SILVER TIGER METALS INC

Interim Unaudited Condensed
Consolidated Financial Statements

September 30, 2020

November 30, 2020

Management's Report

The accompanying interim unaudited condensed consolidated financial statements of **Silver Tiger Metals Inc.** (the "Company") are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's consolidated financial statements and recommended their approval by the Board of Directors.

(signed) "*Glenn Jessome*"
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) "*Glenn Holmes*"
Chief Financial Officer
Halifax, Nova Scotia

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2020 and March 31, 2020

	September 30, 2020 $	March 31, 2020 $
Assets		
Current assets		
Cash	9,206,316	89,438
Sales tax recoverable	67,908	38,782
Deposits and prepaid expenses	146,046	19,647
	9,420,270	147,867
Right-of-use asset	30,600	46,000
Resource properties (note 5)	20,018,932	19,039,807
	29,469,802	19,233,674
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	1,073,657	2,827,137
Current portion of lease liability	28,800	31,000
	1,102,457	2,858,137
Lease liability	2,700	16,000
Loan payable (note 4)	23,975	-
	1,129,132	2,874,137
Equity (note 8)	28,340,670	16,359,537
	29,469,802	19,233,674

Commitments (note 11)

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

Approved on behalf of the Board of Directors

(signed) "*Keith Abriel*", Director

(signed) "*Wade Anderson*", Director

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the six-month periods ended September 30, 2020 and 2019

	Number of shares	Share capital $	Contributed surplus $	Warrants $	Deficit $	Total $
Balance – March 31, 2020	162,766,353	33,056,024	2,838,517	-	(19,535,004)	16,359,537
Net loss and comprehensive loss for the period	-	-	-	-	(1,946,042)	(1,946,042)
Shares issued for cash, net of issue costs (note 8)	45,952,378	10,988,029	-	-	-	10,988,029
Shares issued in settlement of accounts payable (note 8)	6,535,366	1,111,012	-	-	-	1,111,012
Shares issued for cash, exercise of warrants (note 8)	3,322,112	534,134	-	-	-	534,134
Share issued for cash, exercise of stock options (note 8)	100,000	19,000	(9,000)	-	-	10,000
Issuance of finders warrants (note 8)	-	-	-	539,000	-	539,000
Stock-based compensation (note 8)	-	-	745,000	-	-	745,000
Balance – September 30, 2020	218,676,209	45,708,199	3,574,517	539,000	(21,481,046)	28,340,670
Balance – March 31, 2019	143,916,357	31,921,996	2,804,517	-	(19,164,115)	15,562,398
Net loss and comprehensive loss for the period	-	-	-	-	(255,498)	(255,498)
Shares issued for cash, net of issue costs (note 8)	12,333,333	735,000	-	-	-	735,000
Shares issued for cash, exercise of stock options (note 8)	100,000	19,000	(9,000)	-	-	10,000
Balance – September 30, 2019	156,349,690	32,675,996	2,795,517	-	(19,419,613)	16,051,900

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

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three and six-month periods ended September 30, 2020 and 2019

	Three months ended Sept 30, 2020	Three months ended Sept 30, 2019	Six months ended Sept 30, 2020 (note 12)	Six months ended Sept 30, 2019
	$	$	$	$
Operating expenses				
Consulting fees (note 7)	118,589	77,750	203,138	140,250
Dues and fees	17,369	23,968	25,294	33,012
Foreign exchange loss (gain)	26,365	(21,039)	(3,602)	(25,752)
Insurance	21,169	25,925	41,060	42,474
Office and other	30,879	24,818	49,668	55,852
Professional fees	43,914	3,883	48,312	6,000
Shareholder communication	75,689	38,980	84,775	40,302
Stock-based compensation (note 8)	5,500	-	745,000	-
Travel	4,125	8,180	5,373	17,233
Wages and benefits	17,819	17,804	33,092	33,065
	(361,418)	(200,269)	(1,232,110)	(342,436)
Other income (expenses)				
Interest income	3,358	-	3,358	-
Government assistance benefit (note 4)	17,000	-	17,000	-
Depreciation expense	(7,700)	-	(15,400)	-
Gain (loss) on settlement of accounts payable (notes 8 and 12)	-	-	(718,890)	86,938
Net loss and comprehensive loss for the periods	(348,760)	(200,269)	(1,946,042)	(255,498)
Loss per share – basic and diluted	(0.002)	(0.001)	(0.010)	(0.002)
Weighted average outstanding common shares – basic and diluted	204,418,078	155,277,226	186,722,330	149,649,143

