CANADIANOREBODIES

Condensed Interim Financial Statements

For the Three and Six Months Ended July 31, 2019

(unaudited)

(expressed in Canadian dollars)

Notice of non-review of condensed interim financial statements

In accordance with National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators, notice is given that the condensed interim financial statements for the six month period ended July 31, 2019 have not been reviewed by the Company's auditors.

Canadian Orebodies Inc.
Condensed Interim Statements of Financial Position
(unaudited and expressed in Canadian dollars)

As at	July 31, 2019	January 31, 2019
Assets		
Current assets		
Cash and cash equivalents *(note 5)*	$ 1,080,742	$ 2,269,903
Accounts receivable	41,502	26,423
Prepaid expenses	14,876	9,126
Exploration advances	30,870	33,670
Total Assets	$ 1,167,990	$ 2,339,122
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 55,268	$ 89,414
Deferred premium on flow-through shares *(note 11)*	-	137,809
	55,268	227,223
Shareholders' Equity		
Share capital *(note 7)*	29,197,027	29,197,027
Contributed surplus *(note 8)*	6,336,442	6,336,442
Warrants *(note 9)*	24,609	24,609
Accumulated deficit	(34,445,356)	(33,446,179)
	1,112,722	2,111,899
Total Equity and Liabilities	$ 1,167,990	$ 2,339,122

Subsequent events *(note 14)*

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

Canadian Orebodies Inc.
Condensed Interim Statements of Operations and Comprehensive Loss
(unaudited and expressed in Canadian dollars)

	Three months ended July 31, 2019	Three months ended July 31, 2018	Six months ended July 31, 2019	Six months ended July 31, 2018
Expenses				
Exploration expenditures *(note 6)*	$ **214,619**	$ **463,253**	$ **894,348**	$ **579,750**
Management and administrative services *(note 12)*	**90,647**	**90,524**	**186,394**	**186,004**
Office and administration	**22,330**	**25,411**	**38,253**	**45,397**
Shareholder information	**9,352**	**9,646**	**18,356**	**25,618**
Professional and consulting fees	**5,348**	**10,441**	**8,917**	**15,479**
Travel	**759**	**72**	**759**	**72**
Share based compensation *(note 8 and 12)*	**-**	**18,520**	**-**	**18,520**
Premium on flow-through shares income *(note 11)*	**(17,124)**	**(52,090)**	**(137,809)**	**(52,090)**
Interest income	**(3,383)**	**(5,822)**	**(10,041)**	**(12,638)**
Net loss and comprehensive loss for the period	**(322,548)**	**(559,955)**	**(999,177)**	**(806,112)**
Basic and diluted net loss per share *(note 10)*	$ **(0.01)**	$ **(0.01)**	$ **(0.02)**	$ **(0.02)**

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

Canadian Orebodies Inc.
Condensed Interim Statements of Cash Flows
(unaudited and expressed in Canadian dollars)

For the six months ended July 31,	2019	2018
Operating Activities		
Net loss	$ (999,177)	$ (806,112)
Items not affecting cash and cash equivalents from operating activities:		
Interest income	(10,041)	(12,638)
Shares and warrants issued for mineral properties	-	12,000
Share based compensation	-	18,520
Premium on flow-through shares income	(137,809)	(52,090)
Changes in non-cash working capital items		
Accounts receivable	(15,079)	(35,607)
Prepaids and deposits	(5,750)	(2,497)
Exploration advances	2,800	25,000
Accounts payable and accrued liabilities	(34,146)	33,402
	(1,199,202)	(820,022)
Financing Activities		
Issue of common shares	-	2,061,435
Share issue costs	-	(75,564)
Exercise of warrants *(note 7)*	-	110,793
	-	2,096,664
Investing Activities		
Interest income	10,041	12,638
Net change in cash and cash equivalents	(1,189,161)	1,289,280
Cash and cash equivalents, beginning of period	2,269,903	2,414,885
Cash and cash equivalents, end of period	$ 1,080,742	$ 3,704,165
Supplementary cash flow information		
Shares and warrants issued for mineral properties	$ -	$ 12,000

