

**GLOBAL BATTERY METALS LTD**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2020 AND 2019**

(Unaudited, expressed in Canadian Dollars, unless otherwise noted)

## **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.

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Financial Position**

As at

*(Unaudited – Expressed in Canadian dollars)*

	Note	October 31, 2020	April 30, 2020
		\$	\$
<b>Assets</b>			
Current			
Cash		576,022	753,905
Receivables		6,984	42,816
Prepaid expenses and deposits		38,955	12,373
		621,961	809,094
Mineral property interests	4	5,121,378	5,786,481
		5,743,339	6,595,575
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	7	129,597	98,252
<b>Equity</b>			
Share capital	6	11,591,454	11,591,454
Contributed surplus	6	2,008,127	1,948,441
Accumulated other comprehensive income		(134,580)	193,761
Deficit		(10,109,171)	(9,795,921)
Equity attributable to shareholders		3,355,830	3,937,735
Non-controlling interest		2,257,912	2,559,588
		5,613,742	6,497,323
		5,743,339	6,595,575

Subsequent event (Note 6)

Contingencies (Note 11)

**On behalf of the Board:**

*“Alan Matthews”*

Director

*“Michael Murphy”*

Director

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

**GLOBAL BATTERY METALS LTD.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

For the three and six months ended October 31,

*(Unaudited - Expressed in Canadian dollars)*

	Note	Three months ended		Six months ended	
		October 31		October 31	
		2020	2019	2020	2019
		\$	\$	\$	\$
Business investigation costs		2,225	5,375	13,725	6,950
Consulting fees	7	7,337	9,850	11,786	17,860
Exploration costs	5, 7	27,591	9,189	52,329	202,434
Investor relations		1,080	3,650	1,080	15,040
Management salaries and benefits	7	37,500	37,500	75,427	75,329
Office administration		22,139	34,336	48,696	64,814
Professional fees		20,495	19,126	38,329	31,325
Property Investigation		23,405	-	23,405	-
Share-based payments	6	59,686	-	59,686	-
Shareholders' information		11,768	26,074	21,869	47,581
<b>Loss from operations for the period</b>		<b>(213,226)</b>	<b>(145,100)</b>	<b>(346,332)</b>	<b>(461,333)</b>
Interest income		49	4,555	49	10,441
<b>Loss for the period</b>		<b>(213,177)</b>	<b>(140,545)</b>	<b>(346,283)</b>	<b>(450,892)</b>
<b>Other comprehensive income (OCI)</b>					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Exchange differences on translating foreign operation		(158,180)	(72,457)	(596,984)	(167,533)
<b>Total comprehensive loss for the period</b>		<b>(371,357)</b>	<b>(213,002)</b>	<b>(943,267)</b>	<b>(618,425)</b>
<b>Loss for the period attributable to:</b>					
Shareholders of the Company		(196,001)	(132,681)	(313,250)	(433,497)
Non-controlling interest (NCI)		(17,176)	(7,864)	(33,033)	(17,395)
		(213,177)	(140,545)	(346,283)	(450,892)
<b>Comprehensive loss for the period attributable to:</b>					
Shareholders of the Company		(283,001)	(172,600)	(641,591)	(526,892)
Non-controlling interest (NCI)		(88,356)	(40,402)	(301,676)	(91,533)
		(371,357)	(213,002)	(943,267)	(618,425)
<b>Loss per share</b>					
Basic and diluted		(0.01)	(0.00)	(0.01)	(0.01)
<b>Weighted average number of common shares outstanding</b>					
Basic and diluted		32,300,839	32,300,839	32,300,839	32,294,725

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

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Equity**  
For the six months ended October 31,  
*(Unaudited - Expressed in Canadian dollars)*