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

SILVER TIGER METALS INC

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the six-month periods ended September 30, 2020 and 2019

	2020 $	2019 $
Cash provided by (used in)		
Operating activities		
Net loss for the periods	(1,946,042)	(255,498)
Charges to income not affecting cash		
Stock-based compensation	745,000	-
Depreciation expense	15,400	-
Interest expense	2,075	-
Government assistance benefit (note 4)	(17,000)	-
Loss (gain) on settlement of accounts payable (note 8)	718,890	(86,938)
	(481,677)	(342,436)
Net changes in non-cash working capital balances related to operations		
Increase in sales tax recoverable	(29,126)	(4,135)
Decrease (increase) in prepaid expenses	(126,399)	11,741
Decrease in accounts payable and accrued liabilities	(317,845)	(173,776)
	(955,047)	(508,606)
Investing activities		
Purchase of and expenditures on resource properties	(2,022,638)	(138,311)
Financing activities		
Proceeds from issuance of common shares (note 8)	11,650,000	740,000
Share issue costs paid (note 8)	(122,971)	(5,000)
Proceeds from exercise of stock options and warrants (note 8)	544,134	10,000
Loan proceeds (note 4)	40,000	-
Repayment of lease liability	(16,600)	-
	12,094,563	745,000
Net change in cash for the periods	9,116,878	98,083
Cash – Beginning of periods	89,438	22,364
Cash – End of periods	9,206,316	120,447

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

1 Nature of operations

Silver Tiger Metals Inc. (previously Oceanus Resources Corporation) (the "Company") was incorporated under the Canada Business Corporations Act on June 14, 2010 and its common shares are listed on the TSX Venture Exchange (the "Exchange") under the trading symbol SLVR. Effective May 26, 2020, the Company's common shares commenced trading on the OTCQB under the trading symbol SLVTF. On September 22, 2020, the Company was upgraded to the OTCQX from the OTCQB. The Company's registered office is located at Suite 2108, 1969 Upper Water Street, Halifax, Nova Scotia. The Company has one reportable and one geographic segment.

The Company is a mineral exploration company engaged in locating and acquiring high quality projects and exploring for silver and gold. To date, the Company has not generated any revenue and is considered to be in the exploration stage. The Company is in the process of exploring and evaluating its resource properties in Mexico. The recoverability of amounts spent for the acquisition, exploration and development of the resource properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The operations of the Company will require various licenses and permits from governmental authorities which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licenses liable to forfeiture.

COVID-19

On March 11, 2020, the World Heath Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus ("COVID-19"). The Company's business could be adversely affected by the effects of the continued spread of COVID-19. Since early March 2020, significant measures have been implemented in Canada, Mexico and the rest of the world by governmental authorities in response to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill and exploration programs, and other factors that depend on future developments beyond the Company's control. In addition, COVID-19 has resulted in a widespread health crisis that has adversely affected economies and financial markets of many countries, including Canada and Mexico, resulting in an economic downturn that may negatively impact the Company's financial position, financial performance, cash flows and its ability to raise capital.

1 Nature of operations (continued)

COVID-19 (continued)

Following the completion of the May 2020 private placement financing, and the Mexican Health Ministry's decree which included mining as an essential service effective June 1, 2020, the Company implemented strict COVID-19 protocols to enable the recommencement of exploration activities. Onsite accommodations and sanitation were constructed or improved to meet the higher standards of safety and medical services on site were improved, including mandatory COVID-19 testing of all persons entering the camp. The Company has created a remote isolated camp to minimize physical contact with surrounding communities. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities cannot be reasonably estimated at this time. The recent increase in COVID-19 cases globally may impact the Company's operations due to additional government mandated shutdowns or closures.

2 Basis of presentation

Statement of compliance

These unaudited interim condensed 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 financial statements as set out in the Chartered Professional Accountants of Canada Handbook – Accounting – Part 1 ("CPA Canada Handbook").

These consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 2 of the Company's financial statements for the year ended March 31, 2020. These financial statements should be read in conjunction with the Company's financial statements for the year ended March 31, 2020.

The Board of Directors approved the consolidated financial statements for issue on November 30, 2020.

3 Significant accounting policies

These unaudited interim condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as the annual financial statements of the Company for the year ended March 31, 2020. Refer to note 3 – Summary of significant accounting policies and note 4 – Change in accounting policies, of the Company's annual consolidated financial statements for the year ended March 31, 2020.

4 Loan payable

On May 6, 2020, the Company received a $40,000 emergency business loan under the federal government Canada Business Emergency Account ("CEBA") initiative. In the event the Company repays $30,000 by December 31, 2022, there will be no interest payable on the loan and the remaining $10,000 will be forgiven. In the event there is a loan balance outstanding on January 1, 2023, the loan will be renewed for a 3-year term with an annual fixed rate of interest of 5%. The Company plans to repay $30,000 before December 31, 2022. A government assistance benefit of $17,000 was recognized during the period.

5 Resource properties

	Total $
Balance - March 31, 2019	17,966,648
Exploration and property costs incurred	451,379
Balance – September 30, 2019	18,418,027
Balance – March 31, 2020	19,039,807
Exploration and property costs incurred	979,125
Balance – September 30, 2020	20,018,932

On September 15, 2015, the Company entered into an arrangement agreement with El Tigre Silver Corp. ("El Tigre") to combine the respective companies by way of a statutory plan of arrangement pursuant to the Business Corporations Act (British Columbia), under which the Company acquired all of the outstanding common shares of El Tigre in exchange for common shares of the Company on the basis of 0.2839 of one Company share for every one El Tigre share (the "Transaction"). The Transaction was completed on November 13, 2015.

El Tigre holds nine Mexican Federal mining concessions, located in north-eastern Sonora State, of which eight are collectively referred to as the El Tigre Property ("El Tigre Property"). The concessions are 100% held by El Tigre through its wholly-owned subsidiary, Pacemaker Silver Mining SA de CV and its wholly-owned subsidiary, Compãnia Minera Talaman SA de CV.

In 2016, the Company entered into a land access agreement with the land-owners of the El Tigre Property. Under the agreement, the Company is required to pay the land-owners USD$1,030,000, of which USD$110,000 was payable on the date of the agreement, with the remaining to be paid over an 84 month period in equal monthly instalments of USD$10,952. As at September 30, 2020, there are 42 monthly payments remaining. The agreement can be terminated by the Company by issuing a written notice to the land-owners and is considered nullified if the Company does not pay the land-owners for three consecutive months. The Company will acquire 6,283 hectares of land within the boundaries of the El Tigre Property at the end of the 84-month period if all required payments were made according to the agreement.

5 Resource properties (continued)

Pursuant to the land access agreement, at such time as the EL Tigre Property is put into production, the Company is required to make the following additional payments to the land-owners; US$3 per ounce of gold produced if the gold price is below US$1,200, US$5 per ounce of gold produced if the gold price is between US$1,201 and US$1,500 and US$7 per ounce of gold produced if the gold price is above US$1,501. Additionally, the Company is required to make a payment of US$500,000 to the vendor upon establishing commercial production subject to completing the agreement.

6 Accounts payable and accrued liabilities

	September 30, 2020 $	March 31, 2020 $
Accounts payable		
El Tigre Property fees	-	1,828,026
Other	976,387	905,439
Accrued liabilities	97,270	93,672
	1,073,657	2,827,137

As at September 30, 2020, $9,091 (March 31, 2020 - $16,330) of accounts payable and accrued liabilities is due to the Chief Executive Officer, Chief Financial Officer and Vice President Exploration.

7 Related party transactions

Consulting services were provided during the six-months period ended September 30, 2020 by a corporation owned by the Chief Executive Officer of the Company. The cost of these consulting services during the period was $125,000 (2019 - $125,000). The Company recorded these costs to consulting fees.

