



**Anfield Energy Inc.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**

**(Expressed in Canadian Dollars - unaudited)**

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

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the 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 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**Anfield Energy Inc.**  
**Condensed Consolidated Statements of Financial Position**  
**(Expressed in Canadian Dollars - unaudited)**

	Notes	September 30, 2021	December 31, 2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 5,394,820	\$ 1,787,225
Receivables		7,300	13,138
Due from related parties	9	422,000	-
Subscriptions receivable		-	39,500
Prepays		63,823	255,545
Marketable securities	3	49,475	45,241
		<b>5,937,418</b>	<b>2,140,649</b>
<b>Non-current Assets</b>			
Insurance Premium	5	395,358	239,343
Prepaid reclamation bond	4,5	12,215,825	9,008,917
Evaluation and exploration assets	5	13,388,562	12,502,160
		<b>25,999,745</b>	<b>21,750,420</b>
<b>Total Assets</b>		<b>\$ 31,937,163</b>	<b>\$ 23,891,069</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	946,906	1,265,516
Due to related parties	9	87,942	702,167
Promissory note	6	-	25,464
Amounts owing on asset acquisition - current	5	22,888,908	21,919,349
		<b>23,923,756</b>	<b>23,912,496</b>
<b>Long-term liabilities</b>			
Asset retirement obligation	4	19,467,500	19,125,678
		<b>19,467,500</b>	<b>19,125,678</b>
<b>Total Liabilities</b>		<b>43,391,256</b>	<b>43,038,174</b>
<b>Equity</b>			
Share capital	8	59,479,164	47,181,651
Stock option reserve	8	4,456,417	2,711,927
Warrant reserve	8	686,698	511,838
Foreign exchange reserve	8	516,084	427,451
Deficit		(76,592,456)	(69,979,972)
<b>Total Equity</b>		<b>(11,454,093)</b>	<b>(19,147,105)</b>
<b>Total Equity and Liabilities</b>		<b>\$ 31,937,163</b>	<b>\$ 23,891,069</b>

Going concern (Note 1)

Subsequent events (Note 13)

Approved on behalf of the Board of Directors:

*"Corey Dias"*

Chief Executive Officer

*"Joshua Bleak"*

Director

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

**Anfield Energy Inc.**  
**Condensed Consolidated Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars - unaudited)**

	Notes	For the three months ended		For the nine months ended	
		Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
<b>Expenses</b>					
Exploration and evaluation expenditures	5	\$ 730,370	\$ 748,602	\$ 1,722,390	\$ 1,400,895
General and administrative	9	356,068	588,620	2,030,577	1,523,159
Business development		-	35,000	5,000	35,000
Investor relations		4,227	6,750	20,179	21,831
Share based compensation	9	1,782,030	337,870	1,782,030	337,870
(Gain) loss on foreign exchange		(26,630)	(115,261)	(206,070)	160,646
		<b>2,846,065</b>	<b>1,601,581</b>	<b>5,354,106</b>	<b>3,479,401</b>
<b>Other Items</b>					
Accretion expense for asset retirement obligations	4	(112,244)	(88,459)	(324,669)	(266,207)
Accretion expense for long term debt	5	(105,488)	(177,811)	(343,984)	(545,122)
Unrealized gain (loss) on marketable securities	3	1,832	-	7,243	-
Adjustment on amount owing on asset acquisition	5	-	-	-	27,934
Interest expense	5,6	(205,260)	(212,725)	(596,968)	(648,624)
<b>Net loss</b>		<b>\$ (3,267,225)</b>	<b>\$ (2,080,576)</b>	<b>\$ (6,612,484)</b>	<b>\$ (4,911,420)</b>
<b>Other comprehensive loss</b>					
Other comprehensive loss that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(294,181)	313,472	88,633	(300,791)
<b>Total comprehensive loss</b>		<b>\$ (3,561,406)</b>	<b>\$ (1,767,104)</b>	<b>\$ (6,523,851)</b>	<b>\$ (5,212,211)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>
<b>Weighted average shares outstanding</b>		<b>286,086,376</b>	<b>119,026,576</b>	<b>230,207,552</b>	<b>97,207,741</b>

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

**Anfield Energy Inc.**  
**Condensed Consolidated Statement of Changes in Equity**  
**(Expressed in Canadian Dollars - unaudited)**

	Notes	Number of Shares	Amount	Stock Option Reserve	Warrant Reserve	Foreign exchange reserve	Deficit	Total Equity
<b>Balance as at December 31, 2019</b>		<b>74,652,826</b>	<b>\$ 41,829,560</b>	<b>\$ 2,481,623</b>	<b>\$ 367,142</b>	<b>\$ 61,436</b>	<b>\$ (62,586,960)</b>	<b>\$ (17,847,229)</b>
Shares issued - private placement, net share issue cost	8	27,373,717	1,434,071	-	14,682	-	-	1,448,753
Shares issued for debt	8	4,000,000	245,000	-	-	-	-	245,000
Options expired		-	-	(107,566)	-	-	107,566	-
Comprehensive loss for the period		-	-	-	-	(614,263)	(2,830,844)	(3,445,107)
<b>Balance as at June 30, 2020</b>		<b>106,026,543</b>	<b>43,508,631</b>	<b>2,374,057</b>	<b>381,824</b>	<b>(552,827)</b>	<b>(65,310,238)</b>	<b>(19,598,583)</b>
<b>Balance as at December 31, 2020</b>		<b>172,642,774</b>	<b>47,181,651</b>	<b>2,711,927</b>	<b>511,838</b>	<b>427,451</b>	<b>(69,979,972)</b>	<b>(19,147,105)</b>
Shares issued - private placement, net share issue cost		49,395,296	3,715,699	-	213,286	-	-	3,928,985
Shares issued for bonus	8,9	6,308,026	567,054	-	-	-	-	567,054
Shares issued for consulting	8	4,000,000	340,000	-	-	-	-	340,000
Shares issued for debt	8	741,974	74,197	-	-	-	-	74,197
Shares issued for mineral property	8	5,000,000	800,000	-	-	-	-	800,000
Warrants exercised	8	64,832,679	6,695,523	-	(38,426)	-	-	6,657,097
Options exercised	8	675,000	105,040	(37,540)	-	-	-	67,500
Stock based compensation	8,9	-	-	1,782,030	-	-	-	1,782,030
Comprehensive loss for the period		-	-	-	-	88,633	(6,612,484)	(6,523,851)
<b>Balance as at September 30, 2021</b>		<b>303,595,749</b>	<b>\$ 59,479,164</b>	<b>\$ 4,456,417</b>	<b>\$ 686,698</b>	<b>\$ 516,084</b>	<b>\$ (76,592,456)</b>	<b>\$ (11,454,093)</b>