	Common Shares	Share Capital	Contributed Surplus	Shares to be issued	AOCI	Deficit	NCI	Total
	#	\$	\$	\$	\$	\$	\$	\$
<b>Balance, April 30, 2019</b>	<b>25,869,539</b>	<b>10,591,979</b>	<b>1,948,441</b>	<b>246,000</b>	<b>144,751</b>	<b>(9,103,072)</b>	<b>2,468,524</b>	<b>6,296,623</b>
Shares issued pursuant to Private Placement	6,431,300	1,029,008	-	(246,000)	-	-	-	783,008
Share issue costs	-	(29,533)	-	-	-	-	-	(29,533)
Contributions by NCI	-	-	-	-	-	-	44,854	44,854
Net loss for the period	-	-	-	-	-	(433,497)	(17,395)	(450,892)
OCI for the period	-	-	-	-	(93,395)	-	(74,138)	(167,533)
<b>Balance, October 31, 2019</b>	<b>32,300,839</b>	<b>11,591,454</b>	<b>1,948,441</b>	<b>-</b>	<b>51,356</b>	<b>(9,536,569)</b>	<b>2,421,845</b>	<b>6,476,527</b>
Property acquisition	-	-	-	-	-	-	-	-
Contributions by NCI	-	-	-	-	-	-	53,289	53,289
Net loss for the period	-	-	-	-	-	(259,352)	(30,924)	(290,276)
OCI for the period	-	-	-	-	142,405	-	115,378	257,783
<b>Balance, April 30, 2020</b>	<b>32,300,839</b>	<b>11,591,454</b>	<b>1,948,441</b>	<b>-</b>	<b>193,761</b>	<b>(9,795,921)</b>	<b>2,559,588</b>	<b>6,497,323</b>
Share-based payments	-	-	59,686	-	-	-	-	59,686
Net loss for the period	-	-	-	-	-	(313,250)	(33,033)	(346,283)
OCI for the period	-	-	-	-	(328,341)	-	(268,643)	(596,984)
<b>Balance, October 31, 2020</b>	<b>32,300,839</b>	<b>11,591,454</b>	<b>2,008,127</b>	<b>-</b>	<b>(134,580)</b>	<b>(10,109,171)</b>	<b>2,257,912</b>	<b>5,613,742</b>

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

**GLOBAL BATTERY METALS LTD.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
For the three and six months ended October 31,  
*(Unaudited - Expressed in Canadian dollars)*

	Three months ended		Six months ended	
	October 31		October 31	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
Net loss for the period	(213,177)	(140,545)	(346,283)	(450,892)
Adjustments for:				
Interest income	(49)	(4,555)	(49)	(10,441)
Share-based payments	59,686	-	59,686	-
Changes in non-cash working capital items:				
Receivables	60,845	608	35,832	1,457
Prepaid expenses and advances	(15,755)	(13,068)	(26,582)	(9,143)
Accounts payable and accrued liabilities	68,424	(67,071)	31,345	(119,703)
Net cash used in operating activities	(40,036)	(224,632)	(246,051)	(588,722)
<b>Cash flows from investing activities</b>				
Interest received	49	4,555	49	10,441
Mineral property acquisition costs	-	-	-	(45,871)
Net cash from (used in) investing activities	49	4,555	(49)	(35,430)
<b>Cash flows from financing activities</b>				
Income from Option Agreement	-	-	74,490	-
Proceeds of shares issued	-	-	-	783,008
Share issuance costs	-	200	-	(29,533)
Contribution by non-controlling shareholder	-	9,835	-	44,854
Net cash from financing activities	-	10,035	74,490	798,329
<b>Foreign exchange on cash</b>	(2,712)	(387)	(6,371)	(2,993)
<b>Change in cash for the period</b>	(42,689)	(210,429)	(177,883)	171,184
<b>Cash, beginning of period</b>	618,711	1,129,856	753,905	748,243
<b>Cash, end of period</b>	576,022	919,427	576,022	919,427

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

## GLOBAL BATTERY METALS LTD.

### Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended October 31, 2020 and 2019

(Unaudited, expressed in Canadian dollars)

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#### 1. Nature of operations

The principal business activities of Global Battery Metals Ltd. (the “Company”) include the acquisition and exploration of mineral properties. The Company’s corporate head office is located at 1430-800 W Pender Street, Vancouver, British Columbia, Canada. The Company’s common shares are listed on the TSX Venture Exchange under the symbol GBML and the OTCQB under the symbol REZZF and the Frankfurt Stock Exchange under the symbol “3F2.F”.

#### 2. Basis of presentation

These condensed interim consolidated financial statements for the three and six months ended October 31, 2020 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s April 30, 2020 annual consolidated financial statements. The Company uses the same accounting policies and methods of computation as in the annual consolidated financial statements for the year ended April 30, 2020.

These condensed interim consolidated financial statements were approved by the board of directors and authorized for issue on December 18, 2020.

The condensed interim consolidated financial statements include the results of the Company. The functional currency of the parent company, Global Battery Metals Ltd., is the Canadian dollar, the functional currency of the Company’s subsidiary Minas Dixon S.A is the Peruvian Nuevo Sol and the functional currency of the Company’s subsidiary Compania Minera Oyamel, S.A de C.V is the US Dollar. The presentation currency of the Company is the Canadian dollar. The statement of financial position of each subsidiary is translated into Canadian dollars using the exchange rate at the statement of financial position date and the statement of operations is translated into Canadian dollars using the average exchange rate for the period. All gains and losses on translation from the functional currency to the presentation currency are charged to other comprehensive income. During the three and six months ended October 31, 2020, the Company recorded a loss of \$596,984 (2019 – \$167,533) through other comprehensive income related to the translation of its foreign subsidiaries.