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

Canadian Orebodies Inc.
Condensed Interim Statements of Changes in Equity
(unaudited and expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Contributed surplus	Warrants	Accumulated deficit	Total
Balance, January 31, 2018	**47,143,276**	**$ 27,405,524**	**$ 5,695,250**	**$ 674,894**	**$ (31,326,272)**	**$ 2,449,396**
Private placements *(note 7)*	6,153,537	2,061,435	-	-	-	2,061,435
Flow-through share premium *(note 11)*	-	(371,775)	-	-	-	(371,775)
Cost of issue of private placements	-	(100,172)	-	24,609	-	(75,563)
Issued for mineral properties *(note 6)*	40,000	12,000	-	-	-	12,000
Exercise of warrants	461,637	110,793	-	-	-	110,793
Fair value of warrants exercised	-	52,222	-	(52,222)	-	-
Fair value of warrants expired	-	-	622,672	(622,672)	-	-
Share-based compensation *(note 8)*	-	-	18,520	-	-	18,520
Comprehensive loss for the period	-	-	-	-	(806,112)	(806,112)
Balance, July 31, 2018	**53,798,450**	**$ 29,170,027**	**$ 6,336,442**	**$ 24,609**	**$ (32,132,384)**	**$ 3,398,694**
Issued for mineral properties *(note 6)*	100,000	27,000	-	-	-	27,000
Comprehensive loss for the period	-	-	-	-	(1,313,795)	(1,313,795)
Balance, January 31, 2019	**53,898,450**	**$ 29,197,027**	**$ 6,336,442**	**$ 24,609**	**$ (33,446,179)**	**$ 2,111,899**
Comprehensive loss for the period	-	-	-	-	(999,177)	(999,177)
Balance, July 31, 2019	**53,898,450**	**$ 29,197,027**	**$ 6,336,442**	**$ 24,609**	**$ (34,445,356)**	**$ 1,112,722**

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

1. Nature of Operations

Canadian Orebodies Inc. (the "Company") was incorporated pursuant to the provision of the Business Corporations Act (of Alberta) on January 28, 2008 ("Inception Date"). On July 21, 2008, the Company was authorized to continue its operations from the jurisdiction of Alberta to Ontario. Its principal business activity is the exploration of mineral properties. The address of the Company's registered office is 141 Adelaide Street West, Suite 301, Toronto, Ontario M5H 3L5. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the cumulative expenditures on mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties.

2. Basis of Presentation and Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the IASB. Accordingly, they do not include all of the information required for full annual financial statements as required by IFRS. These condensed interim financial statements should be read in conjuction with the Company's audited annual financial statements for the year ended January 31, 2019.

These condensed interim financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim financial statements were approved by the Board of Directors on September 27, 2019.

3. Significant Accounting Policies

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those as disclosed in the most recently completed audited annual financial statements for the year ended January 31, 2019, with the exception of the change noted below.

(a) Changes in accounting policies

The Company adopted the following standard during the six months ended July 31, 2019:

IFRS 16 - Leases

In January 2016, the IASB issued *IFRS 16 Leases*, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019. The effective date for the application of IFRS 16 was February 1, 2019. The Company's adoption of IFRS 16 did not have a material impact on the financial statements.

(unaudited and expressed in Canadian dollars)

4. Critical Accounting Estimates and Significant Judgements

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. The financial statements include judgments and estimates which, by their nature, are uncertain, and actual outcomes could differ. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The preparation of these financial statements required the following critical accounting estimates and significant judgments:

(i) the calculation of the fair value of warrants and stock options requires the use of estimates of inputs in the Black-Scholes option pricing model (notes 8 and 9).

5. Cash and Cash Equivalents

Cash and cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

	July 31, 2019	**January 31, 2019**
Cash	$ 220,513	$ 198,563
Money market instruments	860,229	2,216,322
Cash and cash equivalents	**$ 1,080,742**	**$ 2,414,885**

6. Mineral Properties and Exploration Expenditures

The total cumulative expenditures, net of recoveries, on each active property in the Company's mineral property portfolio are as follows:

	Hemlo North Limb	**Pic (Wire Lake)**	**Belcher Islands Iron**	**Other Properties**	**Total**
January 31, 2019	**$ 936,690**	**$ 4,850,889**	**$ 14,208,520**	**$ -**	**$ 19,996,099**
Expenditures	1,261	892,187	-	900	894,348
Recoveries	-	-	-	-	-
Disposals *	-	-	-	-	-
July 31, 2019	**$ 937,951**	**$ 5,743,076**	**$ 14,208,520**	**$ 900**	**$ 20,890,447**

