

ZINCORE METALS INC.



For the Nine Months Ended  
September 30, 2021 and 2020

**Condensed Consolidated  
Interim Financial Statements  
(Unaudited)**



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## NOTICE TO READER

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These condensed consolidated interim financial statements of Zincore Metals Inc. have been prepared by management, reviewed by the Audit Committee, and approved and authorized for issue by the Board of Directors of the Company on November 26, 2021. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to the condensed consolidated interim financial statements and the related quarterly Management Discussion and Analysis.



## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

IN CANADIAN DOLLARS

As at	SEPTEMBER 30, 2021	DECEMBER 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalent	\$ 18,928	\$ 107,044
Prepaid and other receivables	6,656	3,053
<b>Total Assets</b>	<b>\$ 25,584</b>	<b>\$ 110,097</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 752,387	\$ 767,361
Promissory note	437,527	405,833
Other liabilities	-	32,428
Shareholder loan – current (note 5, 8)	548,774	548,387
	1,738,688	1,754,009
<b>Equity</b>		
Share capital (note 3)	57,015,123	57,015,123
Reserves	11,871,066	11,871,957
Deficit	(70,599,293)	(70,530,992)
	(1,713,104)	(1,643,912)
<b>Total Equity and Liabilities</b>	<b>\$ 25,584</b>	<b>\$ 110,097</b>

Nature and continuance of operations (note 1)  
Commitments (note 6)

Approved by the Board of Directors

"Adam Ho", Director

"Sam Wong", Director

See accompanying Notes to the Condensed Consolidated Interim Financial Statements



## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

IN CANADIAN DOLLARS

	THREE MONTHS ENDED SEPTEMBER 30, 2021	THREE MONTHS ENDED SEPTEMBER 30, 2020	NINE MONTHS ENDED SEPTEMBER 30, 2021	NINE MONTHS ENDED SEPTEMBER 30, 2020
<b>Expenses</b>				
General exploration expense	\$ -	\$ (10,187)	\$ -	\$ (31,853)
Consulting and management fee (note 8)	(9,000)	(15,000)	(27,000)	(51,000)
Foreign exchange gain	(15,585)	10,441	(3,452)	(13,974)
Legal and accounting	(13,292)	(5,942)	(34,406)	(47,557)
General administration	(4,935)	(7,722)	(21,042)	(22,910)
Interest expenses	(10,811)	(11,101)	(30,848)	(55,311)
Gain on debt settlement	16,019	10,460	48,447	10,460
Loss before undernoted item	(37,604)	(29,051)	(68,301)	(212,145)
Other income	-	236,964	-	236,964
<b>Net loss</b>	(37,604)	207,913	(68,301)	24,819
Other comprehensive income:				
Foreign currency translation differences in foreign operations	(25,333)	13,388	(891)	(20,407)
Total comprehensive income (loss)	\$ (62,937)	\$ 221,301	\$ (69,192)	\$ 4,412
Loss per share - basic and diluted	\$ (0.00)	0.01	\$ (0.00)	\$ 0.00
Weighted average number of shares outstanding – basic and diluted	19,106,338	19,106,338	19,106,338	19,106,338
Total shares issued and outstanding	19,106,338	19,106,338	19,106,338	19,106,338

See accompanying Notes to the Condensed Consolidated Interim Financial Statements



## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

IN CANADIAN DOLLARS

	THREE MONTHS ENDED SEPTEMBER 30, 2021	THREE MONTHS ENDED SEPTEMBER 30, 2020	NINE MONTHS ENDED SEPTEMBER 30, 2021	NINE MONTHS ENDED SEPTEMBER 30, 2020
<b><u>OPERATING ACTIVITIES</u></b>				
Net income (loss) before income taxes	\$ (37,604)	\$ 207,913	\$ (68,301)	\$ 24,819
Items not involving cash:				
Gain on debt settlement	(16,019)	(10,460)	(48,447)	(10,460)
Accretion expense – loan	-	284	-	8,418
Foreign exchange	15,585	(10,441)	3,452	13,974
	(38,038)	187,296	(113,296)	36,751
Change in non-cash operating working capital items:				
Prepaid and other receivables	2,985	707	(3,603)	908
Accounts payable and accrued liabilities	34,627	31,153	28,783	171,731
<b>Cash from (used in) operating activities</b>	<b>(426)</b>	<b>219,156</b>	<b>(88,116)</b>	<b>209,390</b>
<b><u>FINANCING ACTIVITIES</u></b>				
Proceeds from promissory note	-	-	-	6,814
<b>Cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,814</b>
Increase in cash and cash equivalents during the period	(426)	219,156	(88,116)	216,204
Cash at beginning of period	19,354	79	107,044	3,031
Cash at end of period	\$ 18,928	\$ 219,235	\$ 18,928	\$ 219,235