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

**Anfield Energy Inc.**  
**Condensed Consolidated Statement of Cash Flows**  
**(Expressed in Canadian Dollars - unaudited)**

	For the nine months ended	
	Sept. 30, 2021	Sept. 30, 2021
<b>Cash Flows from Operating Activities</b>		
Net loss from continuing operations	\$ (6,612,484)	\$ (4,911,420)
Adjustments for non-cash items:		
Accretion of asset retirement obligation	324,669	266,207
Accretion of long term debt	343,984	545,122
Foreign exchange	(41,182)	165,362
Reclamation deposit	(3,115,273)	-
Shares issued for management bonuses	567,054	-
Shares issued for services	340,000	-
Adjustment on amount owing on asset acquisition	-	(27,934)
Interest on amounts owing on acquisition	596,968	645,325
Unrealized loss on investment	(7,244)	-
Share based compensation	1,782,030	337,870
Changes in non-cash working capital:		
Sales tax receivable	5,838	(7,107)
Prepays and deposits	35,707	(261,989)
Accounts payable and accrued liabilities	(318,610)	748,348
Interest paid	-	(1,327)
Due to related parties	(540,028)	247,758
<b>Net cash flows used in operating activities</b>	<b>(6,638,571)</b>	<b>(2,253,785)</b>
<b>Financing activities</b>		
Proceeds from share issuances, net of issuance costs	3,928,985	2,290,842
Subscription received	39,500	-
Exercise of warrants	6,235,097	-
Exercise of options	67,500	-
Promissory note repayment	(24,916)	(27,172)
<b>Net cash flow from financing activities</b>	<b>10,246,166</b>	<b>2,263,670</b>
<b>Increase in cash</b>	<b>3,607,595</b>	<b>9,885</b>
<b>Cash, beginning</b>	<b>1,787,225</b>	<b>22,541</b>
<b>Cash, ending</b>	<b>\$ 5,394,820</b>	<b>\$ 32,426</b>

**Supplementary Information - Non-Cash Transactions**

Shares issued for debt	\$ 74,197	\$ 614,500
Shares issued for mineral property	\$ 800,000	\$ -

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

## **1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS**

Anfield Energy Inc. (the “Company”) is a publicly listed company incorporated in British Columbia on July 12, 1989. The Company’s shares are listed on the TSX Venture Exchange (“TSX.V”) under the symbol “AEC”, the OTCQB Marketplace under the symbol “ANLDF”, and the Frankfurt Stock Exchange under the symbol “OAD”. The Company is engaged in mineral development and production.

The Company’s head office and its registered and records offices are located at Suite 2005, 4390 Grange Street, Burnaby, British Columbia, V5H 1P6.

These condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2021 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred a loss of \$6,612,484 during the nine months ended September 30, 2021 and had an accumulated deficit of \$76,592,456 as at September 30, 2021. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration and development activities and its ability to attain profitable operations and generate funds therefrom and or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares or the issuance of debt. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. Management continues to monitor the impact of the pandemic on all aspects of its business but anticipates that it may impact its ability to raise financing.

## **2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION**

### **a) BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

### a) BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONT'D)

The condensed consolidated interim financial statements do not include all of the information required of full annual financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020.

The condensed consolidated interim financial statements have been prepared on an accrual basis, based on historical costs. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

The policies set out below were consistently applied to all periods presented unless otherwise noted below. These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value.

### b) BASIS OF CONSOLIDATION

These consolidated financial statements comprise the accounts of the Company and its wholly-owned subsidiaries Equinox Exploration Holding Corp. ("EQX US"), Anfield Resources Holding Corp. ("ARC"), ARH Wyoming Corp. ("ARH Wyoming"), Highbury Resources Corp. ("Highbury") and Anfield Precious Metals Inc. ("APMI").

### c) SIGNIFICANT MANAGEMENT JUDGMENT AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

#### *Significant estimates and assumptions*

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of property, plant and equipment and exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, purchase price allocation and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (CONTINUED)

### c) SIGNIFICANT MANAGEMENT JUDGMENT AND ESTIMATES IN APPLYING ACCOUNTING POLICIES (CONT'D)

#### *Significant judgments*

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- Whether there are indicators of impairment of the Company's property, plant and equipment and exploration and evaluation assets; and
- The determination of future unfulfilled conditions or other contingencies which may result in a liability.

