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**AGUILA AMERICAN GOLD LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
OCTOBER 31, 2019

*(Unaudited - Expressed in Canadian Dollars)*

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**AGUILA AMERICAN GOLD LIMITED**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	October 31, 2019 \$	April 30, 2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		14,271	11,140
GST receivable		8,052	10,386
Prepays		<u>867</u>	<u>6,467</u>
<b>TOTAL ASSETS</b>		<u>23,190</u>	<u>27,993</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	227,982	257,136
Advances	3	<u>100,000</u>	<u>113,500</u>
<b>TOTAL LIABILITIES</b>		<u>327,982</u>	<u>370,636</u>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>			
Share capital	4	26,033,530	25,917,290
Share-based payments reserve		1,485,419	1,477,619
Deficit		<u>(27,823,741)</u>	<u>(27,737,552)</u>
<b>TOTAL SHAREHOLDERS' (DEFICIENCY) EQUITY</b>		<u>(304,792)</u>	<u>(342,643)</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY) EQUITY</b>		<u>23,190</u>	<u>27,993</u>

**Nature of Operations and Going Concern** - see Note 1

These condensed interim financial statements were approved for issue by the Board of Directors on December 5, 2019 and are signed on its behalf by:

/s/ Blair Way  
Blair Way  
Director

/s/ Nick DeMare  
Nick DeMare  
Director

*The accompanying notes are an integral part of these condensed interim financial statements.*

**AGUILA AMERICAN GOLD LIMITED**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Notes	Three Months Ended October 31,		Six Months Ended October 31,	
		2019 \$	2018 \$	2019 \$	2018 \$
<b>Expenses</b>					
Accounting and administration	5(b)	5,300	4,200	9,550	6,700
Audit		7,000	7,500	7,000	7,500
Executive and director compensation	5	12,000	12,000	24,000	24,000
Office		296	104	774	186
Regulatory fees		4,079	3,090	5,379	4,400
Share-based compensation	4(d)	-	-	38,220	-
Transfer agent		664	435	1,398	1,195
		<u>29,339</u>	<u>27,329</u>	<u>86,321</u>	<u>43,981</u>
<b>Loss before other items</b>		<u>(29,339)</u>	<u>(27,329)</u>	<u>(86,321)</u>	<u>(43,981)</u>
<b>Other items</b>					
Recovery of amounts previously recorded		-	219,012	-	226,030
Interest income		90	16	132	47
Foreign exchange		-	(5)	-	12
		<u>90</u>	<u>219,023</u>	<u>132</u>	<u>226,089</u>
<b>Net (loss) income and comprehensive (loss) income for the period</b>		<u>(29,249)</u>	<u>191,694</u>	<u>(86,189)</u>	<u>182,108</u>
<b>Basic and diluted (loss) income per common share</b>		<u>\$(0.01)</u>	<u>\$0.08</u>	<u>\$(0.03)</u>	<u>\$0.08</u>
<b>Basic and diluted weighted average number of common shares outstanding</b>		<u>3,178,985</u>	<u>2,424,985</u>	<u>2,978,107</u>	<u>2,424,985</u>

*The accompanying notes are an integral part of these condensed interim financial statements.*

**AGUILA AMERICAN GOLD LIMITED**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN (DEFICIENCY) EQUITY**  
*(Unaudited - Expressed in Canadian Dollars)*

<b>Six Months Ended October 31, 2019</b>					
<b>Common Shares</b>					
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Equity (Deficiency) \$
<b>Balance at April 30, 2019</b>	2,744,985	25,917,290	1,477,619	(27,737,552)	(342,643)
Common shares issued for cash:					
- share options exercised	234,000	53,820	-	-	53,820
- warrants exercised	200,000	32,000	-	-	32,000
Transfer on exercise of share options	-	30,420	(30,420)	-	-
Share-based compensation	-	-	38,220	-	38,220
Net loss and comprehensive loss	-	-	-	(86,189)	(86,189)
<b>Balance at October 31, 2019</b>	<b>3,178,985</b>	<b>26,033,530</b>	<b>1,485,419</b>	<b>(27,823,741)</b>	<b>(304,792)</b>

