



Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2021 and 2020

Expressed in thousands of Canadian Dollars

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Foran Mining Corporation for the three and nine months ended September 30, 2021, have been prepared by management and are the responsibility of the Company's management and have not been reviewed by the Company's auditor.

Condensed Consolidated Interim Statements of Comprehensive Loss

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars)

	Note	September 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		\$ 102,547	\$ 1,050
Accounts and other receivables		983	24
Prepaid expenses and deposits		188	42
Total current assets		103,718	1,116
Deposits		11	11
Investments		154	175
Right-of-use asset	4	1,098	49
Plant and equipment	5	2,038	219
Exploration and evaluation assets	6	63,615	40,605
Total assets		\$ 170,634	\$ 42,175
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities		\$ 5,641	\$ 276
Deferred share units	8	2,725	710
Flow-through share premium liability	7	759	-
Lease liability	4	838	54
Total current liabilities		9,963	1,040
Lease liability	4	181	-
Total liabilities		10,144	1,040
Shareholders' Equity			
Share capital	9	204,578	84,786
Share-based payments reserve		4,033	1,647
Accumulated other comprehensive income		52	74
Deficit		(48,173)	(45,372)
Total shareholders' equity		160,490	41,135
Total liabilities and shareholders' equity		\$ 170,634	\$ 42,175

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

Approved on behalf of the Board:

/s/ David Petroff
Director

/s/ Dan Myerson
CEO & Executive Chairman

Condensed Consolidated Interim Statements of Comprehensive Loss

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
General and Administration Expenses					
Consulting		\$ 193	\$ 10	\$ 592	\$ 61
Depreciation – plant and equipment	5	92	10	128	34
Depreciation – right-of-use asset	4	131	25	180	74
Directors' fees	12	15	10	40	38
Investor relations		127	5	299	39
Office and administration		132	9	254	60
Professional fees		340	8	769	50
Salaries and benefits		194	64	1,002	296
Share-based payments expense		1,006	25	1,953	126
		2,230	166	5,217	778
Other (income) expenses					
Interest and miscellaneous		(19)	-	(47)	(12)
Flow-through share premium	7	(1,453)	-	(4,309)	-
Revaluation of deferred share units	8	(190)	184	2,006	(186)
		(1,662)	184	(2,350)	(198)
Net loss for the period					
		\$ 568	\$ 350	\$ 2,867	\$ 580
Other comprehensive loss:					
Unrealized loss (gain) on investments		41	(10)	22	(3)
Total comprehensive loss for the period					
		\$ 609	\$ 340	\$ 2,889	\$ 577
Net loss per share:					
Basic		\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.00
Diluted		\$ 0.00	\$ 0.00	\$ 0.02	\$ 0.00
Weighted average shares outstanding		214,732,894	139,939,451	188,163,910	136,714,013

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

Condensed Consolidated Interim Statements of Changes in Equity

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

	Share Capital		Reserves	Accumulated OCI	Deficit	Total
	Shares	Amount				
Balance, December 31, 2019	130,724,451	\$ 81,566	\$ 1,628	\$ 45	\$ (43,445)	\$ 39,794
Shares issued pursuant to private placements	7,100,000	704	-	-	-	704
Shares issued pursuant to exercise of stock options	2,115,000	458	(173)	-	-	285
Share-based payment expense	-	-	171	-	-	171
Expiry and forfeiture of stock options	-	-	(126)	-	126	-
Other comprehensive income	-	-	-	3	-	3
Net loss for the period	-	-	-	-	(580)	(580)
Balance, September 30, 2020	139,939,451	\$ 82,728	\$ 1,500	\$ 48	\$ (43,899)	\$ 40,377
Shares issued pursuant to private placements	5,714,285	994	-	-	-	994
Shares issued pursuant to exercise of stock options	10,000	2	(1)	-	-	1
Shares issued pursuant to exercise of DSUs	2,514,474	1,047	-	-	-	1,047
Shares issued pursuant to exercise of warrants	100,000	15	-	-	-	15
Share-based payment expense	-	-	148	-	-	148
Other comprehensive income	-	-	-	26	-	26
Net loss for the period	-	-	-	-	(1,473)	(1,473)
Balance, December 31, 2020	148,278,210	\$ 84,786	\$ 1,647	\$ 74	\$ (45,372)	\$ 41,135
Shares issued pursuant to private placements	9	30,665,000	23,417	-	-	23,417
Shares issued pursuant to Fairfax placement	9	55,555,556	99,767	-	-	99,767
Flow-through share premium liability	7	-	(5,068)	-	-	(5,068)
Shares issued pursuant to exercise of stock options	9	1,723,368	1,034	(420)	-	614
Shares issued pursuant to exercise of DSUs	8	603,564	639	-	-	639
Shares issued pursuant to exercise of warrants	-	20,000	3	-	-	3
Share-based payment expense	-	-	-	2,872	-	2,872
Reclass of forfeited stock options	-	-	-	(66)	66	-
Other comprehensive loss	-	-	-	-	(22)	(22)
Net loss for the period	-	-	-	-	(2,867)	(2,867)
Balance, September 30, 2021	236,845,698	\$ 204,578	\$ 4,033	\$ 52	\$ (48,173)	\$ 160,490

