



CANDENTE
GOLD CORP

Interim Condensed Consolidated Financial Statements
As at and for the three and six months ended
September 30, 2020 and 2019
(Expressed in United States dollars, unless otherwise noted)

NOTICE

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

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

Candente Gold Corp.

Interim Condensed Consolidated Statements of Financial Position

At September 30, 2020 and March 31, 2020

(expressed in United States dollars unless otherwise noted)

	Note	September 30, 2020	March 31, 2020
Assets			
Current Assets			
Cash		\$ 33,125	\$ 6,767
Receivables		833	652
Prepaid expenses and deposits		9,043	5,803
		43,001	13,222
Non-current assets			
Unproven mineral right interests	4	306,167	291,104
Equipment		835	1,104
Total non-current assets		307,002	292,208
Total assets		\$ 350,003	\$ 305,430
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5,7	\$ 1,822,862	\$ 1,683,003
Total Liabilities		1,822,862	1,683,003
Shareholders' deficiency			
Share Capital	6	24,274,578	24,247,717
Obligation to issue shares	4,6	26,861	53,722
Reserves	6	5,876,549	5,841,914
Accumulated deficit		(31,650,847)	(31,520,926)
Total shareholders' deficiency		(1,472,859)	(1,377,573)
Total liabilities and shareholders' deficiency		\$ 350,003	\$ 305,430
Nature of operations and going concern			
	1		
Subsequent events			
	11		

Approved on behalf of the Board of Directors on November 30, 2020

(signed) Larry Kornze
Director

(signed) Ian Ward
Director

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

Candente Gold Corp.

Interim Condensed Consolidated Statements of Comprehensive Loss

For the three and six months ended September 30, 2020 and 2019

(expressed in United States dollars unless otherwise noted)

	Note	Three months ended September 30,		Six months ended September 30,	
		2020	2019	2020	2019
Expenses					
Exploration expenses (recovery)	9	\$ (40,125)	\$ 51,593	\$ 17,495	\$ 166,312
General and administrative expenses	9	85,270	41,422	111,303	82,694
		45,145	93,015	128,798	249,006
Other expenses					
(Gain) or loss on foreign exchange		(26,713)	1,829	1,123	1,056
Net gain (loss)		\$ (18,432)	\$ (94,844)	\$ (129,921)	\$ (250,062)
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss:					
Foreign currency translation		(12,921)	(25,160)	33,941	(9,385)
Comprehensive loss		\$ (31,353)	\$ (120,004)	\$ (95,980)	\$ (259,447)
Loss per share attributable to shareholders, basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding: basic and diluted		109,967,793	109,206,923	109,589,437	108,726,049

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

Candente Gold Corp.

Interim Condensed Consolidated Statements of Changes in Shareholders' Deficiency

For the six months ended September 30, 2020 and 2019

(expressed in United States dollars unless otherwise noted)

		Share Capital		Reserves							
				Equity settled employee compensation and warrants		Foreign currency reserve			Obligation to issue shares		
	Note	Total common shares	Share capital		Other reserve		Total reserves			Deficit	Total
Balance at March 31, 2019		107,206,923	\$ 24,193,995	\$ 5,907,257	\$ 52,046	\$ (153,871)	\$ 5,805,432	\$ 107,444	\$ (31,227,226)	\$ (1,120,355)	
Shares issued		2,000,000	53,722	-	-	-	-	(53,722)	-	-	
Share-based payments		-	-	3,479	-	-	3,479	-	-	3,479	
Net loss		-	-	-	-	-	-	-	(250,062)	(250,062)	
Foreign currency translation		-	-	-	-	(9,385)	(9,385)	-	-	(9,385)	
Balance at September 30, 2019		109,206,923	\$ 24,247,717	\$ 5,910,736	\$ 52,046	\$ (163,256)	\$ 5,799,526	\$ 53,722	\$ (31,477,288)	\$ (1,376,323)	
Balance at March 31, 2020		109,206,923	\$ 24,247,717	\$ 5,912,332	\$ 52,046	\$ (122,464)	\$ 5,841,914	\$ 53,722	\$ (31,520,926)	\$ (1,377,573)	
Shares issued	6	1,000,000	26,861	-	-	-	-	(26,861)	-	-	
Share-based payments	6	-	-	694	-	-	694	-	-	694	
Net loss		-	-	-	-	-	-	-	(129,921)	(129,921)	
Foreign currency translation		-	-	-	-	33,941	33,941	-	-	33,941	
Balance at September 30, 2020		110,206,923	\$ 24,274,578	\$ 5,913,026	\$ 52,046	\$ (88,523)	\$ 5,876,549	\$ 26,861	\$ (31,650,847)	\$ (1,472,859)	

