DURANGO RESOURCES INC.
(An Exploration Company)
CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

FOR THE PERIOD ENDED OCT 31, 2019
(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the 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 independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

Durango Resources Inc.
(An Exploration Stage Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Oct 31, 2019 (Unaudited)	Jul 31, 2019 (Audited)
Assets		
Current		
Cash	$ 230,224	$ 324,854
Amounts receivable	28,861	25,819
	259,085	350,673
Exploration and evaluation assets (Note 4)	414,524	412,743
Reclamation bond	20,000	20,000
Total assets	$ 693,609	$ 783,416
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 80,839	$ 89,595
Due to related parties (Note 7)	40,326	22,873
Flow-through premium (Notes 5 and 9)	30,000	30,000
	151,164	142,468
Shareholders' equity		
Share capital (Note 5)	7,244,350	7,244,350
Contributed surplus (Note 5)	693,373	693,373
Deficit	(7,395,278)	(7,296,775)
	542,445	640,948
Total liabilities and shareholders' equity	$ 693,609	$ 783,416

Nature of business and going concern (Note 1)
Commitments (Notes 4 and 9)

Approved and authorized by the Board on December 28, 2019.

"Marcy Kiesman"
Director

"Aimee Ward"
CFO

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

Durango Resources Inc.
(An Exploration Stage Company)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)

	Period ended Oct 31,	
	2019	2018
Administrative expenses		
Business Consultants (Note 7)	**$ 69,780**	$ 38,000
Directors' Fees (Note 7)	**5,000**	4,000
Internet and Website	**2,250**	
Investor Relations & Conferences	**-**	15,072
Listing and Transfer Agent Fees	**3,392**	1,195
Meals	**551**	1,016
Office & Miscellaneous	**6,420**	2,921
Professional Fees (Note 7)	**7,682**	3,133
Rent (Note 8)	**2,625**	2,625
Share-based Payments (Notes 5 and 7)		12,075
Travel	**803**	465
Loss before other items	**(98,503)**	(80,502)
Other Items		
Realized Gain (Loss) on Available for sale investments	**-**	(72,000)
	-	(72,000)
Net loss for the period	**(98,503)**	(152,502)
Weighted average number of shares outstanding	**39,014,093**	37,766,019

The accompanying notes are an integral part of these financial statements

Durango Resources Inc.
(An Exploration Stage Company)
STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars)

	Period ended Oct 31, 2019	2018
Cash provided by (used in)		
Operating activities		
Net gain (loss) for the year	$ (98,503)	$ (152,502)
Items not affecting cash		
Share-based payments	-	12,075
Realized (gain) loss on investments	-	72,000
	(98,503)	(68,427)
Changes in non-cash working capital balances		
Amounts receivable	(3,042)	(63,006)
Due to related parties	17,453	41,230
Accounts payable and accrued liabilities	(8,756)	(161,170)
	(92,849)	(251,373)
Investing activities		
Exploration and evaluation costs	(1,781)	(186,902)
Proceeds from issuance of common shares	-	27,500
	(1,781)	(159,402)
Increase (decrease) in cash	(94,630)	(410,775)
Cash, beginning of period	324,854	456,411
Cash, end of period	$ 230,224	$ 45,636
Supplemental cash flow information		
Interest paid (received)	$ -	$ -
Income taxes paid	$ -	$ -

