Group Eleven Resources Corp.

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2020

Expressed in Canadian Dollars

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

The accompanying condensed consolidated interim financial statements of Group Eleven Resources Corp. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed consolidated interim 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.

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)
As at

	September 30, 2020	**December 31, 2019**
Assets		
Current Assets		
Cash and cash equivalents	$ 2,161,698	$ 862,018
Prepaid expenses	26,888	54,651
Other receivables	42,483	79,181
Total Current Assets	2,231,069	995,850
Non-Current Assets		
Equipment (Note 3)	12,326	16,526
Exploration and evaluation assets (Note 4)	8,897,821	8,897,821
Total Assets	**$ 11,141,216**	**$ 9,910,197**
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	$ 375,257	$ 496,708
Exploration partner advances	564,423	435,448
Total Current Liabilities	939,680	932,156
Non-Current Liabilities		
Government loan payable (Note 7)	40,000	–
Total Non-Current Liabilities	40,000	–
Total Liabilities	**979,680**	**–**
Equity		
Share capital (Note 6)	16,620,376	14,307,404
Reserves	698,377	620,689
Deficit	(9,986,483)	(8,843,534)
Total Shareholders' Equity	7,332,270	6,084,559
Non-controlling interest (Note 7)	2,829,266	2,893,482
Total Equity	10,161,536	8,978,041
Total Liabilities and Equity	**$ 11,141,216**	**$ 9,910,197**

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Operating expenses				
Exploration expenditures (Note 5 and 11)	$ 267,143	$ 330,734	$ 492,168	$ 940,082
Management fees (Note 11)	–	35,702	–	81,025
Salaries and benefits (Note 11)	128,553	171,688	388,250	581,298
Professional fees (Note 11)	16,802	31,560	79,027	176,492
General and administrative	61,731	38,054	115,433	164,333
Marketing and investor relations	27,574	29,283	51,344	176,980
Depreciation (Note 4)	1,265	2,020	4,200	7,647
Foreign exchange loss	4,427	3,873	12,286	59,115
Interest income	(14)	–	(14)	(162)
Share-based payments (Note 7)	20,228	21,679	64,471	73,217
Loss and comprehensive loss for the period	**$ (527,709)**	**$ (664,593)**	**$ (1,207,165)**	**$ (2,260,027)**
Loss attributable to:				
Shareholders	(499,640)	(605,102)	(1,142,949)	(2,072,824)
Non-controlling interest (Note 8)	(28,069)	(59,491)	(64,216)	(187,203)
	(527,709)	**(664,593)**	**(1,207,165)**	**(2,260,027)**
Basic and diluted loss per common share attributable to shareholders	**($0.01)**	**($0.01)**	**($0.01)**	**($0.04)**
Weighted average number of common shares outstanding	**104,517,013**	**63,574,067**	**84,468,146**	**61,686,260**

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2020 and 2019
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