Consulting services were provided during the period ended September 30, 2020 by a corporation owned by the Chief Financial Officer of the Company (“Consultant”). The cost of these consulting services during the period was $24,000 (2019 - $12,000). The Company recorded these costs to consulting fees. During the period ended September 30, 2019, the Consultant and the Company agreed to the forgiveness of unpaid consulting fees, including HST, aggregating $46,250.

During the period ended September 30, 2019, an amount payable of $40,688 for geological consulting services provided by a corporation owned by the Vice President Exploration of the Company was forgiven.

8 Shareholders' equity

i) Capital stock

Authorized

Unlimited number of common shares, without nominal or par value

	Number of shares #	Amount $
Balance – March 31, 2019	143,916,357	31,921,996
Shares issued for cash, net of issue costs	12,333,333	735,000
Shares issued for cash, exercise of stock options	100,000	19,000
Balance – September 30, 2019	156,349,690	32,675,996
Balance – March 31, 2020	162,766,353	33,056,024
Shares issued for cash, net of issue costs	45,952,378	10,988,029
Shares issued in settlement of accounts payable	6,535,366	1,111,012
Shares issued for cash, exercise of warrants	3,322,112	534,134
Shares issued for cash, exercise of stock options	100,000	19,000
Balance – September 30, 2020	218,676,209	45,708,199

During the six-month period ended September 30, 2020, the Company completed a non-brokered private placement raising gross proceeds of $11,000,000 through the issuance of 36,666,667 units at a price of $0.30 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the subscriber to acquire one common share at a price of $0.50 until July 27, 2023. The common shares issued pursuant to this private placement are subject to a 4 month hold period that expired November 28, 2020. The capital stock value of the common shares issued as at September 30, 2020 is net of share issue costs of $657,854, which includes the grant date fair value of the finders warrants of $539,000 (note 8 (iv)).

During the six-month period ended September 30, 2020, the Company completed a non-brokered private placement raising gross proceeds of $675,000 through the issuance of 9,642,857 units at a price of $0.07 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each full common share purchase warrant entitles the subscriber to acquire one common share at a price of $0.10 until May 22, 2022. The common shares issued pursuant to this private placement are subject to a 4 month hold period that expired September 23, 2020. As at September 30, 2020, the transfer of subscription proceeds aggregating $25,000 remained outstanding. The 357,142 units relating to these subscriptions were held in trust as at September 30, 2020 and these shares were excluded from the issued number of shares as at September 30, 2020. The capital stock value of the common shares issued as at September 30, 2020 is net of share issue costs of $4,163.

8 Shareholders' equity (continued)

i) Capital stock (continued)

Authorized (continued)

During the period ended September 30, 2020, the Company issued a total of 6,535,366 common shares to settle accounts payable of $392,122 owed to geological services and drilling companies. The difference between the fair value of the common shares issued on May 22, 2020, the date the shares were issued and liability extinguished, and the carrying amount of the accounts payable was recognized as a loss on settlement of accounts payable on the statement of loss and comprehensive loss in the amount of $718,890 (note 12).

ii) Stock options

The Company has a common share purchase option plan (the "Plan") for directors, officers, employees and consultants. The total number of options issued and outstanding at any time cannot exceed 10% of the issued and outstanding common shares of the Company unless shareholder and regulatory approvals are obtained. Options granted under the Plan have a ten-year term. Options are granted at a price no lower than the market price of the common shares less any discounts allowed by the Exchange at the time of the grant. In determining the stock-based compensation expense, the fair value of options issued is estimated using the Black-Scholes option pricing model. Expected volatility is based on actual volatility of similar companies.

The following weighted average assumptions were used in the Black-Scholes option pricing model for the period ended September 30, 2020:

Risk-free interest rate	2.25%
Expected volatility	105%
Expected dividend yield	-
Expected life	10 years

The following table summarizes the changes in the Company's stock options during the periods ended September 30, 2020 and September 30, 2019:

	Weighted average exercise price $	Number of options #	Weighted average remaining life (years)
Balance – March 31, 2019	0.20	14,140,000	
Exercised during the period	0.10	(100,000)	
Balance – September 30, 2019	0.20	14,040,000	
Balance – March 31, 2020	0.20	14,040,000	5.0
Granted during the period	0.17	3,275,000	9.6
Exercised during the period	0.10	(100,000)	
Balance – September 30, 2020	0.19	17,215,000	6.0