See accompanying Notes to the Condensed Consolidated Interim Financial Statements



## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

IN CANADIAN DOLLARS

	SHARE CAPITAL		RESERVES			DEFICIT	TOTAL
	NUMBER OF SHARES (NOTE 3)	AMOUNT	SHARE-BASED PAYMENT RESERVE	WARRANTS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at December 31, 2020	19,106,338	\$ 57,015,123	\$ 4,585,368	\$ 4,898,537	\$ 2,388,052	\$ (70,530,992)	\$ (1,643,912)
Net loss	-	-	-	-	-	(68,301)	(68,301)
Other comprehensive income	-	-	-	-	(891)	-	(891)
Balance at September 30, 2021	19,106,338	\$ 57,015,123	\$ 4,585,368	\$ 4,898,537	\$ 2,387,161	\$ (70,599,293)	\$ (1,713,104)
Balance at December 31, 2019	19,106,338	\$ 57,015,123	\$ 4,585,368	\$ 4,898,537	\$ 2,374,760	\$ (70,249,514)	\$ (1,375,726)
Net gain	-	-	-	-	-	24,819	24,819
Other comprehensive income	-	-	-	-	(20,407)	-	(20,407)
Balance at September 30, 2020	19,106,338	\$ 57,015,123	\$ 4,585,368	\$ 4,898,537	\$ 2,354,353	\$ (70,224,695)	\$ (1,371,314)

See accompanying Notes to the Consolidated Financial Statements



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the Nine months ended September 30, 2021 and 2020 (all items are in Canadian dollars except as otherwise notes)

## 1/ NATURE AND CONTINUANCE OF OPERATIONS

Zincore Metals Inc. ("Zincore" or the "Company") located at 1166 Alberni Street, Suite 1201, Vancouver BC, V6E 3Z3, is an exploration company focused on the identification, acquisition, exploration, evaluation and development of zinc and related base metals projects in Peru. Its primary objective is to define economically feasible projects through focused exploration and to develop, joint venture, or sell properties of economic merit. As at the close of December 31, 2020, the Company no longer holds any exploration properties.

These consolidated financial statements have been prepared on a going concern basis. Zincore does not generate cash flows from operations and accordingly, Zincore will need to raise additional funds through future issuance of securities, loans or other financing. Although Zincore has been successful in raising funds in the past, there can be no assurance Zincore will be able to raise sufficient funds in the future, in which case Zincore may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if Zincore will attain a profitable level of operations. At September 30, 2021, Zincore has incurred cumulative losses of \$70,599,293 (December 31, 2020 — \$70,530,992) since inception and has negative working capital totalling \$1,713,104 (December 31, 2020 - \$1,643,912) and is unable to pay all of its commitments as they come due. The Company is currently pursuing its alternatives for financing, including potential partnerships. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Should Zincore be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statements of consolidated financial position.

The Company was incorporated as Peru Zinc Corporation on September 21, 2005 in the Province of British Columbia. The Company subsequently changed its name to Southern Zinc Corporation on April 26, 2006 and to Zincore Metals Inc. on June 5, 2006. In November 2006, Zincore completed an initial public offering and commenced trading on the Toronto Stock Exchange ("TSX"). In May 2010, the Company's shares were approved for trading on the Lima Stock Exchange, or Bolsa de Valores de Lima ("BVL"). On March 20, 2015, the Company announced that it had applied for voluntary delisting of its shares from the TSX and concurrently applied for a listing on the NEX, a separate board of the TSX-V. At market close on March 30, 2015, the Company's shares ceased to trade on the TSX and commenced trading on the NEX at market open on March 31, 2015 under the symbol "ZNC.H". Given that the Company's listing on the BVL was conditional in part on a TSX or TSX-V listing, the Company's shares ceased to trade on the BVL during the first quarter of 2015. Zincore shares are not differentiated based on the exchange they are bought or sold on. Accordingly, shareholders who purchased shares on the BVL are still able to complete transactions on the NEX subject to the capabilities of their broker/dealer. On July 26, 2016, the Company's shares commenced trading on the NEX, on a consolidated basis at the open of market. The Company's name and trading symbol (ZNC.H) remain the same.