	Share Capital						
	Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholders' Equity**	**Non-controlling Interest**	**Total Equity**
Balance, December 31, 2018	**59,777,477**	**$ 13,027,584**	**$ 833,445**	**$ (6,561,119)**	**$ 7,299,910**	**$ 3,173,312**	**$ 10,473,222**
Shares issued for private placement	3,882,265	423,423	–	–	423,423	–	423,423
Warrants issued for private placement	–	–	42,449	–	42,449	–	42,449
Shares issued for debt	499,762	27,375	–	–	27,375	–	27,375
Expiry of Warrants	–	115,022	(115,022)	–	–	–	–
Share-based payments	–	–	75,440	–	75,440	–	75,440
Loss for the period	–	–	–	(2,072,824)	(2,072,824)	(187,203)	(2,260,027)
Balance, September 30, 2019	**64,159,504**	**13,593,404**	**836,312**	**(8,633,943)**	**5,795,773**	**2,986,109**	**8,781,882**
Shares issued for private placement	8,400,000	714,000	–	–	714,000	–	714,000
Warrants issued for private placement	–	–	294,000	–	294,000	–	294,000
Expiry of warrants	–	–	(565,647)	565,647	–	–	–
Share-based payments	–	–	31,024	–	31,024	–	31,024
Deferred share units	–	–	25,000	–	25,000	–	–
Loss for the year	–	–	–	(775,238)	(775,238)	(92,627)	(867,865)
Balance, December 31, 2019	**72,559,504**	**$ 14,307,404**	**$ 620,689**	**$ (8,843,534)**	**$ 6,084,559**	**$ 2,893,482**	**$ 8,978,041**
Shares issued for private placement	41,833,333	2,350,000	–	–	2,350,000	–	2,350,000
Share issuance costs	–	(23,811)	–	–	(23,811)	–	(23,811)
Share issuance costs – agents' warrants	–	(13,217)	13,217	–	–	–	0
Share-based payments	–	–	64,471	–	64,471	–	64,471
Loss for the period	–	–	–	(1,142,949)	(1,142,949)	(64,216)	(1,207,165)
Balance, September 30, 2020	**114,392,837**	**$ 16,620,376**	**$ 698,377**	**$ (9,986,483)**	**$ 7,332,270**	**$ 2,829,266**	**$ 10,161,536**

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

GROUP ELEVEN RESOURCES CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)
For the nine months ended September 30

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,207,165)	$ (1,595,434)
Items not affecting cash:		
Depreciation	4,200	5,627
Share-based payments	64,471	51,538
Changes in non-cash working capital items:		
Prepaid expenses	27,763	24,131
Other receivables	36,698	58,894
Accounts payable and accrued liabilities	(121,451)	(180,886)
Net cash used in operating activities	(1,195,484)	(1,636,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from shares issuances	2,326,189	465,872
Proceeds from government loan	40,000	–
Exploration partner advances	128,975	–
Net cash provided by financing activities	2,495,164	465,872
Change in cash and cash equivalents	1,299,680	(1,170,258)
Cash and cash equivalents, beginning of the period	862,018	1,936,921
Cash and cash equivalents, end of the period	$ 2,161,698	$ 766,663
Cash and cash equivalents is represented by:		
Cash	2,151,698	756,663
Cash equivalents	10,000	10,000
	$ 2,161,698	$ 766,663
Supplemental Cash Flow Information:		
Shares issued for debt	$ –	$ 27,375
Agents warrants issued for payment of financing fees	13,217	–

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Group Eleven Resources Corp. (the "Company" or "GERC") was incorporated under the laws of the Province of British Columbia, Canada on November 25, 2016, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 1050 – 400 Burrard Street, Vancouver, British Columbia. The Company's common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol ZNG.

These condensed consolidated interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon establishing future profitable production, or realization of proceeds on disposal.

Management recognizes that the Company will need to raise additional funds to maintain its current level of operations and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. Historically, capital requirements have been primarily funded through equity financing, but from time to time the Company also evaluates potential additional sources of capital through joint ventures and strategic alliances. A failure to raise capital when required could cause a deferral or delay in the current exploration projects, a divestiture or loss of its mineral interests, have a material adverse effect on the Company's business, financial condition and results of operations and could ultimately cast significant doubt upon the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using, except as noted below, the same accounting policies and methods of application as the audited annual consolidated financial statements for the year ended December 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2019.

On November 27, 2020, the Board of Directors of the Company approved these condensed consolidated interim financial statements for the three and nine months ended September 30, 2020 and 2019.