8 Shareholders' equity (continued)

ii) Stock options (continued)

As at September 30, 2020, 4,652,621 options remained available for future grants under the Plan. Options vested and exercisable at September 30, 2020 totaled 17,215,000 with an average exercise price of $0.19 per share. The weighted average grant date fair value per option was $0.16 for the stock options granted during the period ended September 30, 2020. The Company charged $509,000 in stock-based compensation to the statement of loss and comprehensive loss for the six-months period ended September 30, 2020 ($nil – September 30, 2019).

iii) Contributed surplus

	$
Balance – March 31, 2019	2,804,517
Exercise of stock options	(9,000)
Balance – September 30, 2019	2,795,517
Balance – March 31, 2020	2,838,517
Exercise of stock options	(9,000)
Stock-based compensation related to stock options	509,000
Stock-based compensation related to deferred shared units	236,000
Balance – September 30, 2020	3,574,517

iv) Warrants

The following table summarizes the changes in the Company's warrants for the periods ended September 30, 2020 and September 30, 2019:

	Expiry date	Exercise price $	Number	Ascribed value $
Balance – June 30, 2019, March 31, 2019 and March 31, 2020	Sept 17, 2020	0.17	2,884,612	-
Warrants issued pursuant to May 2020 private placement financing	May 22, 2022	0.10	4,642,855	-
Warrants issued pursuant to July 2020 private placement financing	July 27, 2023	0.50	18,333,327	-
Finders warrants issued pursuant to July 2020 private placement financing	July 26, 2023	0.50	2,000,000	539,000
Warrants exercised during period		0.17	(2,884,612)	-
Warrants exercised during period		0.10	(437,500)	-
Balance – September 30, 2020			24,538,682	539,000

8 Shareholders' equity (continued)

iv) Warrants (continued)

The fair value of the warrants issued pursuant to the May 2020 and July 2020 private placement financings have an estimated value of $nil as at the issue date using the residual method of valuation.

The fair value of the finders warrants issued pursuant to the July 2020 private placement financing have been estimated as at the issue date using the Black-Scholes pricing model. The weighted average assumptions used in the pricing model are as follows; exercise price of $0.50, risk-free rate 2.25%, expected volatility 124%, expected dividend yield $nil and expected life 3 years. The fair value amount of $539,000 has been recorded to share issue costs.

As at September 30, 2020, 178,571 warrants relating to the May 2020 private placement were held in trust pending receipt of subscription proceeds from registered accounts. These warrants were excluded from the number of outstanding warrants as at September 30, 2020.

v) Deferred share units

The Company has a deferred share unit plan (the "DSU Plan") whereby Participants may elect to receive all or a portion of their annual compensation or bonus compensation, if any, in deferred share units ("DSU's"). The election, if it is made, must be for a minimum of 10%, or a multiple thereof, of such compensation in DSU's. The number of DSU's received is equal to the amount of compensation elected to be received in DSU's, divided by the volume-weighted average trading price of the common shares on the TSX for the 5 trading days immediately prior to the payment date.

In addition, the Board of Directors has the authority to make discretionary awards of DSU's to Participants under the DSU Plan. DSU's granted pursuant to discretionary awards will vest in accordance with the vesting schedule determined by the Board of Directors.

All unvested DSU's will vest immediately in the case of a change of control of the Company. In addition, in the event of the death or termination without cause of a Participant that received DSUs, the Participant's DSU's will vest immediately. The Board of Directors may at any time shorten the vesting period of any or all DSU's.

The maximum number of common shares issuable under the DSU Plan is 10,000,000. Each DSU held by a Participant must be redeemed by the Company within 10 years of the grant for DSU Plan shares issued from treasury. Each vested DSU held by a Participant who ceases to be an eligible employee, director or officer shall be redeemed by the Company effective as at the separation date for DSU Plan shares issued from treasury.

The fair value of the DSU's is determined based on the Company's trading price of its common shares on the day of the grant.

On January 4, 2019, the Board of Directors approved the issuance of 900,000 DSU's to officers of the Company. This was the initial grant of DSU's under the DSU Plan. The 900,000 DSU's vest over a three-year period and the grant date fair value amounted to $81,000.