On January 21, 2019, the Company announced that it had entered into a Letter of Intent ("LOI") dated January 13, 2019 with Mines & Metals Trading (Peru) PLC, ("MMTP") Upon successful completion of the proposed acquisition of the securities of MMTP (the "Transaction"), it was anticipated that the Company (the "Resulting Issuer") will be listed as a Tier 2 issuer on the TSX Venture Exchange ("TSX-V"). On September 1, 2020, the reverse takeover transaction of Zincore by MMTP, as originally announced January 21, 2019 was mutually terminated. The Company will now resume its search for ways to best create value for its shareholders and will update the market as information becomes available. The Company's common stock is currently halted for trading due to the MMTP transaction, which has been subsequently discontinued. The Company is currently working towards obtaining approval to resume trading.

### **COVID-19**

During March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by almost all levels of government in Canada and around the World 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, however, it has gotten demonstrably more difficult to conduct normal business tasks and source potential financing. 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 to fight the virus.

As at December 31, 2020, the Company has adopted proper safety protocols in respect to these regulations and does not expect any significant impact on its operations. However, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations in the future.



## 2/ ACCOUNTING POLICIES

### (A) BASIS OF PREPARATION

#### Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2020.

The Company’s management makes judgements in its process of applying the Company’s accounting policies in the preparation of its audited annual consolidated financial statements. In addition, the preparation of the financial data requires that the Company’s management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

These interim consolidated financial statements were authorized by the Board of Directors on November 26, 2021.

### (B) BASIS OF CONSOLIDATION

These unaudited consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries. All amounts are expressed in Canadian dollars, unless otherwise stated. The principal subsidiaries of Zincore and their geographic locations at September 30, 2021 were as follows:

	JURISDICTION	NATURE OF OPERATIONS	SEPTEMBER 30, 2021 OWNERSHIP %	DECEMBER 31, 2020 OWNERSHIP %
Zincore Metals Inc.	Canada	Holding company	100%	100%
Polymex Resources Ltd.	Canada	Holding company	100%	100%
Antacollo SAC	Peru	Exploration company	100%	100%
Exploraciones Collasuyo S.A.C	Peru	Exploration company	100%	100%

Intercompany transactions and balances between the Company and its subsidiaries are eliminated.

### (C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of new standards, and amendments to standards and interpretations, were not yet effective for the nine months ended September 30, 2021 and have not been early adopted in preparing these consolidated financial statements. These new standards, and amendments to standards and interpretations were either not applicable or are not expected to have material impact on the company’s condensed consolidated interim financial statements.

## 3/ SHARE CAPITAL

### A) COMMON SHARES

The authorized share capital of the Company consists of an unlimited number of common shares without par value, an unlimited number of first preferred shares without par value, and an unlimited number of second preferred shares without par value. For nine months ended September 30, 2021 and December 31, 2020, no common shares or preferred shares were issued.



## B) SHARE PURCHASE OPTION COMPENSATION PLAN

The Company has a share purchase option plan providing for the issuance of options that shall not at any time exceed 10% of the total number of issued and outstanding common shares of the Company as at the date of grant of the options. The Company may grant options to directors, officers, employees, consultants and other personnel of the Company or any of its subsidiaries. The exercise price of each option is set at the discretion of the Board, subject to any Exchange regulations. The option vesting periods are established by the Board of Directors or Exchange policies if applicable. Options may not be granted for a term exceeding ten years and all options granted to date have been for a term of five years.

As at September 30, 2021, the Company had 688,000 (December 31, 2020 – 688,000) stock options outstanding with a weighted average exercise price of \$0.15 (December 31, 2020 - \$0.15) per option.