Condensed Consolidated Interim Statements of Cash Flows

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Cash provided by (used in)					
Operations					
Net loss for the period		\$ (568)	\$ (350)	\$ (2,867)	\$ (580)
Adjustments for:					
Consulting		63	-	187	-
Depreciation – plant and equipment	5	92	10	128	34
Depreciation – right-of-use asset	4	131	25	180	74
Directors' fees	12	15	10	40	38
Flow-through share premium recovery	7	(1,453)	-	(4,309)	-
Lease interest	4	-	-	1	3
Revaluation of deferred share units	8	(190)	184	2,006	(186)
Salaries and benefits		-	22	42	84
Share-based payment expense		1,006	25	1,953	126
Changes in non-cash working capital:					
Accounts receivable		(522)	4	(959)	30
Prepaid expenses and deposits		(23)	4	(146)	45
Accounts payable and accrued liabilities	6	1,589	(14)	2,217	37
		140	(80)	(1,149)	(295)
Investing					
Exploration and evaluation expenditures		(11,873)	(53)	(19,402)	(660)
Purchase of plant and equipment		(1,202)	-	(1,488)	-
		(13,075)	(53)	(20,890)	(660)
Financing					
Issuance of shares	9	100,000	-	125,001	710
Share issue costs paid	9	(233)	-	(1,817)	(6)
Exercise of stock options		223	-	614	285
Exercise of warrants		-	-	3	-
Lease liability payments	4	(65)	(30)	(265)	(72)
		99,925	(30)	123,536	917
Increase (decrease) in cash and cash equivalents		86,990	(163)	101,497	(38)
Cash and cash equivalents, beginning of period		15,557	517	1,050	392
Cash and cash equivalents, end of period		\$ 102,547	\$ 354	\$ 102,547	\$ 354
Cash and cash equivalents is comprised of:					
Guaranteed investment certificates		\$ -	\$ 330	\$ -	\$ 330
Cash		102,547	24	102,547	24
		\$ 102,547	\$ 354	\$ 102,547	\$ 354

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

Notes to Condensed Consolidated Interim Financial Statements

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

1. NATURE OF OPERATIONS AND GOING CONCERN

Foran Mining Corporation (the "**Company**") is a publicly listed company on the TSX Venture Exchange and OTCQX, incorporated under the laws of British Columbia. The Company is involved in activities that include the acquisition, exploration and development of mineral properties.

The Company's head office and registered and records office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

These condensed consolidated interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$2,867 for the nine months ended September 30, 2021 (September 30, 2020: \$580). As at September 30, 2021, the Company had an accumulated deficit of \$48,173 (December 31, 2020: \$45,372). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The ongoing effects of the coronavirus global pandemic ("**COVID-19**") have affected the global economy and may have an adverse effect on the Company's financing capabilities. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The Company adopted a COVID-19 Site Operations Policy and is attempting to take all necessary precautionary measures to avoid a COVID-19 outbreak during its exploration programs. However, it is not possible to reliably estimate the length or severity of these developments and their financial impact on the Company's operations.

The Company has incurred significant operating losses in its exploration operations and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete their development and fund their operations until commercially successful and future production or proceeds from the disposition thereof. While the Company has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Notes to Condensed Consolidated Interim Financial Statements

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(Expressed in thousands of Canadian dollars, except share information)

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”) using accounting principles consistent with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

These 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 same accounting policies are used in the preparation of these condensed consolidated interim financial statements as those applied in the most recent annual audited consolidated financial statements of the Company, with the following additional policy:

Flow-through share private placements: As an incentive to complete private placements, the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company. The shares are usually issued at a premium to the trading price of the Company’s shares. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability which is reversed into the consolidated statement of comprehensive loss as other income when the eligible expenditures are incurred.