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

Durango Resources Inc.
(An Exploration Stage Company)
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital					
	Shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
Balance, July 31, 2017	**37,766,019**	**$ 6,966,543**	**$ 590,198**	**$ 22,500**	**$ (4,551,713)**	**$ 3,027,528**
Share-based payments	-	-	44,500	-	-	44,500
Other comprehensive loss	-	-	-	(238,500)	-	(238,500)
Net income (loss) for the year	-	-	-	-	(18,094)	(18,094)
Balance, July 31, 2018	**37,766,019**	**6,966,543**	**634,698**	**(216,000)**	**(4,569,807)**	**2,815,434**
Impact of adopting IFRS 9 on August 1, 2018	-	-	-	216,000	(216,000)	-
Balance, August 1, 2018	**37,766,019**	**6,966,543**	**634,698**	**-**	**(4,785,807)**	**2,815,434**
Shares issued for exploration and evaluation assets	500,000	27,500				**27,500**
Share-based payments			12,075			**12,075**
Net income (loss) for the period					**(152,502)**	**(152,502)**
Balance, October 31, 2018	**38,266,019**	**6,994,043**	**- 646,773**	**- - -**	**(4,938,309)**	**2,702,507**
Shares issued for flow-through private placement	2,002,222	180,200	-	-	-	**180,200**
Shares issued for non flow-through private placement	1,334,759	100,107	-	-	-	**100,107**
Flow-through premium	-	(30,000)	-	-	-	**(30,000)**
Share-based payments	-	-	46,600	-	-	**46,600**
Net income (loss) for the period	-	-	-	-	**(2,358,466)**	**(2,358,466)**
Balance, July 31, 2019	**41,603,000**	**7,244,350**	**693,373**	**-**	**(7,296,775)**	**640,948**
Net income (loss) for the period	-	-	-	-	**(98,503)**	**(98,503)**
Balance, Oct 31, 2019	**41,603,000**	**$ 7,244,350**	**$ 693,373**	**$ -**	**$ (7,395,278)**	**$ 542,445**

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

1. Nature of Business and Going Concern

Durango Resources Inc. (the "Company") was incorporated on August 21, 2006 under the British Columbia Company Act and is listed on the TSX Venture Exchange under the symbol "DGO". The Company is engaged in the business of exploring precious and base mineral properties in Canada. At Oct 31, 2019, the Company is considered an exploration stage company. The head office and principal address of the Company is Suite 248, 515 West Pender Street, Vancouver, British Columbia, V6B 6H5.

These financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at Oct 31, 2019, the Company has not recognized revenue, has working capital of $107,921 (July 31, 2018 – $208,205), has accumulated operating losses of $7,395,278 (July 31, 2018 – $7,296,775) since its inception, and has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continuation of the Company is dependent upon the continuing financial support of shareholders, obtaining long-term financing to complete exploration and development and the existence of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims and upon future profitable production. While the Company is expanding its best efforts to achieve the above plans, there is significant doubt regarding the outcome of these matters. Based on its current plans, budgeted expenditures, and cash requirements, the Company does have sufficient cash to finance its current plans. The Company expects that it may need to raise additional capital to accomplish its business plan over the next several years. The Company may seek additional financing through equity financing. There can be no assurance as to the availability or terms upon which such financing might be available. These material uncertainties may cast significant doubt about the ability of the Company's going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might arise from this uncertainty.

2. Basis of Presentation

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. Significant Accounting Policies

Significant Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and impairment charge, if any, of the exploration and evaluation assets.
ii) The estimated amounts of reclamation and environmental obligations.

Critical Accounting Judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company's management made the following critical accounting judgments:

i) The determination of deferred tax assets and liabilities recorded in the financial statements.
ii) The determination of whether technical feasibility and commercial viability can be demonstrated for its exploration and evaluation assets. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. As at October 31, 2019 management had determined that no reclassification of exploration and evaluation assets was required.
iii) The Company's ability to continue as a going concern, as disclosed in Note 1.

3. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash, bank deposits, cashable guaranteed investment certificates and all highly liquid investments with a maturity of three months or less at the date of purchase. Due to the short time to maturity of cash equivalents, their carrying amounts approximate their fair value.

Exploration and Evaluation Assets

The Company is in the exploration stage in respect to its exploration and evaluation assets.