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company, its wholly owned subsidiaries, Group Eleven Resources Ltd. ("GERL") and Group Eleven Mining and Exploration Inc. ("GEME"), a 60% interest in Ballinalack Resources Limited, and a 76.56% interest in TILZ Minerals Ltd., all incorporated in Dublin, Ireland. All inter-company transactions and accounts have been eliminated upon consolidation. For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

4. EQUIPMENT

	Computer Equipment	Computer Software	Exploration Equipment	Total
Cost				
Balance, January 1, 2019	$ 5,410	$ 13,190	$ 25,294	$ 43,894
Balance, December 31, 2019	5,410	13,190	$ 25,294	43,894
Balance, September 30, 2020	**$ 5,410**	**$ 13,190**	**$ 25,294**	**$ 43,894**
Accumulated Depreciation				
Balance, January 1, 2019	$ 3,201	$ 10,688	$ 4,116	$ 18,005
Depreciation	1,802	2,502	5,059	9,363
Balance, December 31, 2019	5,003	13,190	9,175	27,368
Depreciation	407	–	3,793	4,200
Balance, September 30, 2020	**$ 5,410**	**$ 13,190**	**$ 12,968**	**$ 31,568**
Net Book Value				
Balance, December 31, 2019	$ 407	$ –	$ 16,119	$ 16,526
Balance, September 30, 2020	**$ –**	**$ –**	**$ 12,326**	**$ 12,326**

5. EXPLORATION AND EVALUATION ASSETS

All of the Company's exploration and evaluation assets are located in Ireland.

	Cumulative to December 31, 2017	Expenditures during the year	Cumulative to December 31, 2019	Expenditures during the period	Cumulative to September 30, 2020
Acquisition costs					
Exploration and evaluation assets acquired	$ 8,897,821	$ –	$ 8,897,821	$ –	$ 8,897,821
Total acquisition costs	**$ 8,897,821**	**$ –**	**$ 8,897,821**	**$ –**	**$ 8,897,821**

	Cumulative to December 31, 2017	Expenditures during the year	Cumulative to December 31, 2019	Expenditures during the period	Cumulative to September 30, 2020
Exploration expenditures					
License fees	$ 147,968	$ 88,815	$ 236,783	$ 5,327	$ 242,110
Assays	258,330	32,687	291,017	7,973	298,990
Data compilation	371,254	229,434	600,688	139,779	740,467
Drilling	511,799	450,890	963,270	185,642	1,148,912
Equipment	240,298	94,357	334,655	30,696	365,351
Fieldwork	252,114	15,617	267,731	3,324	271,055
Geology consulting	95,273	56,024	151,297	5,461	156,758
Geophysical surveys	323,273	198,580	521,853	62,705	584,558
Sampling supplies	25,611	627	25,657	–	25,657
Technical supervision	94,851	33,598	128,449	51,261	179,710
Total exploration expenditures	**$ 2,320,771**	**$ 1,200,629**	**$ 3,521,400**	**$ 492,168**	**$ 4,013,568**

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	September 30, 2020	December 31, 2019
Accounts payable	$ 301,347	$ 387,874
Accrued liabilities	73,910	108,834
Accounts payable and accrued liabilities	**$ 375,257**	**$ 496,708**

7. GOVERNMENT LOAN PAYABLE

On May 7, 2020, the Company received a loan of $40,000 through the Canada Emergency Business Account ("CEBA Loan") program, which provides financial relief for Canadian small business during the COVID-19 pandemic. The CEBA Loan has an initial term date of December 31, 2022 (the "Initial Term Date") and may be extended to December 31, 2025. The CEBA Loan is non-revolving, with an interest rate of 0% per annum until the Initial Term Date and 5% per annum thereafter, calculated daily and paid monthly. The CEBA Loan can be repaid at any time without penalty and, if at least 75% of the CEBA Loan is paid prior to the Initial Term Date, the remaining balance of the CEBA Loan will be forgiven.

8. SHARE CAPITAL

a) *Share capital*

Authorized*:* an unlimited number of common shares with no par value.

Issued: 114,392,837 common shares.

From April 3 to April 30, 2019, the Company issued 3,882,265 units ("Units") at a subscription price of $0.12 per Unit, for total proceeds of $465,872. Each Unit consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.24 per share for two years from the date of issue.