8 Shareholders' equity (continued)

vi) Deferred share units

On May 22, 2020, the Board of Directors approved the issuance of 1,450,000 DSU's to officers and an employee of the Company. The 1,450,000 DSU's vest immediately and the grant date fair value amounted to $225,000.

The Company recognized $236,000 in stock-based compensation expense for the six-month period ended September 30, 2020 ($nil - September 30, 2019) in connection with the issuance of DSU's.

9 Supplemental cash flow information

As at September 30, 2020, the Company's accounts payable included expenditures on resource properties of $515,926 (March 31, 2020 - $2,206,143).

10 Financial instruments and other

Credit risk

The Company manages credit risk by holding its cash and cash equivalents with high quality financial institutions in Canada, where management believes the risk of loss to be low. The Company also has approximately $730,000 of Mexican VAT receivable as at September 30, 2020 (March 31, 2020 - $651,613). The Company has recorded the VAT to resource properties. While the Company is still pursuing collection, with the delay in processing and collection, management determined that it was appropriate to reclassify this amount to the resource property to which the VAT paid is related. The timing and amount of the VAT ultimately collectible could be materially different from the amount recorded in the consolidated financial statements.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Management concluded that the Company has sufficient cash on hand to meets its obligations as they become due for the next twelve months, considering the Company's planned exploration and development activities on its resource properties. If the Company were to expand and/or accelerate its planned exploration and development activities, the Company may be required to seek additional financing.

10 Financial instruments and other (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

a) Interest rate risk

The Company has no interest-bearing debt and is not exposed to any significant interest rate risk.

b) Foreign currency risk

The Company operates in Mexico, giving rise to foreign currency risk. To limit the Company's exposure to this risk, cash is primarily held with high quality financial institutions in Canada.

As at September 30, 2020, the Company held the following financial instruments in foreign currencies:

	US$	Pesos
Cash	70,142	39,442
Accounts payable and accrued liabilities	282,790	2,691,931

c) Price risk

The Company is not exposed to any direct price risk other than that associated with commodities and how fluctuations impact companies in the mineral exploration and mining industries as the Company has no significant revenues.

11 Commitments

The minimum annual payments in relation to the Company's El Tigre Agreement (note 5) are as follows:

	$
Year ending March 31, 2021	87,452
2022	174,905
2023	174,905
2024	174,905

12 Accounts payable settlement adjustment

The unaudited interim condensed consolidated financial statements for the three-months period ended June 30, 2020 reported the issuance of 6,535,366 common shares pursuant to agreements to settle $392,122 of accounts payable. The number of common shares issued to settle these accounts payable was agreed upon when the Company's share price was $0.06 and accounted for at such value in the June 30, 2020 interim condensed consolidated financial statements. The common shares were issued on May 22, 2020, following regulatory approval, and the accounts payable were extinguished. The common shares should have been recognized at the trading price on the date of issuance, which was $0.17, and the difference between the carrying amounts of the extinguished liability and the common shares recognized as gain or loss through the statement of loss and comprehensive loss. The adjustment to the three-month period ended June 30, 2020 has been reflected in these unaudited interim condensed consolidated financial statements. The effects of the non-cash adjustments to the unaudited interim condensed consolidated financial statements as at June 30, 2020 and for the three-month period then ended are as follows:

Adjustment to the unaudited interim condensed consolidated statement of changes in equity:

	As at June 30, 2020		
	Previously stated $	Adjustment $	Adjusted $
Share capital	33,993,933	718,890	34,712,823
Deficit	(20,413,396)	(718,890)	(21,132,286)

Adjustments to unaudited interim condensed consolidated statement of loss and comprehensive loss:

	As at June 30, 2020		
	Previously stated $	Adjustment $	Adjusted $
Loss on settlement of accounts payable	-	718,890	718,890
Net loss and comprehensive loss for the period	(878,392)	(718,890)	(1,597,282)
Loss per share – basic and fully diluted	(0.005)	(0.004)	(0.009)

There were no changes to the unaudited condensed consolidated statement of cash flows beyond the adjustments to the two affected elements within operating activities.