<b>Six Months Ended October 31, 2018</b>					
<b>Common Shares</b>					
	Number of Shares*	Amount \$	Share-Based Payments Reserve \$	Deficit \$	Total Equity (Deficiency) \$
<b>Balance at April 30, 2018</b>	2,424,985	25,846,799	1,477,619	(27,856,034)	(531,616)
Net income and comprehensive income	-	-	-	182,108	182,108
<b>Balance at October 31, 2018</b>	<b>2,424,985</b>	<b>25,846,799</b>	<b>1,477,619</b>	<b>(27,673,926)</b>	<b>(349,508)</b>

*The accompanying notes are an integral part of these condensed interim financial statements.*

**AGUILA AMERICAN GOLD LIMITED**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
*(Unaudited - Expressed in Canadian Dollars)*

	Six Months Ended October 31,	
	2019 \$	2018 \$
<b>Operating activities</b>		
Net income (loss) for the period	(86,189)	182,108
Adjustments for:		
Recovery of amounts previously recorded	-	(226,030)
Share-based compensation	38,220	-
Changes in non-cash working capital items:		
GST receivable	2,334	(840)
Prepays	5,600	2,621
Accounts payable and accrued liabilities	(29,154)	34,742
<b>Net cash used in by operating activities</b>	<u>(69,189)</u>	<u>(7,399)</u>
<b>Financing activities</b>		
Issuance of common shares	85,820	-
Repayment of advances	(13,500)	-
<b>Net cash generated by financing activities</b>	<u>72,320</u>	<u>-</u>
<b>Net change in cash</b>	3,131	(7,399)
<b>Cash at beginning of period</b>	<u>11,140</u>	<u>9,265</u>
<b>Cash at end of period</b>	<u>14,271</u>	<u>1,866</u>

**Supplemental cash flow information** - See Note 6

*The accompanying notes are an integral part of these condensed interim financial statements.*

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2019**  
*(Unaudited - Expressed in Canadian Dollars)*

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**1. Nature of Operations and Going Concern**

Aguila American Gold Limited (the “Company”) is listed and traded on the TSX Venture Exchange (“TSXV”) under the symbol “AGL”, the OTCBB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the Symbol “AGP”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

During the six months ended October 31, 2019 the Company incurred a net loss of \$86,189 and, as at October 31, 2019, the Company had a working capital deficit of \$304,792 and an accumulated deficit of \$27,823,741. The Company has no significant assets and is dependent on ongoing advances from its officers and shareholders. Further funding will be required to fund existing levels of operations and administration, retire its indebtedness as they come due and conduct due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to identify, acquire and develop properties and to establish future profitable production.

**2. Basis of Preparation**

***Statement of Compliance***

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2019, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company’s financial statements for the year ended April 30, 2019 other than the adoption of IFRS 16 - *Leases* (“IFRS 16”).

***Changes in Accounting Policies - IFRS 16***

The Company adopted all of the requirements of IFRS 16, effective May 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no impact on the Company’s condensed interim financial statements upon the adoption of this new standard.

***Basis of Measurement***

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The condensed interim financial statements are presented in Canadian dollars unless otherwise stated.

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2019**  
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**3. Advances**

	October 31, 2019 \$	April 30, 2019 \$
Advances	<u>100,000</u>	<u>113,500</u>

Advances have been provided from private companies controlled or affiliated with the Company's interim CEO and are currently without specific terms of interest or repayment. During the six months ended October 31, 2019 the Company repaid \$13,500 of advances owing.

**4. Share Capital**

(a) *Authorized Share Capital*

The Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

*Six Months Ended October 31, 2019*

No financings were conducted by the Company during the six months ended October 31, 2019.

*Fiscal 2019*

During fiscal 2019 the Company completed a non-brokered private placement of 200,000 units at \$0.12 per unit for \$24,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share of the Company at an exercise price of \$0.16 per share expiring April 30, 2020.