### d) ACCOUNTING STANDARDS

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## 3. MARKETABLE SECURITIES

Marketable securities consist of 2,000,000 shares of GTI Resources Limited ("GTI"), an Australian company listed on the Australian Securities Exchange, received upon the sale of two Utah leases (Note 5). The shares were initially recorded at a fair value of \$39,488 (AUD \$42,000). During the nine months ended September 30, 2021, the Company recorded an unrealized gain of \$7,243 (2020: \$Nil) and loss on foreign exchange difference of \$3,009 (2020: \$Nil) relating to the investment in GTI. The fair value of the shares at September 30, 2021 is \$49,475 (AUD \$54,000).

## 4. ASSET RETIREMENT OBLIGATIONS

Laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

### a) SHOOTARING MILL

The Company's determination of the environmental rehabilitation provision arising from the Shootaring Mill (Note 5) acquisition at September 30, 2021 was \$15,139,491 (US\$11,882,498) (December 31, 2020: \$14,873,662 (US\$11,682,110)). This estimate was based upon an undiscounted future cost of \$20,938,256 (US\$16,433,762), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2035.

#### 4. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

##### a) SHOOTARING MILL (CONT'D)

A continuity of the Company's provision for site reclamation and closure is as follows:

<b>Balance, December 31, 2019</b>	<b>\$</b>	<b>14,830,674</b>
Accretion		353,296
Foreign exchange		(310,308)
<b>Balance, December 31, 2020</b>	<b>\$</b>	<b>14,873,662</b>
Accretion		250,759
Foreign exchange		15,070
<b>Balance, September 30, 2021</b>	<b>\$</b>	<b>15,139,491</b>

##### b) WEST SLOPE PROJECT

The Company's determination of the environmental rehabilitation provision arising from the West Slope Project (Note 5) acquisition at September 30, 2021 was \$4,057,409 (US\$3,184,530) (December 31, 2020: \$3,986,168 (US\$3,130,826)). This estimate was based upon an undiscounted future cost of \$5,740,910 (US\$4,505,855), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2036.

On February 20, 2020, the Company signed a bonding agreement with Cotter, whereby Cotter issued a Letter of Credit (the "LOC") as required by applicable Government entities to facilitate the Company to obtain Replacement Surety Bonds (the "Bonds") for US\$2,400,000 (the "Principal") in connection to the West Slope Project. On or before the one-year anniversary date of the agreement (the "Anniversary Date"), the Company was required to pledge sufficient security under the Bonds to obtain the release of the LOC and pay US\$360,000 ("Replacement Fee"), equal to 15% of the Principal to Cotter. During the nine months ended September 30, 2021, the Company lifted the LOC issued by Cotter by making a cash collateral payment of US\$1,200,000 (\$1,550,260) to cover the entire US\$2,400,000 reclamation bond amount and US\$360,000 (\$453,708) payment for the Replacement Fee.

A continuity of the Company's provision for site reclamation and closure is as follows:

<b>Balance, December 31, 2019</b>	<b>\$</b>	<b>-</b>
Addition		3,986,168
Foreign exchange		-
<b>Balance, December 31, 2020</b>	<b>\$</b>	<b>3,986,168</b>
Accretion		67,203
Foreign exchange		4,038
<b>Balance, September 30, 2021</b>	<b>\$</b>	<b>4,057,409</b>

#### 4. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

##### c) PAPOOSE PROPERTY

The Company's determination of the environmental rehabilitation provision arising from the Papoose property (Note 5) acquisition at September 30, 2021 was \$270,600 (US\$212,384) (December 31, 2020: \$265,848 (US\$208,803)). This estimate was based upon an undiscounted future cost of \$341,685 (US\$268,178), an annual inflation rate of 3% and risk adjusted discount rate of 2.30%. The closure and reclamation expenditure is expected to be incurred in 2031.

A continuity of the Company's provision for site reclamation and closure is as follows:

<b>Balance, December 31, 2019</b>	<b>\$</b>	<b>-</b>
Addition		265,848
Foreign exchange		-
<b>Balance, December 31, 2020</b>	<b>\$</b>	<b>265,848</b>
Accretion		4,481
Foreign exchange		271
<b>Balance, September 30, 2021</b>	<b>\$</b>	<b>270,600</b>

#### 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS

As at September 30, 2021, the Company held interests in uranium exploration properties in Utah, Wyoming and Arizona ("Uranium Properties"); a uranium property in Wyoming and uranium/vanadium properties in Colorado known as the Highbury Project; uranium property Upper Maybelle in Saskatchewan, Canada and a gold project in Arizona also known as Newsboy Project. The Company also held interests in a copper exploration property in Arizona: North Star Property.

	Upper Maybelle	Newsboy	Highbury	Uranium Properties	Total
<b>Balance, December 31, 2019</b>	<b>\$ 874,000</b>	<b>\$ -</b>	<b>\$ 2,288,974</b>	<b>\$ 6,295,785</b>	<b>\$ 9,458,759</b>
ARO addition	-	-	4,252,016	-	4,252,016
Impairment	(874,000)	-	-	-	(874,000)
Sale of uranium leases	-	-	-	(174,277)	(174,277)
Foreign Exchange	-	-	(45,117)	(115,221)	(160,338)
<b>Balance, December 31, 2020</b>	<b>-</b>	<b>-</b>	<b>6,495,873</b>	<b>6,006,287</b>	<b>12,502,160</b>
Acquisition cost	-	850,000	-	-	850,000
Foreign exchange	-	27,566	4,591	4,245	36,402
<b>Balance, September 30, 2021</b>	<b>\$ -</b>	<b>\$ 877,566</b>	<b>\$ 6,500,464</b>	<b>\$ 6,010,532</b>	<b>\$ 13,388,562</b>