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

Candente Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
For the six months ended September 30, 2020 and 2019
(expressed in United States dollars unless otherwise noted)

	Six months ended September 30,	
	2020	2019
Cash provided by (use in)		
Operating		
Loss for period	\$ (129,921)	\$ (250,062)
Items not affecting cash		
Depreciation	269	811
Share-based payments	694	3,479
Foreign exchange	24,734	(2,981)
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(6)	(2,757)
Decrease (increase) in prepaid expenses and deposits	(3,240)	1,617
Increase in accounts payable and accrued liabilities	149,066	150,334
Net cash provided by (used in) operating activities	41,596	(99,559)
Investing		
Option payments received	-	60,000
Option payments	(10,000)	-
Addition to unproven mineral right interests	(5,238)	(2,567)
Net cash provided by (used in) investing activities	(15,238)	57,433
Net change in cash	26,358	(42,126)
Cash at beginning of period	6,767	64,455
Cash at end of period	\$ 33,125	\$ 22,329
Significant non-cash transactions:		
Shares issued in accordance with obligation to issue shares	\$ 26,861	\$ 53,722

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

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in United States dollars unless otherwise noted)

1. Nature of operations and going concern

Candente Gold Corp. and its subsidiaries (the “Company”) are engaged in the exploration of mineral right interests in Mexico and Peru. The Company was incorporated on April 24, 2009 under the Business Corporation Act of British Columbia. The principal subsidiaries of the Company as at September 30, 2020 are as follows:

Subsidiary	Interest	Functional Currency
Candente Mexico Resource Corp.	100%	CDN Dollars
El Oro (BC) Exploration Inc.	100%	CDN Dollars
Candente Gold Peru S.A.	100%	US Dollars
Minera CCM, S.A. de C.V. (“CCM”)	100%	US Dollars
Minera CCM El Oro Jales S.A. de C.V.	100%	US Dollars
Candente Mexico Servicios S.A. de C.V.	100%	US Dollars

The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol CDG.V. The Company’s share options and warrants are not listed.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on November 30, 2020.

As of the date of these interim condensed consolidated financial statements, the Company has not yet determined whether any of its mineral right interests contain economically recoverable mineral reserves. Accordingly, the value of mineral right interests represents cumulative acquisition costs incurred to date and does not necessarily reflect present or future values. The recovery of these costs is dependent upon the discovery of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to complete their exploration and development and to resolve any environmental, regulatory, or other constraints.

These interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the six months ended September 30, 2020, the Company had a net loss of \$129,921, and, as at September 30, 2020, current liabilities exceed current assets by \$1,779,861, and the Company had cumulative losses of \$31,650,847. The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds through the issuance of securities, resource secured debt or joint venture projects. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. In addition, the Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation. These factors indicate the existence of a material uncertainty that may cast significant doubt regarding the Company’s ability to continue as a going concern. Should the Company 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 statement of financial position.

2. Statement of compliance and basis of presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2020, which have been prepared in accordance with IFRS issued by the IASB.

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in United States dollars unless otherwise noted)

3. New Accounting Standards

Accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's interim condensed consolidated financial statements.

4. Unproven mineral right interests

As at September 30, 2020 and March 31, 2020, the Company's capitalized unproven mineral right interests costs are as follows:

	Balance at April 1, 2020	Acquisition costs and additions	Balance at September 30, 2020
Mexican Properties			
El Oro - Hardrock	\$ 1	\$ -	\$ 1
Peruvian Properties	215,130	5,238	220,368
Option payment	-	10,000	10,000
Value-added tax	75,973	(175)	75,798
Closing balance	\$ 291,104	\$ 15,063	\$ 306,167

	Balance at April 1, 2019	Acquisition costs and additions	Balance at March 31, 2020
Mexican Properties			
El Oro - Hardrock	\$ 1	\$ -	\$ 1
Peruvian Properties	212,538	2,592	215,130
Value-added tax	74,762	1,211	75,973
Closing balance	\$ 287,301	\$ 3,803	\$ 291,104

Mexican Properties

El Oro – Hardrock

On January 31, 2017, the Company acquired the remaining 30% interest in the El Oro Project (the "El Oro Project") in Mexico (the "Transferred Interest") from Desarrollos Mineros San Luis, S.A. de C.V.

