
AGUILA AMERICAN GOLD LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
OCTOBER 31, 2020

(Unaudited - Expressed in Canadian Dollars)

**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, 2020 \$	April 30, 2020 \$
ASSETS			
Current assets			
Cash		2,602,563	21,759
GST receivable		17,540	8,668
Prepays		<u>54,468</u>	<u>1,678</u>
Total current assets		<u>2,674,571</u>	<u>32,105</u>
Non-current assets			
Exploration and evaluation assets	3	<u>81,482</u>	<u>-</u>
Total non-current assets		<u>81,482</u>	<u>-</u>
TOTAL ASSETS		<u>2,756,053</u>	<u>32,105</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	106,628	245,850
Advances	4	<u>-</u>	<u>118,856</u>
TOTAL LIABILITIES		<u>106,628</u>	<u>364,706</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	29,205,769	26,055,130
Share-based payments reserve		1,659,809	1,477,619
Deficit		<u>(28,216,153)</u>	<u>(27,865,350)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		<u>2,649,425</u>	<u>(332,601)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		<u>2,756,053</u>	<u>32,105</u>

Nature of Operations - see Note 1

Events after the Reporting Period - see Note 9

These condensed interim financial statements were approved for issue by the Board of Directors on December 18, 2020 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
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 COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended October 31,		Six Months Ended October 31,	
		2020 \$	2019 \$	2020 \$	2019 \$
Expenses					
Accounting and administration	6(b)(ii)	18,100	5,300	28,100	9,550
Audit		-	7,000	6,667	7,000
Corporate development		24,468	-	24,468	-
Executive and director compensation	6	33,000	12,000	46,580	24,000
Legal		28,734	-	28,734	-
Office		3,931	296	4,629	774
Professional fees		20,108	-	20,108	-
Regulatory fees		2,000	4,079	4,529	5,379
Share-based compensation	5(d)	182,190	-	182,190	38,220
Shareholder costs		1,882	-	1,882	-
Transfer agent		4,788	664	6,160	1,398
		<u>319,201</u>	<u>29,339</u>	<u>354,047</u>	<u>86,321</u>
Loss before other items		<u>(319,201)</u>	<u>(29,339)</u>	<u>(354,047)</u>	<u>(86,321)</u>
Other items					
Interest income		2,900	90	3,138	132
Interest expense		-	-	(1,373)	-
Foreign exchange		1,623	-	1,479	-
		<u>4,523</u>	<u>90</u>	<u>3,244</u>	<u>132</u>
Net loss and comprehensive loss for the period		<u>(314,678)</u>	<u>(29,249)</u>	<u>(350,803)</u>	<u>(86,189)</u>
Basic and diluted loss per common share		<u>\$(0.02)</u>	<u>\$(0.01)</u>	<u>\$(0.04)</u>	<u>\$(0.03)</u>
Basic and diluted weighted average number of common shares outstanding		<u>13,017,007</u>	<u>3,178,985</u>	<u>9,396,830</u>	<u>2,978,107</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)

Six Months Ended October 31, 2020					
Common Shares		Share-Based Payments Reserve	Deficit	Total Equity (Deficiency)	
Number of Shares	Amount \$				
Balance at April 30, 2020	3,238,985	26,055,130	1,477,619	(27,865,350)	(332,601)
Common shares issued for cash:					
- private placements	16,812,556	3,179,225	-	-	3,179,225
- warrants exercised	150,000	20,400	-	-	20,400
Share issue costs	-	(48,986)	-	-	(48,986)
Share-based compensation	-	-	182,190	-	182,190
Net loss for the period	-	-	-	(350,803)	(350,803)
Balance at October 31, 2020	20,201,541	29,205,769	1,659,809	(28,216,153)	2,649,425

Six Months Ended October 31, 2019					
Common Shares		Share-Based Payments Reserve	Deficit	Total Equity (Deficiency)	
Number of Shares	Amount \$				
Balance at April 30, 2019	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 for the period	-	-	-	(86,189)	(86,189)
Balance at October 31, 2019	3,178,985	26,033,530	1,485,419	(27,823,741)	(304,792)

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,	
	2020 \$	2019 \$
Operating activities		
Net loss for the period	(350,803)	(86,189)
Adjustments for:		
Interest expense	1,373	-
Share-based compensation	182,190	38,220
Changes in non-cash working capital items:		
GST receivable	(8,872)	2,334
Prepays	(52,790)	5,600
Accounts payable and accrued liabilities	<u>(139,222)</u>	<u>(29,154)</u>
Net cash used in operating activities	<u>(368,124)</u>	<u>(69,189)</u>
Investing activity		
Exploration and evaluation assets expenditures	<u>(81,482)</u>	<u>-</u>
Net cash used in investing activity	<u>(81,482)</u>	<u>-</u>
Financing activities		
Issuance of common shares	3,199,625	85,820
Share issue costs	(48,986)	-
Repayment of advances and accrued interest	<u>(120,229)</u>	<u>(13,500)</u>
Net cash provided by financing activities	<u>3,030,410</u>	<u>72,320</u>
Net change in cash	2,580,804	3,131
Cash at beginning of period	<u>21,759</u>	<u>11,140</u>
Cash at end of period	<u>2,602,563</u>	<u>14,271</u>

