liabilities:						
Accounts payable and accrued liabilities	\$ 562	\$ -	\$ 562	\$ -	\$ -	\$ -
	\$ 562	\$ -	\$ 562	\$ -	\$ -	\$ -

c) Market risk

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

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

BESSOR MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended July 31, 2021
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

13. MANAGEMENT OF CAPITAL

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

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

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the nine months ended July 31, 2021.

The Company is not exposed to externally imposed capital requirements.