("DMSL"), a subsidiary of Goldcorp Inc. ("Goldcorp"). The Company now holds a 100% interest in the El Oro Project as it had previously earned a 70% interest in the El Oro Project from Goldcorp. As consideration for the acquisition of the Transferred Interest, the Company agreed to issue to DMSL (or its nominee) an aggregate of 5,000,000 common shares of the Company. 1,000,000 common shares were issued on the date of acquisition of the Transferred Interest (issued with a fair value of \$26,861 (CDN\$35,000)) and further tranches of 1,000,000 common shares are to be issued to DMSL (or its nominee) on the four successive anniversary dates, with the Company having the right but not the obligation to issue any or all of such 4,000,000 common shares in advance of such anniversary dates in its sole discretion. The 4,000,000 common shares were fair valued at \$107,444 (CDN\$140,000) and were recorded as an obligation to issue shares as at March 31, 2017. During the year ended March 31, 2020, 2,000,000 of the 4,000,000 common shares were issued and the obligation to issue shares was reduced to \$53,722. During the six months ended September 30, 2020, 1,000,000 common shares were issued and the obligation to issue shares was reduced to \$26,861 (Note 6 b).

The property consists of twenty-six claims and is subject to two 3% net smelter return ("NSR") royalty agreements. One agreement is on twenty of the twenty-six claims and the other is on twelve of the twenty-six claims.

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4. Unproven mineral right interests (continued)

For the year ended March 31, 2017, bi-annual land holding payments were made by Goldcorp. When the Company acquired the remaining 30% of the El Oro property in January 2017, these payments became the responsibility of the Company, and, as at September 30, 2020, \$870,266 (March 31, 2020 - \$756,392) has been accrued as a liability to the Mexican government for land holding costs.

El Oro Mine Tailings

During the year ended March 31, 2014, the Company signed an agreement with the Municipality of El Oro ("Municipality") that provides the Company with the access and processing rights to tailings deposits. Upon signing the agreement, \$25,000 was due and paid with monthly contributions of \$3,000 for community projects. The Municipality cancelled the obligation to pay \$3,000 per month in April 2015, when their tourist activities in the San Juan tunnel started interfering with normal usage of the tunnel by the Company. Under the terms of the agreement, the Company will pay an 8% net profits interest ("NPI") royalty to the Municipality on any products produced from the tailings properties. The Company is entitled to retain the first \$1,500,000 of the 8% NPI payable to the Municipality.

On March 8, 2016, the Company entered into an agreement with Sun River Gold Corp. ("SRG") to grant SRG the right and option to earn a 51% interest in the Company's tailings project in El Oro Mexico. On November 9, 2018, the 2016 Agreement was superseded by a new Letter of Intent ("LOI") granting SRG the right and option to further test and, if proven economic, develop and operate the Company's tailings project in El Oro Mexico, through an indirect ownership of the Company's Mexican subsidiary, Minera CCM EL Oro Jales, S.A. de C.V. ("CCM EL Oro Jales"), according to the agreement CCM EL Oro Jales executed with the Municipality of El Oro.

The LOI was superseded by a definitive agreement signed in November 2018. In order to exercise the option, SRG is required to make staged payments totaling US\$300,000 (paid), over a period of fifteen months, commencing upon the date of signing of the LOI; bring the mine tailings properties into commercial production within 36 months of the effective date of the option agreement; and grant to the Company a 10% of NPI royalty on production from the properties. The definitive agreement also allows SRG to reduce the NPI payable to the Company from 10% to 5% by paying an additional US\$200,000 in increments of \$50,000 at the end of each quarter, commencing 18 months from the date of the LOI.

As of September 30, 2020, Sun River had paid the Company \$200,000 required to reduce the NPI to 5%. The Company received the final payment of \$105,000, on August 17, 2020.

Upon making the totality of the staged payments and, if commercial production has been achieved by October 31, 2021, Sun River will indirectly acquire a 100% interest in the subsidiary Minera CCM EL Oro Jales.

During the year ended March 31, 2019, the Company recorded an impairment charge of \$7,949,175 on the El Oro property. The charge was in keeping with the Company's accounting policies and IFRS. Should the circumstances arise in the future, IFRS permits a reversal of charges. The Company will be maintaining the title to the property and will continue to seek opportunities to advance the project.