A private company owned by an officer and director of the Company purchased 150,000 units for \$18,000.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2019 and 2018 and the changes for the six months ended on those dates is as follows:

	<u>2019</u>		<u>2018</u>	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	542,500	0.37	581,260	0.71
Exercised	(200,000)	0.16	-	-
Expired	<u>-</u>	-	<u>(238,760)</u>	1.00
Balance, end of period	<u>342,500</u>	0.50	<u>342,500</u>	0.50

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2019**  
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**4. Share Capital (continued)**

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at October 31, 2019:

Number	Exercise Price \$	Expiry Date
185,000	0.50	March 10, 2021
<u>157,500</u>	0.50	March 24, 2021
<u>342,500</u>		

(d) **Share Option Plan**

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the six months ended October 31, 2019 the Company granted share options to purchase 294,000 common shares and recorded compensation expense of \$38,220. The fair value of share options granted was estimated using the Black-Scholes Option Pricing Model using the following assumptions: risk-free interest rate of 1.42%; estimated volatility of 87%; expected life of 3 years; expected dividend yield of 0%; and expected forfeiture rate of 0%.

The weighted average measurement date fair value of all share options granted during the six months ended October 31, 2019, using the Black-Scholes Option Pricing Model, was \$0.13 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

No share options were granted during the six months ended October 31, 2018.

A summary of the Company's share options at October 31, 2019 and 2018 and the changes for the six months ended on those dates, is as follows:

	<u>2019</u>		<u>2018</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	49,500	0.50
Granted	294,000	0.23	-	-
Exercised	<u>(234,000)</u>	0.23	<u>-</u>	-
Balance, end of period	<u>60,000</u>	0.23	<u>49,500</u>	0.50

As at October 31, 2019 there were options outstanding and exercisable, to purchase 60,000 common shares at an exercise price of \$0.23 per share expiring July 23, 2022.

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**5. Related Party Transactions and Balances**

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the six months ended October 31, 2019 and 2018 the following amounts were incurred with respect to the Company's sole executive officer who holds the positions of interim Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"):

	2019 \$	2018 \$
Professional fees	18,000	18,000
Share-based compensation	<u>14,820</u>	<u>-</u>
	<u>32,820</u>	<u>18,000</u>

As at October 31, 2019 \$154,350 (April 30, 2019 - \$160,650) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

(i) During the six months ended October 31, 2019 and 2018 the following amounts were incurred by the Company with respect to non-executive directors of the Company:

	2019 \$	2018 \$
Professional fees	6,000	6,000
Share-based compensation	<u>15,600</u>	<u>-</u>
	<u>21,600</u>	<u>6,000</u>

As at October 31, 2019 \$69,482 (April 30, 2019 - \$91,082) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

(ii) During the six months ended October 31, 2019 the Company incurred \$9,550 (2018 - \$6,700) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by the interim CEO of the Company. As at October 31, 2019 \$526 (April 30, 2019 - \$4,924) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2019 the Company also recorded \$7,800 share-based compensation for share options granted to Chase.

(iii) See also Note 3.

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2019**  
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**6. Supplemental Cash Flow Information**

Non-cash activities conducted by the Company during the six months ended October 31, 2019 and 2018 are as follows:

	2019 \$	2018 \$
Financing activities		
Transfer on exercise of share options	30,420	-
Share-based payment reserve	<u>(30,420)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**7. Financial Instruments and Risk Management**

***Categories of Financial Assets and Financial Liabilities***

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (“FVOCI”); and amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	October 31, 2019 \$	April 30, 2019 \$
Cash	FVTPL	14,271	11,140
Accounts payable and accrued liabilities	Amortized cost	(227,982)	(257,136)
Loan and advances	Amortized cost	(100,000)	(113,500)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, accounts payable and accrued liabilities and loans and advances approximate their fair value due to their short-term nature. The Company’s fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

***Credit Risk***

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

**AGUILA AMERICAN GOLD LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**7. Financial Instruments and Risk Management (continued)**

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

<b>Contractual Maturity Analysis at October 31, 2019</b>					
	<b>Less than 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Cash	14,271	-	-	-	14,271
Accounts payable and accrued liabilities	(227,982)	-	-	-	(227,982)
Advances	(100,000)	-	-	-	(100,000)
<b>Contractual Maturity Analysis at April 30, 2019</b>					
	<b>Less than 3 Months</b>	<b>3 - 12 Months</b>	<b>1 - 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Cash	11,140	-	-	-	11,140
Accounts payable and accrued liabilities	(257,136)	-	-	-	(257,136)
Advances	(113,500)	-	-	-	(113,500)

*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. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. As at October 31, 2019 the Company did not have any significant amounts in foreign currencies and considers foreign currency risk insignificant.

**Capital Management**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties or evaluate business opportunities which may become available. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.