On May 10, and August 14, 2019, pursuant to a marketing services agreement with VRIFY Technology Inc., the Company issued 171,429 shares at a price of $0.07 per share for $12,000 and 120,000 shares at a price of $0.05 per share for $6,000, respectively, for services rendered.

On June 17, 2019, pursuant to an advisory agreement with Canaccord Genuity Corp, the Company issued 208,333 shares at a price of $0.12 per share for $25,000 in services rendered.

On May 25, 2020 and June 29, 2020, the Company issued 2,200,000 units and 12,800,000 units (UnitA), respectively, to Glencore Canada Corporation ("Glencore") at a subscription price of $0.05 per UnitA, for total proceeds of $750,000. Each Unit1 consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle Glencore to purchase one additional common share in the capital of the Company at $0.10 per share for three years from the date of issue (see also Note 14, Subsequent Events). On July 2, 2020, the Company closed a non-brokered private placement for an additional 1,000,000 UnitA's at a subscription price of $0.05 per UnitA, for total proceeds of $50,000.

On July 30, 2020, the Company closed a non-brokered private placement of 25,833,333 units (UnitB) at a subscription price of $0.06 per UnitB, for total proceeds of $1,550,000. Each UnitB consists of one common share and one half non-transferrable common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one additional common share in the capital of the Company at $0.12 per share for three years from the date of issue. The Company paid finders fees of $23,811 and issued 394,757 brokers warrants with a fair value of $13,217. Each broker warrant entitles the holder to acquire one common share of the Company for $0.12 per share on or before July 27, 2023.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

One subscriber, Mr. Michael Gentile acquired 10,000,000 UnitB's pursuant to the terms of a subscription agreement, resulting in Mr. Gentile's ownership and control in the Company increasing to 10,265,333 common shares and 5,000,000 common share purchase warrants, representing 9.0% of the outstanding common shares (on a non-diluted basis), and 12.8% on a partially diluted basis following completion of the Offering.

Glencore subscribed for 6,825,900 UnitB's in the Offering, increasing their shareholding to 30,225,900 common shares and 15,112,950 common share purchase warrants, maintaining their pro-rata interest of 26.4% in the Company (on a non-diluted basis), and 35.0% on a partially diluted basis.

b) Escrowed Shares

As at September 30, 2020, 3,023,911 common shares were held in escrow, to be released on December 13, 2020.

c) Stock options

The Company did not grant any stock options during the nine months ended September 30, 2020 and 2019. Total share-based payments expense recognized for options granted and vested during the nine months ended September 30, 2020 was $64,471 (2019 - $73,217). Stock option transactions are summarized as follows.

	Number of Stock Options	**Weighted Average Exercise Price**
Balance, December 31, 2018	3,505,000	$ 0.22
Granted	830,000	0.08
Expired	(115,000)	0.23
Balance, December 31, 2019	4,220,000	0.19
Expired	(1,005,000)	0.17
Balance, September 30, 2020	3,215,000	$ 0.20

Number of Options Outstanding	**Weighted Average Remaining Life (Years)**	**Exercise Price ($)**	**Number of Options Currently Exercisable**	**Expiration Date**
300,000	2.39	0.40	300,000	February 19, 2023
2,175,000	2.93	0.20	1,450,000	September 6, 2023
200,000	2.93	0.20	200,000	September 6, 2023
540,000	2.05	0.08	206,667	October 17, 2022

The fair value of stock options granted were estimated using the Black-Scholes option pricing model with the following assumptions:

	December 31, 2019
Risk free interest rate	0%
Expected life of options	5 Years
Expected dividend yield	Nil
Expected stock price volatility	80%
Weighted average fair value per option granted	$ 0.09

d) Restricted Share Units (RSU)

On July 2, 2019, the Company adopted an RSU plan for directors, officers, employees and consultants of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU Plan, either one common share in the Company or, at the Company's option, an equivalent cash payment. The RSUs are considered equity settled. RSUs will vest over a period of up to three years from the date of grant.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The Company has reserved 2,000,000 common shares for issuance under the RSU Plan, subject to the total RSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company. The Company did not grant any RSU's for the nine months ended September 30, 2020.