Supplemental cash flow information - See Note 7

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, 2020
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Aguila American Gold Limited (the “Company”) is listed and traded on the TSX Venture Exchange (“TSXV”) under the symbol “AGL”, the OTCQB 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.

As at October 31, 2020 the Company had working capital of \$2,567,943 and considers that it has adequate resources to maintain anticipated levels of corporate administration and budgeted exploration activities for the next twelve months. The Company’s operations are typically funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. 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.

The global outbreak of a novel coronavirus identified as “COVID-19”, has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries in which the Company may conduct future mineral interests or business acquisitions to fight the virus.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments which could be material to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern. In addition, these condensed interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to October 31, 2020.

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, 2020, 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, 2020.

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
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3. Exploration and Evaluation Assets

	Total \$
Balance at April 30, 2020	<u>-</u>
Exploration costs	
Drilling deposit	19,842
Geological	23,981
Travel	2,457
Vehicle rental	<u>1,454</u>
	<u>47,734</u>
Acquisition cost	
Option payment	<u>33,748</u>
Balance at October 31, 2020	<u>81,482</u>

Effective December 27, 2017, as amended, Mawson Gold Limited (“Mawson”) entered into an agreement (the “WUSA Option Agreement”) whereby it was granted the option to lease and to conduct exploration on mineral rights (the “WUSA Gold Project”) located in Oregon, USA. Pursuant to the agreement Mawson had agreed to pay an annual option to lease payments (adjusted for inflation) of:

- Option Year 1 - US \$100,000 (paid);
- Option Year 2 - payments of US \$25,000 (the “August Payment”) on or before August 1, 2020 and US \$75,000 on or before February 1, 2021; and
- Option Year 3 - US \$25 per acre. The option lease payment will be determined by the acreage.

Mawson was also required to expend minimum annual exploration expenditures as follows:

- Option Year 1 - US \$500,000, which was met as at November 30, 2018;
- Option Year 2 - US \$750,000, of which a minimum of US \$200,000 shall be completed on or before December 31, 2020, and the remaining US \$550,000 on or before December 31, 2021;
- Option Year 3 - US \$1,000,000; and
- Option Year 4 - US \$1,000,000.

On July 27, 2020 Mawson entered into an agreement with the Company, whereby it granted the Company the right to earn up to an 80% interest in the WUSA Gold Project. The Company may earn an initial 51% interest by funding a minimum of US \$200,000 in exploration expenditures by December 31, 2020 and making the August Payment (paid) to the landholder. The Company can then earn an additional 29% interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022. The Company has also agreed to make all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

The Company and Mawson have a director in common.

4. Advances

	October 31, 2020 \$	April 30, 2020 \$
Advances	-	115,000
Accrued interest	-	3,856
	<u>-</u>	<u>118,856</u>

Advances had been previously provided from private companies controlled or affiliated with the Company’s CFO. During fiscal 2020 the Company received further advances of \$48,500 and repaid \$47,000. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During the six months ended October 31, 2020 the Company repaid \$120,229, representing the \$115,000 principal and \$5,229 of accrued interest.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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5. 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, 2020

- (i) On June 11, 2020 the Company completed a non-brokered private placement of 3,000,000 units at \$0.10 per unit, for total proceeds of \$300,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.13 per share on or before June 11, 2022. Directors and officers of the Company purchased a total of 1,205,000 units of the private placement.
- (ii) On June 25, 2020 the Company completed a non-brokered private placement of 1,905,000 units at \$0.105 per unit, for total proceeds of \$200,025. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.14 per share on or before June 25, 2022. Directors and officers of the Company purchased a total of 1,260,000 units of the private placement.
- (iii) On September 25, 2020 the Company completed a non-brokered private placement of 11,907,556 units at \$0.225 per unit, for total proceeds of \$2,679,200. Each unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.45 per share on or before September 25, 2022. The Company paid finders' fees of \$14,850. Directors and officers of the Company and close family members purchased a total of 434,000 units of the private placement.

The Company incurred a total of \$34,136 for legal and other costs associated with these private placements.

Fiscal 2020

No financings were conducted by the Company during fiscal 2020.