The condensed interim consolidated financial statements include the results of the Company and its subsidiaries. Details of the Company’s subsidiaries are as follows:

Name	Country of incorporation	Percentage owned July 31,	
		2019	2018
Compania Minera Oyamel, S.A de C.V	Mexico	100%	100%
Minas Dixon S.A (“Minas Dixon” or “Minas”)	Peru	55%	55%
Arizona Lithium Resources Ltd. ( <i>Dissolved</i> )	-	-	-

Intercompany balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. On August 31, 2020 the Company’s wholly owned subsidiary Arizona Lithium Resources Ltd was dissolved.

#### 3. Critical accounting estimates and judgments

There have been no changes to the critical accounting estimates and judgements. Refer to the Company’s annual consolidated financial statements and notes for the year ended April 30, 2020.

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2020 and 2019

*(Unaudited, expressed in Canadian dollars)***4. Mineral property interests**

Mineral property interests at October 31, 2020 and the changes for the periods then ended, are as follows:

	Lara	NWL Property	Total
	\$	\$	\$
<b>Balance, April 30, 2019</b>	<b>5,514,107</b>	<b>133,645</b>	<b>5,647,752</b>
Acquisition costs	-	47,621	47,621
Foreign exchange on mineral property	91,108	-	91,108
<b>Balance, April 30, 2020</b>	<b>5,605,215</b>	<b>181,266</b>	<b>5,786,481</b>
Option Agreement funding	(74,490)	-	(74,490)
Foreign exchange on mineral property	(590,613)	-	(590,613)
<b>Balance, October 31, 2020</b>	<b>4,940,112</b>	<b>181,266</b>	<b>5,121,378</b>

**Lara Property**

On February 4, 2013, the Company completed the requirements of the Lara option agreement with Lara Exploration Ltd. (“Lara Exploration”) and acquired 55% of Minas Dixon, the registered owner of the Lara property in southern Peru. Under the option agreement, a Joint Venture agreement was entered into with the 45% owner, Lara Exploration. The Lara property is subject to a payment of \$500,000 to a past owner at the start of commercial production.

On July 28, 2020, the Company entered into an Option Agreement (“Option Agreement”), together with Lara Exploration through Minas Dixon, for the sale of the Lara Property to Minsur S.A and a 1.5% NSR royalty. Under the terms of the Option Agreement the Company and Lara Exploration have granted Minsur S.A an exclusive option to acquire a 100% interest in the Lara Property by making staged cash payments of US\$5,759,000, to Minas Dixon based on the satisfaction of the below milestones.

Milestone/Date	Option Payments (US\$)
Upon Registration of the Agreement before Public Notary (July 21, 2020)	59,000
One year from Registration of the Agreement	200,000
Approval of Environmental Study and Start of Work (“DIA-IA”)	200,000
One year from approval of the DIA-IA	300,000
Approval of Semi-Detailed Environmental Study (“EIA-SD”)	500,000
One year from approval of the EIA-SD	1,500,000
Upon transfer of Title	3,000,000
<b>Total (US\$)</b>	<b>5,759,000</b>

During the six months ended October 31, 2020, the Company received US\$59,000 (CAD - \$74,490) related to the option agreement.

**North West Leinster Lithium Property**

On April 21, 2020, the Company entered into an amended Letter of Intent (the “LOI”) with LRH Resources Ltd (LRHR), an arms length private company. The LOI re-defines the option agreement as previously announced on October 28, 2018, in which the Company has the option to acquire up to 90% of the North West Leinster Lithium Property in the Republic of Ireland. The Company now has the right to exercise the following options:

- By spending €85,000 on exploration expenditures and up to €6,500 in license charges, fees and rents to keep the property in good standing by October 12<sup>th</sup>, 2022 an initial 17.5% interest can be acquired.



**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2020 and 2019

*(Unaudited, expressed in Canadian dollars)*

- The Company can exercise the second option by spending €500,000 on expenditures within two years following receipt by LRHR of the 1<sup>st</sup> Option Notice and paying LRHR €50,000 in either cash or a combination of cash and common shares of the Company, at the option of the Company, with at least €5,000 is payable in cash. Upon the above, a further 37.5% interest can be acquired.
- The Company can exercise the third option upon spending a further €1,000,000 on expenditures on the Project within two years following receipt by LRHR of the 2<sup>nd</sup> Option Notice and paying LRHR €200,000 in either cash or a combination of cash and commons shares of the Company, at the option of the Company, of which at least €20,000 is be payable in cash. Upon this, an additional 35% interest can be acquired by the Company.