Pre-exploration costs are expensed in the year in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors and depreciation on property and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Where the Company has entered into option agreements for the acquisition of an interest in exploration and evaluation assets which provided for periodic payments, such amounts unpaid are not recorded as a liability since they are payable entirely at the Company's discretion. Although the Company has taken steps to verify title to the exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company’s title. The exploration and evaluation assets may be subject to prior undetected agreements or transfers and title may be affected by such defects.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written-off to profit or loss.

The Company assesses exploration and evaluation assets for impairment at each reporting date.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mine development cost”. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

Any incidental revenue earned in connection with exploration activities is applied as a reduction to capitalized exploration costs. Any operational income earned in connection with exploration activities is recognized in profit or loss.

Mineral exploration and evaluation expenditures are classified as intangible assets.

3. Significant Accounting Policies (continued)

Exploration and Evaluation Assets (continued)

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the farmee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized. However, for corporate income tax purposes, the Company has no right to claim these costs as tax-deductible expenses.

Mining exploration tax credits for certain exploration expenditures incurred in BC and Quebec are treated as a reduction of the exploration and development costs of the respective resource property. The amounts are recorded in the year received.

A full list of all the Significant Accounting Policies can be found in the Annual Audited Financial Statements dated November 28, 2019 as filed on www.sedar.com.

4. Exploration and Evaluation Assets

	Mayner's Fortune	GT Claims	Dianna Lake	Trove	Windfall Lake	Decouverte	Nemaska Claims	Total
	BC		Sask	Quebec				
Balance, July 31, 2018	**98,358**	**55,610**	**287,299**	**-**	**209,343**	**1,254,004**	**56,148**	**1,960,762**
Acquisition costs								
Cash payments	2,000	-	-	-	13,809	9,316	1,501	26,626
Shares issued	-	-	-	-	27,500	-	-	27,500
Current year additions	2,000	-	-	-	41,309	9,316	1,501	54,126
Deferred exploration costs	-							
Assay & Exploration	10,274	-	266	230,653	-	64,881	-	306,074
Professional Services	-	-	-	-	-	-	-	-
Current year additions	10,274	-	266	230,653	-	64,881	-	306,074
Tax credit and cost recovery	-	(6,230)	-	-	-	-	-	(6,230)
Write-off of costs	-	(49,380)	(287,565)	-	(236,843)	(1,328,201)	-	(1,901,989)
Balance, July 31, 2019	**$ 110,632**	**$ -**	**$ -**	**$ 230,653**	**$ 13,809**	**$ -**	**$ 57,649**	**$ 412,743**
Acquisition costs								
Cash payments		-	-	-				-
Shares issued	-	-	-	-				-
Current year additions	-	-	-	-	-	-	-	-
Deferred exploration costs	-							
Assay & Exploration		-		737	1,044		-	1,781
Professional Services	-	-	-				-	-
Current year additions	-	-	-	737	1,044	-	-	1,781
Tax credit and cost recovery	-		-	-	-	-	-	-
Write-off of costs	-						-	-
Cost recovery	-	-	-	-	-	-	-	-
Balance, Oct 31, 2019	**$ 110,632**	**$ -**	**$ -**	**$ 231,390**	**$ 14,853**	**$ -**	**$ 57,649**	**$ 414,524**

4. Exploration and Evaluation Assets (continued)

Mayner's Fortune, British Columbia claims

In July 2015, the Company entered into an agreement for the acquisition of the Mayner's Fortune property situated in northern British Columbia. Consideration was the issuance of 1,400,000 common shares and 125,000 common shares as a finder's fee (issued). No exploration was completed on the property during the period ended October 31, 2019.

Dianna Lake, Saskatchewan

On April 20, 2016, the Company entered into an agreement to acquire 100% of the 131 hectare Dianna Lake silver project located in northern Saskatchewan near Uranium City. Terms of the agreement are to pay $150,000 to an arm's length vendor upon completion of a financing (paid), and a further $150,000 upon achieving a National Instrument 43-101 with an indicated resource of a minimum of 50,000 ounces of silver. During the year ended July 31, 2019, the property was written down to zero..