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for those assets and liabilities that are measured at fair value (Note 10) at the end of each reporting period and cash flow information.

The Board of Directors (the “Board”) approved these condensed consolidated interim financial statements on November 24, 2021.

3. USE OF JUDGEMENT AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ.

Significant judgements made by management in applying the Company’s accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements of the Company.

Notes to Condensed Consolidated Interim Financial Statements

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4. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The continuity of the right-of-use (“ROU”) asset and lease liability for the nine months ended September 30, 2021 is as follows:

	For the nine months ended September 30, 2021		For the year ended December 31, 2020	
Right-of-use asset				
ROU asset, beginning of the period	\$	49	\$	148
Depreciation		(180)		(99)
Additions		1,229		-
ROU asset, end of period	\$	1,098	\$	49
Lease liability				
Lease liability, beginning of period	\$	54	\$	154
Additions		1,229		-
Interest		1		3
Payments		(265)		(103)
Lease liability, end of period	\$	1,019	\$	54

5. PLANT AND EQUIPMENT

Plant and equipment consist of the following:

	Vehicles	Field and Camp Equipment	Computer and Office Equipment	Total
Cost				
Balance, December 31, 2020	\$ 101	\$ 1,113	\$ 207	\$ 1,421
Additions	307	1,633	7	1,947
Balance, September 30, 2021	\$ 408	\$ 2,746	\$ 214	\$ 3,368
Accumulated Amortization				
Balance, December 31, 2020	\$ 96	\$ 921	\$ 185	\$ 1,202
Additions	16	99	13	128
Balance, September 30, 2021	\$ 112	\$ 1,020	\$ 198	\$ 1,330
Net Book Value, December 31, 2020	\$ 5	\$ 192	\$ 22	\$ 219
Net Book Value, September 30, 2021	\$ 296	\$ 1,726	\$ 16	\$ 2,038

Notes to Condensed Consolidated Interim Financial Statements

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6. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is as follows:

	Mcllvenna Bay		Other Saskatchewan Properties		Total
Balance, December 31, 2020	\$	33,936	\$	6,669	\$ 40,605
Administration ⁽¹⁾		2,047		858	2,905
Bulk sample decline and surface prep		2,251		-	2,251
Camp costs		1,252		235	1,487
Consulting		2,026		363	2,389
Drilling		8,114		848	8,962
Feasibility studies		3,863		-	3,863
Fuel		757		97	854
Geophysics		117		-	117
Permitting and licenses		165		-	165
Staking		-		17	17
Total exploration expenditures		20,592		2,418	23,010
Balance, September 30, 2021	\$	54,528	\$	9,087	\$ 63,615

(1) Includes \$920 of share-based compensation

(a) Mcllvenna Bay, Saskatchewan

The Company owns a 100% interest in the Mcllvenna Bay mineral property located in Saskatchewan, Canada (“Mcllvenna Bay”).

Certain claims that make up Mcllvenna Bay are subject to a Net Tonnage Royalty (“NTR”) of \$0.75 per tonne of ore extracted, with the Company holds a right of first refusal if an offer to purchase the NTR is made.

Cameco Corporation and BHP Billiton Limited collectively hold a 1% net smelter return (“NSR”) royalty interest on Mcllvenna Bay, which can be repurchased by the Company at any time for \$1,000.

(b) Other Saskatchewan Properties

The Company holds interests ranging from 65% to 100% in seven mining claims groups in its Saskatchewan property portfolio, exclusive of Mcllvenna Bay (“Other Saskatchewan Properties”).

The Company has committed, through previous mineral property ownership agreements associated with certain of its Other Saskatchewan Properties, to pay various NSR and net profits interest (“NPI”) royalties. The NSR royalties range from 2% to 2.5%, with buyout provisions for up to one-half of some of these NSR royalties. The NPI royalties range from 6% to 10%.

(c) Manitoba Property

The Company holds a 100% interest in one Manitoba property consisting of one claim, which has a carrying value of \$nil at September 30, 2021 (December 31, 2020 - \$nil).