Pursuant to the original agreement with LRHR the Company made a cash payment of €10,000 (Paid – CAD \$15,438) and incurred €106,654 (CAD - \$165,828) of exploration expenses. This completed the due diligence required to enter into the LOI above.

**5. Exploration expenditures**

During the three months ended October 31, 2020, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	<b>Lucky Mica</b>	<b>Lara</b>	<b>Total</b>
	\$	\$	\$
Field work	-	21,677	21,677
Geological consulting	-	5,912	5,912
<b>Total</b>	-	<b>27,589</b>	<b>27,591</b>

During the six months ended October 31, 2020, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	<b>Lucky Mica</b>	<b>Lara</b>	<b>Total</b>
	\$	\$	\$
Field work	-	38,205	38,205
Geological consulting	-	14,124	14,124
<b>Total</b>	-	<b>52,329</b>	<b>52,329</b>

During the three months ended October 31, 2019, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	<b>Lucky Mica</b>	<b>Lara</b>	<b>Total</b>
	\$	\$	\$
Field work	-	3,412	3,412
Geological consulting	1,817	3,960	5,777
<b>Total</b>	<b>1,817</b>	<b>7,372</b>	<b>9,189</b>

During the six months ended October 31, 2019, the Company incurred the following exploration and expenditures, which were expensed as incurred:

	<b>Lucky Mica</b>	<b>Lara</b>	<b>Total</b>
	\$	\$	\$
Field work	147,452	5,829	153,281
Geological consulting	37,242	11,911	49,153
<b>Total</b>	<b>184,694</b>	<b>17,740</b>	<b>202,434</b>

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2020 and 2019

*(Unaudited, expressed in Canadian dollars)***6. Share Capital****a) Authorized and issued**

Unlimited common shares, without par value – 32,300,839

Subsequent to October 31, 2020 the Company closed a non-brokered private placement of 10,350,000 units at a price of \$0.10 per unit, for gross proceeds of \$1,035,000. Each unit consists of one common share and one common share purchase warrant which is exercisable into one common share at an exercise price of \$0.15 for a period of 2 years from the issue date. The Company issued 451,000 broker warrants in connection with the private placement. Each broker warrant is exercisable into one common share at an exercise price of \$0.15 for a period of 2 years from the issue date.

On May 1, 2019, the Company closed a non-brokered private placement of 6,431,300 units at \$0.16 per unit, for gross proceeds of \$1,029,008. Each unit was comprised of one common share of the Company and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of \$0.24 for a period of two years. The Company applied the residual attribution approach and allocated a value of \$nil to the warrants. The Company incurred cash share issuance costs of \$29,533. A total of \$246,000 of the gross proceeds had been received prior to April 30, 2019.

**b) Stock options**

The balance of options outstanding and exercisable as at October 31, 2020 and April 30, 2019 and the changes for the periods then ended is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life (years)
Balance April 30, 2019	2,571,000	\$0.16	3.25
Balance April 30, 2020	2,571,000	\$0.16	2.24
Granted	660,000	\$0.10	
Expired	(272,000)	\$0.10	
<b>Balance October 31, 2020</b>	<b>2,959,000</b>	<b>\$0.13</b>	<b>2.61</b>

At October 31, 2020, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of options outstanding and exercisable
April 4, 2021	\$0.10	0.42	234,000
August 9, 2021	\$0.20	0.77	150,000
February 24, 2022	\$0.18	1.32	300,000
November 30, 2022	\$0.14	2.08	600,000
May 30, 2023	\$0.20	2.08	1,000,000
November 26, 2023	\$0.09	3.07	15,000
September 27, 2025	\$0.10	4.91	660,000
	<b>\$0.13</b>	<b>2.61</b>	<b>2,959,000</b>

During the six months ended October 31, 2020 the Company granted 660,000 options that vested immediately (six months ended October 31, 2019 – nil). The fair value of the options granted is \$0.09 (October 31, 2019 - \$nil) per option and the Company recorded share-based payments expense of \$59,686 (six months ended October 31, 2019 \$nil). The fair value was determined using the Black-Scholes option pricing model using the following assumptions: Risk free rate – 0.32%; expected life – 5 years; expected volatility – 149%; expected forfeiture and dividends – nil.