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

The following exploration and evaluation expenditures were included in comprehensive loss are as follows:

	Nine months ended Sept. 30,	
	2021	2020
Consulting	\$ 296,814	\$ 355,176
Sundry field	46,391	45,615
License, filing and insurance	1,379,185	1,000,104
<b>Total for the period</b>	<b>\$ 1,722,390</b>	<b>\$ 1,400,895</b>

### URANIUM PROPERTIES

#### **UTAH PROPERTIES**

On August 27, 2015, amended November 23, 2017, the Company closed an Asset Purchase Agreement and amendments, with Uranium One Americas Inc. ("Uranium One") to acquire the Shootaring Canyon uranium mill (the "Shootaring Mill") located in Utah, and a portfolio of conventional uranium assets including: Shootaring Mill, Velvet-Wood Project, Frank M Project, Wate and Findlay Tank Breccia Pipes, royalty portfolio and surface stockpiles. Considerations included cash and share payments totalling US\$7,500,000 to be paid to Uranium One and U.S. Energy Corp. ("US Energy").

Pursuant to the agreement, the Company was required to make additional payments of US\$5,000,000 in cash to be released as follows:

- (i) US\$2,500,000 to be paid upon 18 months of continuous commercial production;
- (ii) US\$2,500,000 to be paid upon 36 months of continuous commercial production.

Due to the uncertainty in the Company's ability to commence commercial production, a provision for the future cash payment has not been recorded.

#### *URANIUM ONE – USD \$5,000,000*

The Company issued a total of up to USD \$1,000,000 in shares to Uranium One and is to pay a total of up to USD \$4,000,000 cash consideration as follows:

- (i) US\$500,000 in shares due at closing August 27, 2015 (issued);
- (ii) US\$500,000 in shares issued on August 27, 2016 (issued);
- (iii) US\$1,000,000 (\$1,254,000) in cash on July 1, 2017 (paid);
- (iv) US\$1,000,000 (\$1,247,100) in cash paid earlier of January 31, 2018 or restart of commercial production; and
- (v) US\$2,000,000 (\$2,548,200) in cash paid earlier of July 1, 2019 or restart of commercial production.

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

### URANIUM PROPERTIES (CONT'D)

#### UTAH PROPERTIES (CONT'D)

The US\$1,000,000 payment due on January 31, 2018 has not been made. In accordance with the amendment, interest will be accrued from July 1, 2017 to March 1, 2018 at a rate of 4.95% per annum and 5.95% per annum from March 2, 2018 until payment is made in full. In May 2018, Anfield and Uranium One entered into an Agreement extension in which the US\$1,000,000 payment and related interest would be deferred until July 1, 2019. Further on July 1, 2019, Anfield and Uranium One entered into a subsequent Agreement extension in which the payment due will be deferred for an additional period of 90 days to September 30, 2019. As of September 30, 2021, the Company did not make the deferred payment to Uranium One in respect to the US\$1,000,000. However, the Company remains in negotiations with Uranium One with regard to reaching a comprehensive, mutually-beneficial outcome related to all outstanding debt. During the nine months ended September 30, 2021, the Company recorded interest expense of US\$44,503 (\$56,073) with respect to the US\$1,000,000 cash payment. As at September 30, 2021, the total interest payable with respect to the US\$1,000,000 cash payment is US\$246,149 (\$313,619).

The US\$2,000,000 payment due on July 1, 2019 has not been made. On July 1, 2019, the Company and Uranium One entered into an Agreement extension in which the payment due will be deferred for 90 days until September 30, 2019 and will accrue 5.95% per annum from July 1, 2019 until payment is made in full. As of September 30, 2021, the Company did not make the deferred payment to Uranium One in respect to the US\$2,000,000. However, the Company remains in negotiations with Uranium One with regard to reaching a comprehensive, mutually-beneficial outcome related to all outstanding debt. During the nine months ended September 30, 2021, the Company recorded interest expense of US\$89,005 (\$112,147) with respect to the US\$2,000,000 cash payment. As at September 30, 2021, the total interest payable with respect to the US\$2,000,000 cash payment is US\$267,668 (\$341,036).

During the year ended December 31, 2016, the Company and Uranium One had confirmed a payment due related to the overall reclamation bond value at the time of the closing of the 2015 Shootaring Mill acquisition. During the year ended December 31, 2020, the Company made an adjustment of US\$20,770 (\$27,934). The clarification confirmed an obligation to pay Uranium One US\$570,362 (\$726,698) on August 27, 2017 which became due and payable on January 31, 2018. The US\$570,362 payment due on January 31, 2018 has not been made. In accordance with the amendment, interest was accrued from August 27, 2017 to March 1, 2018 at a rate of 4.95% per annum and is currently accrued at 5.95% per annum from March 2, 2018 until repayment. In May 2018 Anfield and Uranium One entered into an Agreement extension in which the US\$570,362 payment and related interest would be deferred until July 1, 2019. Further on July 1, 2019, Anfield and Uranium One entered into a subsequent Agreement extension in which the payment due will be deferred for an additional period of 90 days until September 30, 2019. As of September 30, 2021, the Company did not make the deferred payment to Uranium One in respect to the US\$570,362 payment. However, the Company remains in negotiations with Uranium One with regard to reaching a comprehensive, mutually-beneficial outcome related to all outstanding debt. During the nine months ended September 30, 2021, the Company recorded interest expense of US\$25,383 (\$31,982) with respect to the US\$570,362 payment. As at September 30, 2021, the total interest payable with respect to the US\$570,362 payment is US\$135,985 (\$173,259).