** Disposal indicates the Company no longer holds an interest in the respective property, excluding royalty interests, and as such the cumulative expenditure has been eliminated.*

6. Mineral Properties and Exploration Expenditures - continued

Hemlo North Limb Project

On May 24, 2016, the Company purchased a 100% interest in 135 claim units comprising 2,160 hectares approximately 40 kilometers northeast of Marathon, Ontario. As consideration, the Company paid a total of $25,000 in cash and issued 125,000 common shares valued at $25,000. In addition, the vendors retain a 1% Net Smelter Return ("NSR") royalty on the purchased claims.

In addition to the purchased claims, the Company staked 303 claim units totaling 4,848 hectares. In April 2018, the Company's 438 claim units converted to a total of 589 mining claim cells.

Pic Project (formerly referred to as Wire Lake Project)

Staked Claims

In addition to the option and property purchases described below, the Company has staked 985 mining claim cells that form a portion of the Pic Project.

Wire Lake Property

On October 7, 2016, the Company entered into an option agreement with All-Terrain Track Sales & Services Ltd. ("ATTSS") to acquire a 100% interest in 251 claim units (now 866 claim cells) comprising 4,047 hectares approximately 15 kilometers northeast of Marathon, Ontario. On signing, the Company paid $40,000 in cash and issued 78,125 common shares valued at $25,000. The option agreement calls for the Company to make additional cash payments to ATTSS totaling $550,000 over the following five anniversary dates of the option agreement as detailed below:

- (i) 2017 - $100,000; (paid)
- (ii) 2018 - $100,000; (paid)
- (iii) 2019 - $100,000;
- (iv) 2020 - $150,000; and
- (v) 2021 - $100,000.

ATTSS may elect to receive payment in common shares of the Company in lieu of cash at their discretion. Upon completion of the option agreement, the Company will grant ATTSS a 2% NSR royalty, one-half of which may be bought back for a lump sum payment of $1,000,000.

Black Raven Property

On April 23, 2017, the Company entered into an acquisition agreement (the "Acquisition Agreement") with StrikePoint Gold Inc. ("StrikePoint") to acquire a 100% interest in 415 claim units (now 576 claim cells) (the "Black Raven Property") totaling 6,640 hectares located adjacent to the Company's Wire Lake Property. Pursuant to the Acquisition Agreement, the Company paid $15,000 cash on signing, and issued 1,250,000 common shares valued at $587,500. Additionally, the Company issued 250,000 share purchase warrants, valued at $40,025, entitling StrikePoint to acquire up to 250,000 common shares at a price of $0.63 per share for a period of 12 months.

6. Mineral Properties and Exploration Expenditures - continued

Pic Project - continued

In conjunction with the Acquisition Agreement, on April 23, 2017 the Company executed a termination and assumption agreement (the "Termination and Assumption Agreement") with the underlying optionors of the Black Raven Property in order to terminate the underlying option agreement, discharge a future milestone payment and assume the underlying royalty obligations. The Termination and Assumption Agreement called for the Company to issue 200,000 common shares on signing to the Optionors, valued at $94,000, and assume a 2.5% NSR royalty. The royalty agreement provides that 1.5% of the NSR royalty may be bought back by the Company at any time upon payment of $1,500,000, or in increments of 0.5% NSR royalty for $500,000 each.

Goodchild Property

On February 20, 2018, the Company purchased the Goodchild Lake mining property (the "Goodchild Property") from the court-appointed receiver of Century Mining Corporation ("Century") for a cash payment of $40,000, the assumption of Century's three percent (3%) net smelter returns royalty obligations in respect of the Goodchild Property and the payment of a portion of the receiver's expenses associated with the transaction. In connection with the purchase, the Company also entered into an agreement with Teck Resources Limited ("Teck") to terminate certain rights Teck had in relation to the Goodchild Property in exchange for the granting to Teck of a one-half of one percent (0.5%) net smelter returns royalty in respect of the Goodchild Property. The Company also entered into an agreement with the existing net smelter returns royalty holders on the Goodchild Property to vary the terms on which the royalty may be bought down. In exchange for the issuance of 40,000 shares of the Company, valued at $12,000, the Company obtained the right to purchase up to two-thirds of the royalty for $1,500,000.