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2020 and 2019 and the changes for the six months ended those dates is as follows:

	2020		2019	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	342,500	0.50	542,500	0.37
Issued	8,406,278	0.38	-	-
Exercised	(150,000)	0.14	(200,000)	0.16
Balance, end of period	8,598,778	0.37	342,500	0.50

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5. 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, 2020:

Number	Exercise Price \$	Expiry Date
185,000	0.50	March 10, 2021
157,500	0.50	March 24, 2021
1,440,000	0.13	June 11, 2022
862,500	0.14	June 25, 2022
<u>5,953,778</u>	0.45	September 25, 2022
<u>8,598,778</u>		

See also Note 9(b).

(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, 2020 the Company granted share options to purchase 814,000 (2019 - 294,000) common shares and recorded compensation expense of \$182,190 (2019 - \$38,220).

The fair value of share options granted during the six months ended October 31, 2020 and 2019 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2020</u>	<u>2019</u>
Risk-free interest rate	0.29%	1.42%
Estimated volatility	84%	87%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options granted during the six months ended October 31, 2020, using the Black-Scholes Option Pricing Model, was \$0.22 (2019 - \$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.

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5. Share Capital (continued)

A summary of the Company's share options at October 31, 2020 and 2019 and the changes for the six months ended on those dates, is as follows:

	2020		2019	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	-	-
Granted	814,000	\$0.36	294,000	0.23
Exercised	-	-	(234,000)	0.23
Balance, end of period	814,000	\$0.36	60,000	0.23

The following table summarizes information about the share options outstanding and exercisable at October 31, 2020:

Number Outstanding	Exercise Price \$	Expiry Date
450,000	0.32	August 18, 2023
364,000	0.40	August 18, 2023
814,000		

See also Note 9(a).

6. 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, 2020 the Company incurred \$40,580 (2019 - \$18,000) executive compensation with respect to the Company's executive officers who hold the positions of Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (formerly also the Interim CEO). As at October 31, 2020, \$28,730 (April 30, 2020 - \$170,100) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2020 the Company also recorded \$94,710 (2019 - \$14,820) share-based compensation for share options granted to executive officers.

(b) *Transactions with Other Related Parties*

(i) During the six months ended October 31, 2020 the Company incurred \$6,000 (2019 - \$6,000) for compensation to non-executive directors of the Company. As at October 31, 2020 \$33,926 (April 30, 2020 - \$75,482) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2020 the Company also recorded \$31,500 (2019 - \$15,600) share-based compensation for share options granted to non-executive directors.

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6. Related Party Transactions and Balances (continued)

(ii) During the six months ended October 31, 2020 the Company incurred \$28,100 (2019 - \$9,550) for accounting and administration services provided by Chase Management Ltd. (“Chase”), a private company owned by the CFO of the Company. As at October 31, 2020 \$14,600 (April 30, 2020 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

During the six months ended October 31, 2020 the Company also recorded \$3,780 (2019 - \$7,800) share-based compensation for share options granted to Chase.

(iii) See also Notes 3, 4 and 5.

7. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the six months ended October 31, 2020 and 2019 are as follows:

	2020 \$	2019 \$
Financing activities		
Transfer on exercise of share options	-	30,420
Share-based payment reserve	-	(30,420)
	<u>-</u>	<u>-</u>

8. 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, 2020 \$	April 30, 2020 \$
Cash	FVTPL	2,602,563	21,759
Accounts payable and accrued liabilities	Amortized cost	(106,628)	(245,850)
Advances	Amortized cost	-	(118,856)

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.

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8. Financial Instruments and Risk Management (continued)

The recorded amounts for cash, accounts payable and accrued liabilities 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.

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.

	Contractual Maturity Analysis at October 31, 2020				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	2,602,563	-	-	-	2,602,563
Accounts payable and accrued liabilities	(106,628)	-	-	-	(106,628)
	Contractual Maturity Analysis at April 30, 2020				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	21,759	-	-	-	21,759
Accounts payable and accrued liabilities	(245,850)	-	-	-	(245,850)
Advances	(118,856)	-	-	-	(118,856)

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's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At October 31, 2020, 1 Canadian Dollar was equal to 0.75 US Dollar.

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8. Financial Instruments and Risk Management (continued)

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	23,787	31,716
Accounts payable and accrued liabilities	<u>(15,652)</u>	<u>(20,869)</u>
	<u>8,135</u>	<u>10,847</u>

Based on the net exposures as of October 31, 2020 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$1,100 higher (or lower).

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.

9. Events after the Reporting Period

- (a) On November 6, 2020 the Company granted share options to purchase a total of 1,090,000 common shares at an exercise price of \$0.32 per share expiring November 6, 2023.
- (b) Subsequent to October 31, 2020 the Company issued a total of 25,000 common shares on the exercise of warrants for proceeds of \$3,250.