Peruvian properties

As at September 30, 2020, the Company has maintained in good standing a portion of the Tres Marias and Las Brujas properties. There is a legal mortgage over the mining concession associated with the Tres Marias property of \$50,000 and a 1.5% NSR royalty on the sale of mineral products extracted from the concession, both in favour of a third party.

Candente Gold Corp.

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(Expressed in United States dollars unless otherwise noted)

5. Accounts payable and accrued liabilities

	September 30, 2020	March 31, 2020
Accounts payable (Note 7)	\$ 969,132	\$ 914,168
Accrued liabilities	853,730	768,835
	\$ 1,822,862	\$ 1,683,003

6. Capital and equity reserve

a. Shares authorized

The Company has an unlimited number of common shares with no par value.

b. Shares issued

At September 30, 2020, the Company had 110,206,923 common shares issued and outstanding.

During the period ended September 30, 2020, 1,000,000 common shares were issued to DMSL in accordance with the agreement for the acquisition of the Transferred Interest (Note 4).

c. Share options

The Company has an incentive share option plan (the "Plan"). Under the Plan a total of 10% of the Company's outstanding common shares are reserved for the issuance of shares at discretion of the Board of Directors. Terms of each option award is fixed by the Board of Directors at time of grant. Share option awards have a maximum term of ten years.

Stock option transactions for the period ended September 30, 2020 were as follows:

	Number of Options	Weighted Average Exercise Price (CDN\$)
Options outstanding March 31, 2020	7,500,000	0.06
Options granted	-	-
Options expired	-	-
Options outstanding September 30, 2020	7,500,000	0.06

As at September 30, 2020, the following options were exercisable and outstanding:

Grant date	Outstanding		Exercisable		Expiry date
	Exercise price (CDN\$)	Number of options	Exercise price (CDN\$)	Number of options	
20-May-16	0.05	5,000,000	0.05	5,000,000	20-May-26
28-Feb-17	0.05	300,000	0.05	300,000	28-Feb-22
28-Feb-17	0.05	250,000	0.05	250,000	28-Feb-27
07-May-18	0.05	1,450,000	0.05	1,450,000	07-May-23
01-Oct-18	0.05	250,000	0.05	250,000	01-Oct-23
29-Jul-19	0.05	250,000	0.05	125,000	29-Jul-24
	0.05	7,500,000	0.05	7,375,000	

Candente Gold Corp.
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6. Capital and equity reserve (continued)

d. Warrants

At September 30, 2020, the Company had 5,000,000 warrants exercisable at \$0.10 until August 20, 2021.

e. Reserves

Other reserve:

Other reserve records the reserve resulting from the acquisition of subsidiaries.

Equity settled employee compensation and warrants reserve

Equity settled employee compensation and warrants reserve consists of share-based payments expense and other warrant payments. When stock options or warrants are exercised, the corresponding amount will be transferred from this reserve to share capital.

Foreign currency reserve:

Foreign currency reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

f. Obligation to issue shares

Obligation to issue shares consists of the fair value of 1,000,000 common shares that are due to be issued to DMSL for the acquisition of the Transferred Interest (Note 4).

7. Related party disclosures

The Company's related parties consist of companies owned by executive officers and directors. The following is a list of related parties that the Company enters into trading transactions with:

- Ridley Rocks Inc. – Management fees;
- SW Project Management – Project management and engineering fees;
- Candente Copper Corp. - shared administrative expenses with a company related by directors and management in common;
- Lotz CPA Inc. – Financial services, fees thereto.
- Mathew Melnyk, Director Operations – Geological Consulting Fees

a. Related party transactions

The Company incurred the following compensation with companies controlled by members of management and with directors.

		Six months ended September 30,	
		2020	2019
Management fees	\$	66,320	\$ 27,838
Share-based payments		694	3,306
	\$	67,014	\$ 31,144

Candente Gold Corp.