Benton Property

On August 16, 2018, the Company completed the acquisition of the "Goodchild Lake" mining claims (the "Benton Property") from Benton Resources Inc. ("Benton"). The Benton Property consists of 31 claim cells totaling approximately 500 hectares, and covers a prospective trend adjacent to the northwest portion of the Company's 100% owned Black Raven Property. As consideration for the purchase, the Company issued Benton 100,000 common shares in the capital stock of the Company valued at $27,000 and granted Benton a 1.5% net smelter returns royalty ("NSR"). The Company will have the option to buy-down 50% of the NSR at any time for the sum of $750,000.

Belcher Islands Iron Project

On February 14, 2011, the Company entered into a non-arm's length Purchase Agreement (the "Agreement") to acquire up to a 100% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Project with an area of approximately 1,226 hectares, located on the Belcher Islands, Nunavut, Canada (the "Property"). The Company now holds a 100% interest in the NTI Agreement and the vendors retain a 3% gross overriding royalty, of

6. Mineral Properties and Exploration Expenditures - continued

Belcher Islands Iron Project - continued

which one-third can be purchased by the Company for a maximum of $3,000,000. In addition to the lands acquired under the Agreement, the Company staked 29 claims covering 21,816 hectares of Municipal Land.

Royalty Interests

Hawkins Property

The Company has a 0.5% NSR royalty on the Hawkins property, which covers 1,536 hectares located in the Hawkins and Walls Townships. The Hawkins property is 100% owned by Pavey Ark Minerals Inc.

7. Share Capital

Authorized share capital

On February 20, 2018, the Company issued 40,000 common shares valued at $12,000 pursuant to the Goodchild Property acquisition (note 6).

On June 15, 2018, the Company closed the first tranche of a non-brokered private placement raising gross proceeds of $1,689,250 through the sale of 5,042,537 flow-through shares ("FT Shares") of the Company at a price of $0.335 per FT Share. The Company paid cash finders' fees of $45,120 and issued 152,552 finders warrants ("Finders Warrants") on the closing of the first tranche. Each Finders Warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.335 per share for a period of 18 months from the date of issuance.

On July 4, 2018, the Company closed the second and final tranche of a non-brokered private placement raising gross proceeds of $372,185 through the sale of 1,111,000 FT Shares of the Company at a price of $0.335 per FT Share. The Company paid cash finders' fees of $14,918 and issued 62,160 Finders Warrants on the closing of the final tranche.

On August 16, 2018, the Company issued 100,000 common shares valued at $27,000 pursuant to the Benton Property acquisition (note 6).

At July 31, 2019, the authorized share capital consisted of an unlimited number of common shares and the issued share capital amounted to 53,898,450 common shares for $29,197,027. The common shares do not have a par value. All issued shares are fully paid.

Exercise of Warrants

During the six months ended July 31, 2019, no share purchase warrants were exercised. In the same period of the prior year, 461,637 share purchase warrants with an exercise price of $0.24 were exercised for gross proceeds of $110,793 (the fair value attributed was $52,222).

(unaudited and expressed in Canadian dollars)

8. Share Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statements of operations and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk-free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following table reflects the continuity of share options for the six months ended July 31, 2019 and the prior fiscal year:

	Options	**Weighted avg. exercise price**
Balance, January 31, 2018	4,172,500	$ 0.24
Granted	100,000	0.28
Balance, January 31, 2019	4,272,500	$ 0.24
Balance, July 31, 2019	**4,272,500**	**$ 0.24**

On July 4, 2018, the Company granted 100,000 share options to consultants of the Company, vesting immediately, and exercisable at $0.28 per share for a period of five years from the date of issuance. The value ascribed to the 100,000 share options granted was estimated at $18,520 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: stock price - $0.25; expected dividend yield - 0%; weighted expected volatility - 101%; risk-free interest rate - 2.06% and an expected life of 5 years.

(unaudited and expressed in Canadian dollars)

8. Share Options - continued

The following table reflects the actual share options issued, exercisable, and outstanding as at July 31, 2019.