As at September 30, 2021, accounts payable and accrued liabilities included \$2,827 (December 31, 2020: \$138) of exploration and evaluation asset expenditures and \$459 (December 31, 2020: Nil) of plant and equipment purchases.

Notes to Condensed Consolidated Interim Financial Statements

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

7. FLOW THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	September 30, 2021
Balance, December 31, 2020	\$ -
Premium on issuance of flow-through common shares	5,068
Reduction due to qualifying expenditures	(4,309)
Balance, September 30, 2021	\$ 759

8. DEFERRED SHARE UNITS

The Company has a Long-Term Performance Incentive Plan ("LTIP") that allows the Company to grant various awards, including Deferred Share Units ("DSUs") to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding.

A continuity of the changes in the DSUs outstanding is as follows:

	Number of units	Value
Outstanding, December 31, 2020	1,223,976	\$ 710
Granted	658,728	648
Exercised	(603,564)	(639)
Revaluation	-	2,006
Outstanding, September 30, 2021	1,279,140	\$ 2,725

Notes to Condensed Consolidated Interim Financial Statements

(unaudited – prepared by management)

(Expressed in thousands of Canadian dollars, except share information)

9. SHARE CAPITAL**(a) Authorized and issued**

The Company is authorized to issue an unlimited number of common shares, non-voting common shares and preference shares with no par value. At September 30, 2021, 209,067,920 voting common shares and 27,777,778 non-voting common shares were issued and outstanding.

The rights, privileges, restrictions and conditions of the non-voting common shares are identical to those of the common shares, except that the non-voting shares will not entitle the holder thereof to vote at a shareholder meeting and that the non-voting shares may be converted, at the option of the holder, on a one-to-one basis into common shares. Once a non-voting share is converted into a common share, it shall have all the rights and privileges that attach to the common shares.

The subscription agreement entered into between the Company and affiliates of Fairfax Financial Holdings Limited (collectively, "Fairfax") contains certain restrictions on the conversion of the 27,777,778 non-voting shares held by Fairfax. Such non-voting shares can only be converted to voting common shares upon a change of control event or upon disposal of the non-voting shares by Fairfax.

(b) Private placement financings

On February 2, 2021, the Company completed a non-brokered private placement financing totaling 30,665,000 common shares for gross proceeds of \$25,001. The Company issued 11,539,000 common shares at a price of \$0.65 per share for gross proceeds of \$7,500 and 19,126,000 common shares on a flow-through basis at a price of \$0.915 per flow-through share for gross proceeds of \$17,500.

As a result of subscribers paying a premium for the flow-through shares, the Company allocated \$5,068 of the gross proceeds of the flow-through shares to the flow-through share premium and the remaining \$12,432 to share capital. Share issue costs totaled \$1,584.

On August 6, 2021, the Company completed a \$100,000 private placement with certain entities controlled by Fairfax Financial Holdings Limited (the "Fairfax Placement"). The Fairfax Placement consisted of 27,777,778 voting common share units of the Company at a price of \$1.80 per common share unit for gross proceeds of \$50,000, with each unit comprised of one voting common share and 0.288 of a warrant to purchase an aggregate 8,000,000 additional voting common shares at an exercise price of \$2.09, expiring on August 6, 2026. The Fairfax Placement also consisted of 27,777,778 non-voting common share units at a price of \$1.80 per non-voting common share unit for gross proceeds of \$50,000, with each unit comprised of one non-voting common share and 0.288 of a warrant to purchase an aggregate of 8,000,000 additional voting common shares at an exercise price of \$2.09, expiring on August 6, 2026. Share issue costs total \$233.

Notes to Condensed Consolidated Interim Financial Statements

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9. SHARE CAPITAL (Continued)

(c) Stock options

The Company's LTIP allows the Company to grant various awards, including stock options, to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

A continuity of the stock options is as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2020	12,570,000	0.28
Granted	4,325,000	1.18
Exercised	(1,729,331)	0.36
Forfeited	(756,668)	1.07
Outstanding, September 30, 2021	14,409,001	\$ 0.50