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

### URANIUM PROPERTIES (CONT'D)

#### UTAH PROPERTIES (CONT'D)

##### *US ENERGY – USD \$2,500,000*

Concurrent with the abovementioned agreement, the Company, Uranium One and US Energy entered into an Amended Assignment and Assumption Agreement whereby the Company assumed the obligations of Uranium One relative to Uranium One's agreements with US Energy under revised terms negotiated between the Company and US Energy. The Company issued total of US\$2,500,000 in shares to US Energy during three years period from 2015 to 2017 as per stated terms of the agreement.

##### *RECLAMATION BONDS*

The Company is required to obtain replacement bonds to meet reclamation requirement of USD\$9,346,014 in connection with the Shootaring Mill acquisition. Uranium One provided a cash collateral in the amount of US\$7,075,807 to cause the issuance of the replacement bonds. The collateral deposit was originally not recorded in the Company's assets as the cash collateral was provided by Uranium One. During the nine months ended September 30, 2021, the reclamation bond for Shootaring Mill increased to US\$11,283,774 and Anfield was required to increase the bond collateral by US\$1,300,000 (\$1,522,320). The Company prepaid the 3% annual bond premium of US\$338,513 as insurance, which would create an obligation for the surety company to cover the difference between the bond requirement and the cash collateral. The bond premium is amortized over one year. As at September 30, 2021, US\$310,304 (\$395,538) ((December 31, 2020: US\$187,985 (\$239,343)) was recorded in insurance premium for the reclamation bond requirements.

In accordance with the amendment signed November 23, 2017, the Company entered into a five-year promissory note with Uranium One for the cash collateral. Interest on the promissory note has been accrued since July 1, 2017. During the nine months ended September 30, 2021, the Company recorded interest expense of US\$314,893 (\$396,765) with respect to the US\$7,075,807 cash collateral posted by Uranium One. As at September 30, 2021, the total interest payable with respect to the US\$7,075,807 cash collateral is US\$1,693,793 (\$2,158,062).

On July 1, 2019, the Company and Uranium One entered into a subsequent Agreement in which the cash collateral was rolled into one promissory note with the abovementioned outstanding principal balances due to Uranium One, with a total principal of US\$10,646,169 (\$13,564,284) bearing interest at 5.95% per annum until repaid. As at September 30, 2021, the Company recorded the cash collateral of US\$7,075,807 (\$9,015,286) as prepaid reclamation bond. As at September 30, 2021, the Company is in technical default under the promissory note agreement as the Company has not yet made any principal or interest payments related to the note. However, the Company remains in negotiations with Uranium One with regard to reaching a comprehensive, mutually-beneficial outcome related to all outstanding debt.

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

### URANIUM PROPERTIES (CONT'D)

#### *LEASES AND CLAIMS SALE*

On June 30, 2020, the Company entered into a Binding Term Sheet Agreement to sell 2 Utah leases (the "Tenements") with GTU Resources Limited (the "Buyer"), an Australian company listed on the Australian Securities Exchange. The sale was completed on October 26, 2020 with the consideration to be received in two tranches. In the first tranche, the Buyer paid US\$100,000 (CAD\$134,150) and issued 2,000,000 common shares to the Company with fair value of \$39,448 (Note 3). In the second tranche, the Buyer will pay US\$100,000 and will issue 2,000,000 common shares to the Company on October 26, 2021. The Buyer granted to the Company 1% royalty equal to 1% of all material extracted and sold from the Tenements.

#### **WYOMING PROPERTIES**

On August 23, 2016, the Company entered into a Leases and Claims Transfer Agreement with Uranium One to acquire 24 uranium mining properties in Wyoming. Under the term of the leases and claims transfer agreement, the Company agreed to pay total consideration of US\$6,550,000 as follows:

- (i) On execution of agreement US\$450,000 (paid \$613,890);
- (ii) On December 29, 2017 US\$300,000 (paid \$409,260);
- (iii) On 2nd anniversary of closing US\$750,000 (paid \$1,023,150);
- (iv) On 3rd anniversary of closing US\$750,000 (paid \$99,428 (US\$75,000)), as at September 30, 2021 US\$675,000 (\$860,018) is owed;
- (v) On 4th anniversary of closing US\$1,500,000 (\$1,911,150), owed as at September 30, 2021; and
- (vi) On 5th anniversary of closing US\$2,800,000 (\$3,567,480), owed as at September 30, 2021.

#### **AMOUNTS OWING ON ASSET ACQUISITION**

A continuity of the amounts owing is as follows:

Balance, December 31, 2019	\$ 20,922,019
Adjustment	(27,934)
Interest	849,866
Accretion	664,981
Foreign exchange	(489,583)
Balance, December 31, 2020	21,919,349
Interest	596,968
Accretion	343,984
Foreign exchange	28,607
Balance, September 30, 2021	\$ 22,888,908

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

### HIGHBURY PROJECT

On December 28, 2018, the Company signed an Asset Purchase Agreement (the "Agreement") to acquire both the Charlie ISR Uranium Project ("Charlie Leasehold") and nine past-producing uranium/vanadium properties in Colorado, collectively known as the West Slope Project, from Cotter Corporation (the "Seller"), in exchange for 11,051,775 common shares of the Company. Included in this acquisition, the Company also received the Papoose Quarry property, which is not core to the Company's current operations. The closing date of the transaction was February 28, 2019.

Pursuant to the Agreement, the Seller retains following rights to the uranium and vanadium:

- 20% of all uranium produced from the Charlie Leasehold free of charge; and
- 15% of all uranium, and 15% of all vanadium, produced from the West Slope properties free of charge.