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(Expressed in United States dollars unless otherwise noted)

7. Related party disclosures (continued)

Share-based payments are the expensing of the fair value of options issued to directors and key management personnel during the period ended September 30, 2020 and 2019.

b. Balance owing

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2020 includes \$286,696 (March 31, 2020 - \$217,121) owing to directors and officers and \$543,695 (March 31, 2020 - \$500,521) owing to Candente Copper Corp., a shareholder of the Company.

c. Management and consulting agreements

On March 1, 2018, the Company entered into a management agreement with a company controlled by the CEO of the Company to provide management services for an indefinite term. Under the agreement, in the event of termination without cause, the Company will pay a one-time termination payment of \$200,000. In the event of a change of control, the individual will have the right at any time within 60 days to provide notice of termination and will receive a \$500,000 one-time payment. The individual will also be entitled to the \$500,000 if they terminate the agreement or there is a termination without cause and a change of control occurs within one year of the effective date of such termination.

On September 28, 2018, the Company entered into a consulting agreement with a company controlled by the CFO of the Company to provide consulting services for an indefinite term. Under the agreement, in the event of termination without cause or the consultant terminating the agreement within 30 days after a change of control, the Company will pay a one-time termination payment of \$28,500.

8. Segmented information

The Company operates in one segment being the exploration of mineral properties. The Company operates in three geographical areas, being Peru, Mexico and Canada. Following is an analysis of the Company's non-current assets by geographical area:

September 30, 2020				
		Peru	Mexico	Total
Unproven mineral right interests	\$	296,166	\$ 10,001	\$ 306,167
Equipment		778	57	835
	\$	296,944	\$ 10,058	\$ 307,002
March 31, 2020				
		Peru	Mexico	Total
Unproven mineral right interests	\$	291,103	\$ 1	\$ 291,104
Equipment		719	385	1,104
	\$	291,822	\$ 386	\$ 292,208

Candente Gold Corp.

Interim Condensed Consolidated Financial Statements

For the six months ended September 30, 2020 and 2019

(Expressed in United States dollars unless otherwise noted)

9. Expenses

	Three months ended September 30,		Six months ended September 30,	
	2020	2019	2020	2019
GENERAL AND ADMINISTRATIVE				
Audit and tax advisory fees	\$ 11,061	\$ 12,966	\$ 19,755	\$ 20,960
Bank charges and interest	52	60	60	1,441
Depreciation	119	374	269	811
Legal expense (recovery)	6,393	(193)	2,344	7,620
Management fees, office salaries and benefits (Note 7)	52,308	14,046	65,306	27,932
Office, rent and miscellaneous	7,290	5,559	12,814	11,838
Regulatory and filing fees	7,278	5,091	9,166	6,645
Share-based payments (Note 6,7)	268	2,083	694	3,479
Shareholder communications	501	1,436	895	1,968
Total general and administrative expenses	\$ 85,270	\$ 41,422	\$ 111,303	\$ 82,694
EXPLORATION				
Field support including project administration	\$ 5,032	\$ 900	\$ 13,210	\$ 1,801
Mining fees	59,843	50,693	109,285	164,511
Option payments received	(105,000)	-	(105,000)	-
Total exploration expenses	\$ (40,125)	\$ 51,593	\$ 17,495	\$ 166,312

10. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

a. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner.

a. Liquidity risk (continued)

The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

b. Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a currency, i.e. in a currency other than the functional currency in which they are measured.

The Company operates internationally and is exposed to risks from foreign currency rates. The functional currency of the Company's subsidiaries is the United States and Canadian dollars and some of the subsidiaries' transactions are denominated in Mexican Pesos and Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies. Therefore, the risk is considered minimal.

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10. Financial risk and capital management (continued)

c. Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Credit risk arises from cash and receivables. Cash are deposited in highly rated corporations and the credit risk associated with these deposits is low.

d. Fair value hierarchy

The interim condensed consolidated statements of financial position carrying amounts for receivables and accounts payable, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
Cash is measured as Level 1. There were no transfers between levels during the period.

e. Capital management

The Company's capital structure is comprised of the components of shareholders' equity (deficit). The Company's objectives when managing its capital structure is to, maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine the future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

Capital management is undertaken to ensure a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met.

There were no changes in the Company's approach to capital management during the period and the Company is not subject to any restrictions on its capital.

11. Subsequent Events

Subsequent to September 30, 2020:

On November 23, 2020, closed a non-brokered private placement and issued 4,000,000 common shares at a price of \$0.05 per share for total proceeds of \$200,000. Finder fees of \$2,450 were paid. The Company intends to use the net proceeds to advance development of its near-term gold production and near surface exploration opportunities while advancing drill targets on the El Oro project and for general working capital purposes.