Trove, Quebec claims

On August 25, 2010, the Company signed an agreement for the acquisition of the Trove Property situated in Quebec. Consideration included a $12,000 cash payment (paid), the issuance of 2,500,000 common shares (issued) over a period of two years and $125,000 work commitment to be completed by August 25, 2012. Finder's fees of 250,000 shares were issued. During the year ended July 31, 2013, the Company wrote off the capitalized costs of $351,986 to a zero balance. During the year ended July 31, 2016, the Company wrote off an additional $2,506 in property maintenance costs, as the Company did not have the funds to complete a substantial work plan on the property. During the year ended July 31, 2018, the Company booked a cost recovery of $ 897,433 due to an option agreement which was signed with BonTerra Resources Inc. ("BonTerra").

The Company entered into an agreement with BonTerra on March 30, 2017, to option up to 100% of the property. To earn a 100% interest in the Trove Property BonTerra must complete all of the following terms:

- BonTerra must pay Durango $150,000 in cash and issue to Durango 1,500,000 BonTerra common shares within two business days of the date the TSX Venture Exchange approves of the transaction (received);
- On or before the first anniversary of the closing date, BonTerra must pay Durango a further $150,000 in cash and issue to Durango an additional 1,500,000 common shares (received);
- On or before the second anniversary of the closing date, BonTerra must pay Durango $200,000 and complete a minimum of $1,000,000 in exploration expenditures, upon which BonTerra will have exercised its option and full title of the property will be transferred from Durango to BonTerra; and
- BonTerra will issue an additional 2,000,000 common shares to Durango as a discovery bonus if, and when, BonTerra produces a technical report compliant with National Instrument 43-101 showing a minimum of 500,000 ounces in inferred resource of gold.

The BonTerra Resources option on the Trove Property in Windfall lake was terminated on October 11, 2018 leaving Durango with 100% ownership of the claims. During the period ended Oct 31, 2019, $737 in exploration expenditures were completed on the property.

4. Exploration and Evaluation Assets (continued)

Windfall, Quebec claims
In February 2017, the Company entered into an agreement for the acquisition of the Windfall Lake Trilogy which are 2,600 hectares in size and are located in the Windfall Lake gold camp area of northern Quebec. Consideration included the issuance of 1,000,000 common shares (issued) and 100,000 finder's fees (issued). During the year ended July 31, 2018 the Company incurred $76,557 in exploration expenditures for a till sampling and mapping program. Additional claims were acquired in the area for a deemed cost of $27,500 (500,000 common shares). The Company decided to focus on a portion of the claims; accordingly wrote off a portion of the capitalized cost in the year ended July 31, 2019. During the period ended Oct 31, 2019, $1,044 in exploration expenditures were completed on the property.

Decouverte, Quebec claims
On November 10, 2010, the Company entered into an agreement for the acquisition of the Decouverte Property situated in Quebec. Consideration included the issuance of 2,750,000 common shares (issued) and a $200,000 work commitment to be completed one year from TSXV approval. The Company owns 100% of the property. During the year ended July 31, 2018 the Company incurred $498,667 in exploration expenditures on drilling a portion of the property. During the year ended July 31, 2019, the property was written down to zero.

Nemaska claims/NMX East, Quebec claims
During the year ended July 31, 2015, the Company staked 383 hectares in northern Quebec. During the year ended July 31, 2016, the Company staked and purchased additional claims. During the year ended July 31, 2018, $600 was spent on exploration for the NMX East and the surrounding Nemaska properties in relation to the completion of a phase I exploration program which entailed mapping and sampling of lithium bearing pegmatites. The Company decided to focus on a portion of the claims; accordingly wrote off a portion of the capitalized cost in the year ended July 31, 2018. No exploration was completed on the property during the period ended October 31, 2019.