The following stock options were outstanding as at September 30, 2021:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
844,000	844,000	\$ 0.40	March 9, 2022	0.44
681,667	578,889	0.42	June 21, 2022	0.72
1,010,000	1,010,000	0.57	January 31, 2023	1.34
80,000	80,000	0.57	March 7, 2023	1.43
170,000	170,000	0.41	August 23, 2023	1.90
1,131,667	1,131,667	0.34	March 27, 2024	2.49
1,016,667	677,778	0.09	April 3, 2025	3.51
6,000,000	6,000,000	0.20	November 7, 2025	4.11
200,000	66,667	1.05	March 24, 2026	4.48
500,000	-	1.15	April 5, 2026	4.52
500,000	-	1.15	April 20, 2026	4.56
1,375,000	458,333	1.05	April 21, 2026	4.56
600,000	-	1.33	May 5, 2026	4.60
100,000	33,333	2.13	September 13, 2026	4.96
200,000	66,667	2.02	September 28, 2026	5.00
14,409,001	11,117,334	0.50		3.44

Notes to Condensed Consolidated Interim Financial Statements

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9. SHARE CAPITAL (Continued)

(d) Share purchase warrants

A continuity of the outstanding share purchase warrants is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2020	9,164,285	0.21
Granted	16,000,000	2.09
Exercised	(20,000)	0.15
Outstanding, September 30, 2021	25,144,285	\$ 1.41

The following warrants were outstanding at September 30, 2021:

Warrants outstanding and exercisable	Expiry Date	Weighted average exercise price
3,430,000	April 29, 2023	\$ 0.15
5,714,285	November 25, 2025	0.25
16,000,000	August 6, 2026	2.09
25,144,285		\$ 1.41

10. FINANCIAL INSTRUMENTS

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

(a) Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value as described below:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted market prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The fair values of the Company's accounts and other receivables, cash, deposits and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. Investments, which are measured at fair value through other comprehensive income ("FVOCI"), are valued using Level 1 inputs.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instruments fails to meet its contractual obligation. The credit risk associated with cash and cash equivalents is minimized as these financial instruments are held with major Canadian commercial banks. In respect of accounts receivable, the Company is not exposed to significant credit risk as the majority consists of amounts due from Canadian governmental agencies.

Notes to Condensed Consolidated Interim Financial Statements

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10. FINANCIAL INSTRUMENTS (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has in place a planning and budgeting process to 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 there is sufficient working capital to fund near term planned exploration work and operating expenditures. The Company has considerable discretion to reduce or increase plans or budgets depending on current or projected liquidity.

(d) Market risk

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to short-term interest rates through the interest earned on cash and cash equivalents. A 1% change in short-term interest rates would not have a material impact on net loss or comprehensive loss.

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency exchange rates. The Company holds substantially all of its cash resources in Canadian dollars with an insignificant amount held in US dollars, making currency risk minimal.

(ii) *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financing instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk in terms of its investment and the deferred share units. There is not material impact to deferred share units resulting from a 10% change in market prices.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended December 31, 2020.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual or interim expenditure budgets that are updated as necessary. The budgets are approved by the Board.

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company's treasury management policy allows for the investment of cash in highly rated liquid short-term interest-bearing investments with an initial term to maturity of two years or less.

The Company is not subject to externally imposed capital requirements.

Notes to Condensed Consolidated Interim Financial Statements

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12. RELATED PARTY TRANSACTIONS

Key management personnel at the Company are the current Directors and Officers of the Company. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

The Company's related party transactions for the three and nine months ended September 30 were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Short-term benefits ⁽¹⁾	\$ 120	\$ 76	\$ 942	\$ 353
Directors' fees ⁽²⁾	15	10	40	38
Consulting fees ⁽³⁾	96	-	341	-
Office rent	-	-	7	4
Share-based payments ⁽⁴⁾	962	18	1,713	108
Total	\$ 1,193	\$ 104	\$ 3,043	\$ 503

(1) Short-term benefits consisted of salaries and bonuses for key management personnel, some of which have been capitalized to exploration and evaluation assets.

(2) Directors' fees consisted exclusively of DSUs awarded to the independent directors

(3) Consulting fees consisted of fees paid to Myerson Holdings AG, a company controlled by the CEO, in the form of DSU's and fees to payable to the Executive Director.

(4) Share-based payments consisted of the fair value of stock options that had been granted to key management personnel, some of which have been capitalized to exploration and evaluation assets.

As at September 30, 2021, the Company has no outstanding balances payable to related parties for office rent (December 31, 2020 - \$10).