The Company shall deliver 50,000 pounds of yellowcake (natural uranium concentrates in the form of triuranium octoxide) if the commercial production of the Charlie Project is not achieved prior to the 4th anniversary of the closing date, and 75,000 pounds of yellowcake if commercial production is not achieved by 5<sup>th</sup> anniversary of the closing date. The foregoing deliveries shall be credited toward the supply of Uranium in respect of the Charlie Leasehold. The Company is expecting to commence commercial production within the required time frame and has therefore not recorded any provision for the future delivery of yellowcake. As at September 30, 2021, the fair market value of 50,000 pounds of yellowcake was estimated at \$2,840,600 (US\$2,229,500).

The Company is required to pay royalties totaling 14% of net revenues from the Charlie project to three companies.

### UPPER MAYBELLE PROPERTY, CANADA

The Company issued 3,800,000 common shares at \$0.23 per share for a total consideration of \$874,000 pursuant to the acquisition agreement to acquire 100% interest in the Upper Maybelle River Uranium Project, located in Saskatchewan, Canada. During year ended December 31, 2020, the Company fully impaired the Upper Maybelle Property by \$874,000 as there is no immediate exploration planned for this property.

### NEWSBOY GOLD PROJECT, ARIZONA

On November 30, 2020, the Company entered into a Leases and Claims Transfer Agreement (the "Agreement") to acquire the Newsboy Gold Project ("Newsboy Project") located in Arizona, USA. The Company is required to issue 5,000,000 common shares (issued) (Note 8), make cash payments of US\$625,000, incur exploration expenditures of US\$3,000,000 and bring the Newsboy Project into production within 48 months of closing. The closing date of the transaction was June 10, 2021. The Newsboy Project is subject to a 2% net smelter returns royalty on commercial production.

## 5. EVALUATION, EXPLORATION AND DEVELOPMENT ASSETS (CONTINUED)

### NEWSBOY GOLD PROJECT, ARIZONA (CONT'D)

The payments to be made by the Company are as follows:

- (i) 6 months within closing and upon receipt of Resource Report US\$125,000 (\$159,263);
- (ii) 18 months within closing and upon receipt of Preliminary Economic Assessment US\$250,000 (\$318,525); and
- (iii) 30 months within closing and upon receipt of Feasibility Study US\$250,000 (\$318,525).

The exploration expenditures to be incurred by the Company are as follows:

- (i) 12 months within closing US\$2,000,000 (\$2,548,200);
- (ii) 24 months within closing US\$1,000,000 (\$1,274,100).

During the period ended September 30, 2021, the Company paid US\$12,000 (\$14,753) to the Government authorities for a reclamation bond. The full amount of the reclamation deposit is held by the regulatory authorities and will be released to the Company on satisfactory restoration of the property.

## 6. PROMISSORY NOTE

During the year ended December 31, 2016, the Company entered into a promissory note agreement with U.S Energy to purchase mining data in Wyoming, Utah, and Colorado. On March 18, 2021, the Company made the final payment of the outstanding principal of the Promissory Note with U.S. Energy in the amount of \$24,916 (US\$20,000).

As at September 30, 2021 and December 31, 2020, the balances of the promissory note are as follows:

<b>Balance, December 31, 2019</b>	<b>\$ 51,952</b>
Interest	1,327
Payment	(28,499)
Foreign exchange	684
<b>Balance, December 31, 2020</b>	<b>25,464</b>
Interest	-
Payment	(24,916)
Foreign exchange	(548)
<b>Balance, September 30, 2021</b>	<b>\$ -</b>

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Sept. 30, 2021	December 31, 2020
Trade payables	\$ 946,906	\$ 1,235,516
Accrued liabilities	-	30,000
	<b>\$ 946,906</b>	<b>\$ 1,265,516</b>

## 8. SHARE CAPITAL

### **AUTHORIZED SHARE CAPITAL**

Unlimited number of common shares without par value.

### **ISSUED SHARE CAPITAL**

As at September 30, 2021, the Company had 303,595,749 (December 31, 2020: 172,642,774) issued and fully paid common shares.

### **SHARES FOR MINERAL PROPERTIES**

During the nine months ended September 30, 2021

On June 22, 2021, the Company issued 5,000,000 common shares with a fair value of \$800,000 pursuant to the Newsboy Project acquisition (Note 5).

### **SHARES FOR DEBT**

During the nine months ended September 30, 2021

The Company issued 741,974 common shares with a fair value of \$74,197 to settle outstanding payables. No gain or loss on settlement was recorded.

During the nine months ended September 30, 2020

The Company issued 1,700,000 common shares with a fair value of \$110,500 to settle outstanding payables. No gain or loss on settlement was recorded.

### **SHARES FOR BONUS**

During the nine months ended September 30, 2021

The Company issued 6,308,026 common shares with a fair value of \$567,054 to settle management bonus issued during the period.

During the nine months ended September 30, 2020

The Company issued 5,660,000 common shares with a fair value of \$319,000 to settle management bonus issued during the period.

### **SHARES FOR SERVICES**

During the nine months ended September 30, 2021

The Company issued 4,000,000 common shares with a fair value of \$340,000 for consulting services during the period.

During the nine months ended September 30, 2020

The Company issued 3,000,000 common shares with a fair value of \$165,000 for consulting services during the period.

### **PRIVATE PLACEMENTS**

During the nine months ended September 30, 2021

On May 14, 2021, the Company closed a non-brokered private placement through issuance of 49,395,296 units at \$0.085 per unit for total proceeds of \$4,198,600. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.13 for a period of two years. In connection with the private placement, the Company paid cash finder fee in the amount of \$231,830, incurred other share issue costs of \$37,787 and issued 2,639,907 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$213,286 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Pricing Model with the following assumptions: Risk free rate of 0.32%, Expected life of 2 years; Expected volatility of 124% and dividend yield on \$Nil.