Expiry date	Options	Exercise price
June 1, 2021	1,662,500	$ 0.20
February 3, 2022	2,310,000	0.25
April 11, 2022	200,000	0.47
July 4, 2023	100,000	0.28
	4,272,500	**$ 0.24**

9. Warrants

The following table reflects the continuity of warrants for the six months ended July 31, 2019 and the prior fiscal year:

	Number of warrants	Allocated value
Balance, January 31, 2018	12,724,749	$ 674,894
Issued	214,712	24,609
Exercised	(461,637)	(52,222)
Expired	(12,263,112)	(622,672)
Balance, January 31, 2019	214,712	$ 24,609
Balance, July 31, 2019	**214,712**	**$ 24,609**

The exercise price and expiry date of the warrants outstanding as at July 31, 2019 are as follows:

Expiry Date	Type	Warrants	Exercise Price
December 15, 2019	Finders' warrants	152,552	$ 0.335
January 4, 2020	Finders' warrants	62,160	0.335
		214,712	**$ 0.335**

(unaudited and expressed in Canadian dollars)

10. Loss Per Common Share

The following table sets forth the computation of basic and diluted loss per share for the three and six months ended July 31, 2019 and 2018:

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Six months ended Jul. 31, 2019	Six months ended Jul. 31, 2018
Loss attributable to common shareholders	$ (322,548)	$ (559,955)	$ (999,177)	$ (806,112)
Weighted-average common shares outstanding - basic and diluted	53,898,450	50,492,236	53,898,450	49,050,010
Basic and diluted loss per common share	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.02)**

Diluted loss per share does not include the effect of share options and warrants outstanding if their effect is anti-dilutive.

11. Deferred Premium on Flow-through Shares

To the extent that the Company issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow-through common shares, any such premium is recorded as a liability on the Company's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as the Company fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

Balance, January 31, 2018	**$ -**
Flow-through financing premium - June 15, 2018	277,340
Flow-through financing premium - July 4, 2018	94,435
Premium recognized in loss from operations	(233,966)
Balance, January 31, 2019	**$ 137,809**
Premium recognized in loss from operations	(137,809)
Balance, July 31, 2019	**$ -**

(unaudited and expressed in Canadian dollars)

12. Related Party Transactions and Balances

(a) Director and executive management compensation

Directors and executive management's compensation for the three and six months ended July 31, 2019 and 2018 consisted of the following:

	Three months ended Jul. 31, 2019	Three months ended Jul. 31, 2018	Six months ended Jul. 31, 2019	Six months ended Jul. 31, 2018
Cash compensation	$ 89,262	$ 89,151	$ 183,576	$ 183,289
Employment benefits	1,385	1,373	2,818	2,715
	$ 90,647	**$ 90,524**	**$ 186,394**	**$ 186,004**

(b) Director and executive management transactions

There were no transactions or outstanding balances relating to entities over which directors and executive management have control or significant influence during the six months ended July 31, 2019 and 2018.

13. Capital Risk Management

The Company's capital is composed of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended July 31, 2019. The Company is not subject to externally imposed capital requirements.

As at July 31, 2019, the Company had no flow-through expenditure obligations.

13. Capital Risk Management - continued

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company's credit risk is primarily attributable to accounts receivable which consist primarily of Harmonized Sales Tax receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(b) Liquidity risk

The Company is currently in the exploration stage and has not commenced commercial operations. As at the date of issue of these financial statements, the Company had an accumulated deficit of $34,445,356. As at July 31, 2019, the Company was not yet generating operating cash flows, but had working capital of $1,112,722. Within this amount, it had a cash balance of $1,080,742 (January 31, 2019: $2,269,903) to settle current liabilities of $ 55,268 (January 31, 2019: $227,223).

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company may be required to obtain additional capital to continue its progress toward recovering the amount expended on its mineral properties, and although success in this regard is not assured, management is of the opinion that additional capital can be raised as required for the foreseeable future.

(c) Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(ii) Price risk

The Company is indirectly exposed to price risk with respect to the price of both precious and base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Fair Value

The fair values of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate their carrying values because of the short term-nature of these instruments.

13. Capital Risk Management - continued

Financial risk factors - continued

(e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes a 50% change in equity prices is "reasonably possible" over a twelve month period. As at July 31, 2019, the Company held no marketable securities and as such net income (loss) would not be impacted by such moves in equity prices.

14. Subsequent Events

(a) On August 1, 2019, the Company announced the tragic passing of Gordon McKinnon, the Company's President and CEO.