The following table summarizes the outstanding stock options as at:

	AT SEPTEMBER 30, 2021		AT DECEMBER 31, 2020	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	688,000	\$ 0.15	848,000	\$ 0.17
Expired and cancelled	-	\$ -	(160,000)	\$ 0.25
Outstanding at end of period and date of report	688,000	\$ 0.15	688,000	\$ 0.15
Exercisable at end of period and date of report	688,000	\$ 0.15	688,000	\$ 0.15

EXPIRY DATE	NUMBER OF OPTIONS OUTSTANDING	EXERCISE PRICE	REMAINING YEARS	NUMBER OF OPTIONS EXERCISABLE
November 13, 2022	688,000	\$0.15	1.12	688,000
	688,000	\$0.15	1.12	688,000

During the nine months ended September 30, 2021, the Company recognized \$nil (2020 - \$nil) as share-based compensation expense.

## 4/ SEGMENTED INFORMATION

The Company operates in one reportable operating segment, the acquisition and exploration of mineral properties in three main geographic locations as follows:

Nine months ended September 30, 2021	Canada	Peru	Bermuda	Total
Cash	\$ 13,866	\$ 5,062	\$ -	\$ 18,928
Prepaid and other receivables	6,656	-	-	6,656
Total assets	\$ 20,522	\$ 5,062	\$ -	\$ 25,584
Total current liabilities	802,112	936,576	-	1,738,688
Net loss	(67,013)	(1,288)	-	(68,301)
Nine months ended September 30, 2020	Canada	Peru	Bermuda	Total
Cash	\$ 179,478	\$ 39,757	\$ -	\$ 219,235
Prepaid and other receivables	2,096	-	-	2,096
Total assets	\$ 181,574	\$ 39,757	\$ -	\$ 221,331
Total current liabilities	833,547	722,292	36,806	1,592,645
Net loss	(137,279)	190,967	(28,869)	(24,819)



Period ended September 30, 2021	Canada	Peru	Bermuda	Total
Nine months loss	\$ (67,013)	\$ (1,288)	\$ -	\$ (68,301)
Three months loss	(40,501)	2,897	-	(37,604)
Period ended September 30, 2020	Canada	Peru	Bermuda	Total
Nine months income (loss)	\$ (137,278)	\$ 181,345	\$ (19,248)	\$ 24,819
Three months income (loss)	(18,707)	226,466	154	207,913

## 5/ RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries and key management. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

Short-term employee benefits include salaries payable within twelve months of the statement of financial position date and other annual employee benefits.

The Company incurred the following expenses with related parties during the nine months ended September 30, 2021 and 2020:

- As at September 30, 2021, the Company had \$548,774 (December 31, 2020 - \$548,387) of shareholder loans outstanding and \$145,542 (December 31, 2020 - \$145,439) of unpaid CEO consulting fees outstanding which are included in accounts payable and accrued liabilities.
- For the nine months ended September 30, 2021, the Company recorded \$27,000 (2020 - \$51,000) of consulting fees for the services provided by the CFO.
- For the nine months ended September 30, 2021, the Company recorded \$9,000 (2020 - \$nil) of director's fees.
- As at September 30, 2021, related party accounts payable was \$205,800 (December 31, 2020 - \$161,700), which includes unpaid consulting fees with related parties.

## 6/COMMITMENTS

- As part of the convertible debenture settlement with First Quantum in fiscal 2017, the Company is required to maintain Directors and Officers Insurance over the next 6 years (until February 2023). The Company's committed obligation is \$9,600 for September 30, 2022.

	WITH 1 YEAR	OVER 1 YEAR	TOTAL
D&O Insurance	9,600	4,000	13,600

## 7/ MANAGEMENT OF CAPITAL RISK

The capital structure of the Company consists of equity attributable to common shareholders, comprising share capital, reserves and deficit. Its capital resources consist of cash and cash equivalents. The Company manages its capital to fund its exploration and development expenditures and corporate costs with the primary objective of maintaining adequate liquidity within the Company to safeguard its ability to continue as a going concern while minimizing dilution to current equity holders.