## 8. SHARE CAPITAL (CONTINUED)

### PRIVATE PLACEMENTS (CONT'D)

#### During the nine months ended September 30, 2020

On February 28, 2020, the Company closed an initial tranche of the private placement through the issuance of 8,220,000 units at \$0.05 per unit for proceeds of \$411,000. Each unit consists of one common share of the Company and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year.

On April 20, 2020, the Company closed the second tranche of a private placement through the issuance of 10,780,000 units at \$0.05 per unit for total proceeds of \$539,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year. In connection with both tranches of the private placement, the Company paid cash finder fee in the amount of \$5,950, incurred other share issue costs of \$15,177 and issued 119,000 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$8,242 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 0.36%; Expected life of 1 years; Expected volatility of 123% and dividend yield on \$Nil.

On June 8, 2020, the Company closed an initial tranche of a private placement through the issuance of 8,373,717 units at \$0.065 per unit for total proceeds of \$544,292. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year. In connection with the private placement, the Company paid cash finder fee in the amount of \$9,342, incurred other share issue costs of \$15,070 and issued 143,410 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$6,440 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 0.30%; Expected life of 1 years; Expected volatility of 130% and dividend yield on \$Nil.

On July 3, 2020, the Company closed the second tranche of a private placement through the issuance of 2,038,461 units at \$0.065 per unit for total proceeds of \$132,500. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year. In connection with the private placement, the Company paid cash finder fee in the amount of \$2,275, incurred other share issue costs of \$7,927 and issued 35,000 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$977 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 0.28%; Expected life of 1 year; Expected volatility of 132% and dividend yield of \$Nil.

## 8. SHARE CAPITAL (CONTINUED)

### PRIVATE PLACEMENTS (CONT'D)

#### During the nine months ended September 30, 2020 (CONT'D)

On August 14, 2020, the Company closed an initial tranche of a private placement through the issuance of 8,240,000 units at \$0.05 per unit for total proceeds of \$412,000, of which \$20,000 was recorded in subscription receivables. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year. In connection with the private placement, the Company paid cash finder fee in the amount of \$11,480, incurred other share issue costs of \$2,705 and issued 159,600 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$5,666 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 0.21%; Expected life of 1 year; Expected volatility of 135% and dividend yield of \$Nil.

On August 26, 2020, the Company closed the second tranche of a private placement through the issuance of 7,500,000 units at \$0.05 per unit for total proceeds of \$375,000. Each unit consists of one common share and one share purchase warrant with each warrant entitling the holder to purchase an additional common share at a price of \$0.10 for a period of one year. In connection with the private placement, the Company paid cash finder fee in the amount of \$16,975, incurred other share issue costs of \$16,049 and issued 294,275 finder's warrants with the same terms as those issued for the private placement. The finder's warrants have a fair value of \$10,483 which was recorded as share issue cost. The fair value was determined using the Black-Scholes Option Pricing Model with the following assumptions: Risk free rate of 0.23%; Expected life of 1 year; Expected volatility of 135% and dividend yield of \$Nil.

### SHARES ISSUED FOR CASH

#### During the nine months ended September 30, 2021

During the period ended September 30, 2021, 64,832,679 share purchase warrants were exercised at an average price of \$0.10 per share for gross proceeds of \$6,657,097.

During the period ended September 30, 2021, 675,000 stock options were exercised at \$0.10 per share for gross proceeds of \$67,500.

### WARRANTS

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise price
<b>Balance at December 31, 2019</b>	<b>43,282,130</b>	<b>\$ 1.42</b>
Warrants granted	100,909,826	0.10
<b>Balance at December 31, 2020</b>	<b>144,191,956</b>	<b>0.20</b>
Warrants granted	60,285,203	0.13
Warrants exercised	(67,632,679)	0.10
Warrants expired	(11,847,700)	0.10
<b>Balance at September 30, 2021</b>	<b>124,996,780</b>	<b>\$ 0.19</b>

## 8. SHARE CAPITAL (CONTINUED)

### WARRANTS (CONT'D)

Details of warrants outstanding as at September 30, 2021 are as follows:

Number of warrants outstanding	Exercise price	Expiry
13,940,316	\$0.30	April 23, 2022
4,730,250	\$0.30	May 3, 2022
3,499,476	\$0.165	July 16, 2022
30,261	\$1.00	July 16, 2022
886,615	\$0.165	October 4, 2022
26,967,095	\$0.10	December 22, 2022
54,967,555	\$0.13	May 14, 2023
19,975,212	\$0.40	July 20, 2023
<b>124,996,780</b>		

At September 30, 2021, the weighted average life of warrants was 1.38 years.

In July 2021, the Company reduced the exercise price from \$1.00 per share to \$0.165 per share of 3,499,476 share purchase warrants and 1,106,615 share purchase warrants both issued as part of a unit in private placements expiring on July 16, 2022 and October 4, 2022 respectively.

### STOCK OPTIONS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX.V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to a maximum of five years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relation activities and consultants will not exceed two percent (2%) of the issued and outstanding common shares.

Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. With the exception of options granted for investor relations, all options granted typically vest on the grant date.

## 8. SHARE CAPITAL (CONTINUED)

### STOCK OPTIONS (CONT'D)

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted Average Exercise Price
<b>Balance December 31, 2019</b>	7,262,000	\$ 0.15
Granted	6,075,000	0.10
Expired	(335,000)	0.15
<b>Balance December 31, 2020</b>	13,002,000	\$ 0.12
Granted	14,750,000	0.12
Exercised	675,000	0.10
<b>Balance September 30, 2021</b>	27,077,000	\$ 0.12

The weighted average remaining life of the outstanding options at September 30, 2021 was 4.29 years.