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2020 and 2019

*(Unaudited, expressed in Canadian dollars)***c) Warrants**

The balance of warrants outstanding at October 31, 2020 and April 30, 2020 and the changes for the periods then ended is as follows:

	Number of warrants	Exercise price	Weighted average remaining life (years)
Balance, April 30, 2019	10,012,358	\$0.20	1.05
Expired	(6,619,025)	\$0.23	
Issued	3,215,650	\$0.24	
Balance, April 30, 2020	6,608,983	\$0.19	1.09
<b>Balance, October 31, 2020</b>	<b>6,608,983</b>	<b>\$0.19</b>	<b>0.58</b>

At October 31, 2020 the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Weighted average remaining life (years)	Number of warrants outstanding
May 1, 2021	\$0.24	0.50	3,215,650
June 29, 2021	\$0.15	0.66	3,393,333
	<b>\$0.19</b>	<b>0.58</b>	<b>6,608,983</b>

**7. Related Party Transactions**

Compensation paid or payable to Directors, the Chief Executive Officer and the Chief Financial Officer, for services provided during the three and six months ended October 31, 2020 and 2019 was as follows:

	Three months ended October 31,		Six months ended October 31,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Management salaries and benefits	37,500	37,500	75,000	75,000
Business investigation	2,375	5,325	11,625	6,900
Consulting fees	7,338	9,850	11,786	17,860
Exploration expenses	-	1,800	-	13,225
Property Investigation	10,710	-	10,710	-
Share-based payments	59,686	-	59,686	-
	<b>117,609</b>	<b>54,475</b>	<b>171,609</b>	<b>112,985</b>

Included in accounts payable and accrued liabilities at October 31, 2020 is \$3,320 (April 30, 2020 - \$nil) due to a director of the Company. The amount owing is non-interest bearing and due on demand.

**8. Segmented Information**

The Company has one operating segment, which is mineral exploration and development. Geographic information related to the location of the Company's significant non-current assets as at October 31, 2020 and April 30, 2020 is as follows:

	October 31, 2020	April 30, 2019
	\$	\$
<b>Mineral property interests</b>		
Ireland	181,266	181,266
Peru	4,940,112	5,605,215
<b>Total</b>	<b>5,121,378</b>	<b>5,786,481</b>

**GLOBAL BATTERY METALS LTD.****Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended October 31, 2020 and 2019

*(Unaudited, expressed in Canadian dollars)***9. Non-controlling interest**

The Company owns a 55% controlling interest in Minas Dixon S.A; the remaining 45% is held by Lara Exploration and accounted for as a non-controlling interest. Financial information related to Minas Dixon S.A is as follows:

	<b>October 31, 2020</b>		<b>April 30, 2020</b>	
	\$		\$	
Current assets	61,085		71,364	
Long term assets	4,940,112		5,605,215	
Current liabilities	(1,335)		(6,912)	
Long term liabilities	(1,134,484)		(1,268,167)	

  

	<b>Three months ended October 31,</b>		<b>Six months ended October 31,</b>	
	2020	2019	2020	2019
	\$	\$	\$	\$
Loss for the period	(38,171)	(17,472)	(73,412)	(38,655)
Other comprehensive loss for the period	(158,180)	(72,312)	(596,984)	(164,756)
Comprehensive loss for the period	(195,351)	(89,784)	(670,396)	(203,411)
Cash flows for the period:				
Cash flows from (used in) operating activities	25,820	(17,795)	(78,989)	(94,283)
Cash flows from financing activities	-	21,812	113,277	99,861
Net increase decrease in cash	25,820	4,017	34,288	5,578
Cash, beginning of period	39,977	10,729	33,168	9,149
Effect of foreign exchange rates on cash	(2,712)	(237)	(6,371)	(218)
Cash, end of period	61,085	14,509	61,085	14,509

**10. Financial Instruments****Classification of financial instruments**

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The Company classifies its cash and accounts payable and accrued liabilities as amortized cost. The fair value of these instruments approximates their carrying amounts due to their short-term to maturity.

There have been no changes to the Company's financial instruments and risk exposures. The Company's risk exposures and the impact on the Company's financial instruments are discussed in the consolidated financial statements for the year ended April 30, 2020.

**11. Contingencies**

The Company has approved a compensation package to the Chief Executive Officer. On the completion of a corporate acquisition or merger, bonuses of up to 500,000 stock options, restricted share unit's equal to 1% of the value of the transaction and cash in the amount equal to 0.25% of the value of the transaction would become payable. As at October 31, 2020 no corporate acquisition or merger has been entered into and therefore no accrual for the compensation package has been recorded.

**12. COVID-19**

The COVID-19 outbreak has resulted in social and economic disruption and had a resultant impact on the mining and exploration industries and capital markets. The impacts to the Company are not determinable at this date, however, could have a material impact on the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.