5. Share Capital

Authorized: Unlimited number of common shares without par value

a. During the period ended October 31, 2019, the company had no share capital transactions.

b. During the year ended July 31, 2019, the Company:

   i. Issued 500,000 common shares for property in the Windfall Lake area of Quebec adjoining the East (Barry Lake) claims for a fair value of $27,500.
   ii. Completed a non-brokered private placement and issued flow-through units at a price of $0.09 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.15 for a period of twelve months from the closing date. The first tranche of 2,002,222 units closed on March 29, 2019 for gross proceeds of $180,200. 145,911 agent's warrants were granted and a flow-through premium of $30,000 was recognized upon the issuance.

5. Share Capital (continued)

iii. Completed a non-brokered private placement and issued non flow-through units at a price of $0.075 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.125 for a period of three years from the closing date. The first tranche of 401,666 units closed on March 29, 2019 for gross proceeds of $30,125. The second tranche of 933,093 units closed on July 23, 2019 for gross proceeds of $69,982.

c. Stock options

The Company has adopted an incentive stock option plan, whereby options may be granted from time to time to directors, officers, employees and consultants of the Corporation with common shares to be reserved for issuance as options not to exceed 10% of the issued and outstanding common shares with no one individual being granted options for more than 5% of the issued and outstanding common shares. Stock options granted have a maximum term of ten years according to the TSX Venture rules. The fair value of each grant of stock options during the year ended July 31, 2019, was estimated on the date of grant using the Black-Scholes option valuation model with the following assumptions:

July 31, 2019	**Weighted Average**
Estimated life	3 years
Share price at date of grant	$0.06
Option exercise price	$0.07
Risk-free interest rate	2.11%
Estimated annual volatility	100%
Option fair value	$0.04
Fair value	$51,000

July 31, 2018	
Estimated life	2.26 years
Share price at date of grant	$0.08
Option exercise price	$0.10
Risk-free interest rate	1.84%
Estimated annual volatility	100%
Option fair value	$0.04
Fair value	$54,000

5. Share Capital (continued)

c. Stock options (continued)

The expected volatility was determined based on the volatility of companies in the same industry with similar size and transactions.

Stock Options Outstanding

	Number of Shares	Weighted Average Exercise Price
Outstanding July 31, 2018	**2,800,000**	**0.110**
Expired/Cancelled	(1,100,000)	0.13
Granted	1,450,000	0.07
Outstanding July 31, 2019	**3,150,000**	**$ 0.08**
Outstanding October 31, 2019	**3,150,000**	**$ 0.08**

A summary of the Company's options outstanding and exercisable at October 31, 2019 is as follows:

Number of options outstanding	Number of options exercisable	$ per share	Expiry date
200,000	200,000	$0.075	February 7, 2020
750,000	750,000	$0.10	February 18, 2020
550,000	550,000	$0.10	May 17, 2020
200,000	200,000	$0.10	June 25, 2021
650,000	587,000	$0.06	September 17, 2021
600,000	600,000	$0.07	December 4, 2021
200,000	200,000	$0.07	December 12, 2021
3,150,000	**3,087,000**	**$0.08**	1.46 ears

5. Share Capital (continued)

d. Warrants

Warrants Outstanding

	Number of Warrants	Weighted Average Exercise Price
Outstanding July 31, 2018	**5,005,152**	**0.10**
Issued	3,482,892	0.14
Outstanding July 31, 2019	**8,488,044**	**$ 0.12**
Outstanding Oct 31, 2019	**8,488,044**	**$ 0.12**

On April 15, 2019 the Company received approval from the TSX Venture to extend the expiry dates of existing warrants that had respective expiry dates of June 7, 9, and 20, 2019 by two years to June 7, 9, and 20, 2021. The $0.10 exercise price and all other terms of the 2017 warrants will remain unchanged for the extended exercise period.