Details of options outstanding and exercisable as at September 30, 2021 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry
3,717,000	\$0.10	August 8, 2023
3,210,000	\$0.20	July 12, 2024
5,400,000	\$0.10	August 28, 2025
14,750,000	\$0.12	August 27, 2026
<b>27,077,000</b>		

#### During the nine months ended September 30, 2021

On August 27, 2021, the Company granted 14,750,000 stock options to directors, officers, and consultants of the Company at an exercise price of \$0.12 per common share for a period of five years ending August 27, 2026. The options vested immediately. The fair value ascribed to the options was determined to be \$1,782,030 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss during the year ended December 31, 2020. The following assumptions were used: Risk free rate of 0.85%; Expected life of 5 years; Expected volatility of 170% and dividend yield of \$Nil.

#### During the nine months ended September 30, 2020

On August 28, 2020, the Company granted 6,075,000 stock options to directors, officers, and consultants of the Company at an exercise price of \$0.10 per common share for a period of five years ending August 28, 2025. The options vested immediately. The fair value ascribed to the options was determined to be \$337,870 using the Black-Scholes Option Pricing Model and was included in the statement of comprehensive loss during the year ended December 31, 2020. The following assumptions were used: Risk free rate of 0.37%; Expected life of 5 years; Expected volatility of 170% and dividend yield of \$Nil.

## 8. SHARE CAPITAL (CONTINUED)

### RESERVES

#### Stock options reserve

The stock options reserve records items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

#### Warrants reserve

The warrants reserve records fair value of the warrants issued for services until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

#### Foreign exchange reserve

The foreign exchange reserve recognizes the foreign exchange differences resulting from translation of group entities to the presentation currency that have a different functional currency than the presentation currency.

## 9. RELATED PARTY TRANSACTIONS AND BALANCES

### a) Related Party Balances

As at September 30, 2021, an amount of \$87,942 (December 31, 2020: \$702,167) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at September 30, 2021, an amount of \$422,000 (December 31, 2020: \$39,500) was owed by a director and an officer of the Company.

### b) Related Party Transactions

The Company incurred the following transactions with companies that are controlled or managed by directors of the Company:

	For the three months ended		For the nine months ended	
	Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
Consulting fees and management bonus (i)	\$ 12,900	\$ 12,000	\$ 64,700	\$ 36,000

## 9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### b) Related Party Transactions (CONT'D)

Key management compensation:

	For the three months ended		For the nine months ended	
	Sept. 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020
Consulting fees and management bonus (i)	\$ 108,750	\$ 450,300	\$ 867,303	\$ 797,000
Share issue cost	-	3,500	8,000	-
Legal fees (i)	40,305	38,145	114,669	120,051
Share based compensation	875,913	305,891	875,913	305,891
	<b>\$ 1,024,968</b>	<b>\$ 797,836</b>	<b>\$ 1,865,885</b>	<b>\$ 1,230,142</b>

- (i) These expenses are included in general and administrative expenses in the statement of comprehensive loss.

## 10. SEGMENTED INFORMATION

The Company's exploration and evaluation assets by geographical areas as at September 30, 2021 and December 31, 2020 follows:

	Canada	USA	Total
<b>Balance at December 31, 2020</b>			
Exploration and evaluation assets	\$ -	\$ 12,502,160	\$ 12,502,160
<b>Balance at September 30, 2021</b>			
Exploration and evaluation assets	\$ -	\$ 13,388,562	\$ 13,388,562

## 11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. There were no changes during the year to management's approach to capital management. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations.

## 12. FINANCIAL INSTRUMENTS

### a) Fair value

The carrying values of cash, subscription receivables, accounts payable and due to related parties, and amounts owing on asset acquisition, promissory notes approximate their fair values due to the relatively short period to maturity of those financial instruments. Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

As at September 30, 2021, the financial instruments recorded at fair value on the statement of financial position are cash and marketable securities which are measured using Level 1.

### b) Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30, 2021	December 31, 2020
Fair value through profit and loss:		
Cash	\$ 5,394,820	\$ 1,787,225
Marketable securities	49,475	45,241

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2021	December 31, 2020
Non-derivative financial liabilities:		
Accounts payable	\$ 946,906	\$ 1,235,516
Amounts owing on asset acquisition	22,888,908	21,919,349
Due to related parties	87,942	702,167
Promissory note	-	25,464
	\$ 23,923,756	\$ 23,882,496

## FINANCIAL RISK MANAGEMENT

### CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies.

## 12. FINANCIAL INSTRUMENTS (CONTINUED)

### *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 a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

### *INTEREST RATE RISK*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's debt is subject to a fixed interest rate; therefore, it does not expose to interest rate risk.

### *FOREIGN CURRENCY RISK*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low as the foreign currencies held are in the functional currency of the entities. The Company is exposed to foreign currency risk on the amounts owing on the asset acquisition which are denominated in US dollars.

### *COMMODITY RISK*

Commodity risk is the risk that the value of future cash flows and profits will fluctuate based on the prices of commodities. The Company is exposed to changes in the price of commodities. Changes in the price of commodities will impact the Company's ability to obtain financing to explore its mineral properties.

As at September 30, 2021, the Company has no contracts or agreements in place to mitigate these price risks.

## 13. SUBSEQUENT EVENT

5,555,000 share purchase warrants were exercised at an average price of \$0.10 per share for gross proceeds of \$559,075 subsequent to the period ended September 30, 2021.