The capital of the Company consists of items included in shareholders' equity, net of cash and cash equivalents as follows:

	SIX MONTHS ENDED SEPTEMBER 30, 2021	YEAR ENDED DECEMBER 31, 2020
Total equity for owners	\$ (1,713,104)	\$ (1,643,912)
Less: cash and cash equivalent	(18,928)	(107,044)
	(1,732,032)	(1,750,956)



To effectively manage its resources and minimize risk the Company maintains the majority of its capital at the parent company level and funds activities in its operating subsidiaries through a monthly cash call process. The Company prepares annual expenditure budgets that are updated as necessary depending on factors including success of programs and general industry conditions. The budget and any revisions to it are approved by the Board of Directors (the “Board”).

The Company maintains an investment policy that specifies the investment products and credit exposures permitted relating to the short-term investments of the Company’s cash (the “Cash Investment Policy”).

The Company is not subject to any externally imposed capital requirements and it does not have exposure to asset-backed commercial paper or similar products.

## 8/ MANAGEMENT OF FINANCIAL RISK

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk and price risk (including currency and interest rate risks). The risk related to financial instruments is managed by the senior management of the Company under policies and directions approved by the Board. Relevant policies include the Cash Investment Policy and the approval allowing a portion of the Company’s cash to be held in United States dollars at the discretion of the Chief Financial Officer. The Board monitors these policies on a quarterly basis. The Company’s Board has not approved the use of derivative financial products.

### A) FAIR VALUE ESTIMATION

The fair values of the Company’s cash and cash equivalents, prepaid and other receivables and accounts payable approximate their carrying values due to their short term nature. The Company’s financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk with respect to currency risk and interest risk. The following table summarize the Company’s financial instruments as at September 30, 2021 and December 31, 2020:

	SEPTEMBER 30, 2021		DECEMBER 31, 2020	
	Carrying Amount (\$)	Fair Value (\$)	Carrying Amount (\$)	Fair Value (\$)
<b>FINANCIAL ASSETS</b>				
Fair value through profit or loss				
Cash and cash equivalents	18,928	18,928	107,044	107,044
<b>FINANCIAL LIABILITIES</b>				
Accounts payable and accrued liabilities	752,387	752,387	767,361	767,361
Shareholder loan	548,774	548,774	548,387	548,387
Promissory note	437,527	437,527	405,833	405,833
Other liabilities	-	-	32,428	32,428

Financial instruments disclosure requires a statement of the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of fair value are:

- Level 1     Unadjusted quoted prices in active markets for identical assets and liabilities
- Level 2     Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and;
- Level 3     Inputs that are not based on observable market data Fair values of financial instruments

The Company has classified all of its financial assets at Level 1.

Accounts payables and accrued liabilities and other liabilities are classified as other financial liabilities.



Shareholder loans and promissory note are presented on an amortized cost basis and will be accreted to its face amount over the term to maturity of the loan at an effective interest rate.

#### B) LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements as well as its planned capital expenditures. The Company manages its financial resources to ensure that there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase exploration plans or budgets depending on current or projected liquidity. When appropriate, the Company will seek joint venture partners in order to fund or share in the funding of its exploration properties to minimize shareholder risk. The Company's cash assets are held in demand accounts in Canada and Peru.

The Company is continuously evaluating alternatives in order to raise additional capital to increase liquidity and to cut costs where possible, but there's no certainty that additional capital will be raised. As at September 30, 2021, cash and cash equivalents was \$18,928 (December 31, 2020 - \$107,044).

#### C) CURRENCY RISK

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds its cash resources principally in Canadian dollars with a secondary amount held in U.S. dollars and incurs expenses principally in U.S. dollars with smaller exposures mainly to Peruvian soles and Canadian dollars. A weakening Canadian dollar relative to these currencies increases the Company's reported expenses and increases its deferred mineral property investments. However, a weakening Canadian dollar results in a foreign exchange gain on the Company's non-Canadian monetary assets.

As at September 30, 2021, a 10% weakening in the U.S. dollar relative to the Canadian dollar would increase the net gain by approximately \$149,346 (December 31, 2020 - \$146,586) with a 10% strengthening having the opposite effect.

#### D) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash and cash equivalents, as at September 30, 2021 and December 31, 2020, there's no material impact if there is a 1% increase or decrease in short term rates.

#### E) CREDIT RISK

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash. The carrying amount of the financial assets represents the maximum credit exposure. The Company's cash is held through large Canadian financial institutions.