A summary of the Company's warrants outstanding and exercisable at October 31, 2019 is as follows:

Number of warrants outstanding	$ per share	Expiry date
2,823,485	$0.100	June 7, 2021
1,066,667	$0.100	June 9, 2021
1,115,000	$0.100	June 20, 2021
2,148,133	$0.150	March 29, 2020
401,666	$0.125	March 29, 2022
933,093	$0.125	July 22, 2022
8,488,044	**$0.120**	

6. Capital Disclosures

The Company includes cash and equity, comprising of issued common shares, contributed surplus, accumulated other comprehensive income and deficit, in the definition of capital.

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, exploration and development of mineral properties. 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

6. Capital Disclosures

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended October 31, 2019. The Company is not subject to externally imposed capital requirements.

7. Related Party Transactions

The following transactions with related parties have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

Key management personnel compensation

For the period ended October 31,	2019	2018
Consulting fees with a company controlled by the President of the Company	$ 30,000	$ 30,000
Share based payments to directors		7,000
Rental fees with a company with a common director of the Company	2,625	2,625
Director's fees	5,000	4,000
	$ 37,625	$ 43,625

As at October 31, 2019 and 2018, amounts due to related parties $40,325 (2018 - $9,000) were owed to the CEO, CFO and directors of the Company. The amounts due are non-interest bearing, unsecured, and due on demand.

8. Non-cash Financing and Investing Transactions

For the period ended October 31,	2019	2018
Common shares issued for exploration and evaluation	$ -	$ 27,500

9. Commitments

The Company entered into a contract on June 1, 2017 with Steveston Finance, wholly owned by the President (Marcy Kiesman) of the Company. The contract obligates the Company to pay $10,000 per month for management services until terminated.

The Company entered into a consulting agreement on December 5, 2018 with the CFO of the company that includes change of control clause. In the case of a change of control, the officer is entitled to an amount equal to twelve times the monthly cash payment. As at July 31, 2019, the monthly cash payment under the agreement is $2,000 per month.

The Company entered into an office lease agreement on September 10, 2013 with a corporation with a common director. The contract obligates the Company to pay rent of $875 per month on a year-to-year basis.

On March 29, 2019 the Company issued a total of 2,002,222 flow through units pursuant to a non-brokered private placement for gross proceeds of $180,200. The Company is committed to incur a total of $180,200 of qualifying Canadian Exploration Expenses (“CEE”) on or before March 29, 2021, as prescribed under the Income Tax Act of Canada. During the year ended July 31, 2019, the Company incurred around $114,463 of CEE. At October 31, 2019, the Company has remaining unspent flow-through commitment of $51,504.

10. Financial Instruments

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and currency risk.

a. Credit risk

The Company is exposed to credit risk by holding cash. The maximum exposure to credit risk is equal to the carrying value of the financial assets. This risk is minimized by holding the investments in large Canadian financial institutions or with Canadian governments. The Company has minimal accounts receivable exposure, and its various refundable credits are due from Canadian governments.

b. Interest rate risk

The Company is exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations.

c. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources. As at July 31, 2019 the Company was holding cash of $324,854 to satisfy accounts payable and due to related parties of $112,468. The Company plans to obtain cash inflows from share capital financings. There can be no guarantee that management’s efforts to raise additional funds will be successful.

10. Financial Instruments

a. Commodity price risk

The Company's ability to raise capital to develop its mineral properties is subject to risks associated with fluctuations in the market prices of precious metals, graphite, base metals and rare earth elements.

b. Currency rate risk

The Company's functional currency is the Canadian dollar. There is no significant foreign exchange risk to the Company. The Company does not engage in any form of derivative or hedging instruments.

11. Subsequent Events

On November 28, 2019 the Company completed a non-brokered private placement and issued 625,000 BC flow through units at a price of $0.08 per unit. Each unit consisted of one common share and one share purchase warrant exercisable at $0.125 until November 28, 2021.