RSUs are measured at fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

e) Deferred Share Units (DSU)

On July 2, 2019, the Board amended the terms of the DSU Plan. Under the terms of the amended DSU Plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU Plan, either one common share in the Company or, at the option of the Company, an equivalent cash payment. Shares eligible for issuance under the DSU Plan will be subject to the total DSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

For the purposes of the DSU Plan, the value of the DSU on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date. If the common shares are not trading on the TSX-V, then the Market Value shall be determined in the same manner based on the trading price on such stock exchange or over-the-counter market on which the common shares are listed and posted for trading as may be selected for such purpose by the Board.

	September 30, 2020	**September 30, 2019**
DSU's outstanding, beginning of period	500,000	–
Granted	–	500,000
DSU's outstanding, end of period	500,000	500,000

f) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, December 31, 2018	5,382,950	$ 0.28
Issued – Private Placement	6,141,133	0.24
Issued – Broker	116,620	0.24
Expired	(5,382,950)	0.28
Balance, December 31, 2019	6,257,753	0.24
Issued – Private Placement	7,500,000	0.10
Issued – Private Placement	500,000	0.10
Issued – Private Placement	12,916,667	0.12
Issued – Broker	394,757	0.12
Balance, September 30, 2020	27,569,177	$ 0.14

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

As at September 30, 2020, the following warrants were outstanding:

Number of Warrants	Exercise Price ($)	Expiry Date
1,764,853	0.24	April 3, 2021
292,900	0.24	April 29, 2021
4,200,000	0.24	October 11, 2022
1,100,000	0.10	May 25, 2023
6,400,000	0.10	June 29, 2023
500,000	0.10	July 2, 2023
13,311,424	0.12	July 28, 2023

9. NON-CONTROLLING INTEREST

	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest, January 1, 2019	$ 2,433,708	$ 739,604	$ 3,173,312
Share of Loss	(200,245)	(79,585)	(319,590)
Non-controlling interest, December 31, 2019	$ 2,233,463	$ 660,019	$ 2,893,482
Share of loss	(32,534)	(31,682)	(64,216)
Non-controlling interest, September 30, 2020	$ 2,200,929	$ 628,337	$ 2,829,266

The following table presents the non-controlling interest as at September 30, 2020 and December 31, 2019. The information below is before inter-company eliminations.

As at September 30, 2020	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest percentage	40%	23.44%	
Assets			
Current	$ 129,667	$ 282,227	$ 411,894
Non-current	6,086,296	2,811,525	8,897,821
	6,215,963	3,093,752	9,309,715
Liabilities			
Current	761,007	446,878	1,207,885
	761,007	446,878	1,207,885
Net Assets	5,454,956	2,646,874	8,101,830
Non-controlling interest	$ 2,200,929	$ 628,337	$ 2,829,266

As at December 31, 2019	Ballinalack Resources Limited	TILZ Minerals Ltd.	Total
Non-controlling interest percentage	40%	23.44%	
Assets			
Current	$ 337,259	$ 24,199	$ 361,458
Non-current	6,086,296	2,811,525	8,897,821
	6,423,555	2,835,724	9,259,279
Liabilities			
Current	848,337	48,309	896,646
	848,337	48,309	896,646
Net Assets	$ 5,575,218	$ 2,787,415	$ 8,362,633
Non-controlling interest	$ 2,233,463	$ 660,019	$ 2,893,482

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

The following table presents the loss and comprehensive loss attributable to non-controlling interest:

Three months ended	September 30, 2020	September 30, 2019
Loss and comprehensive loss for the period	**$ 527,709**	**$ 664,593**
Loss attributable to non-controlling interest		
Ballinalack Resources Limited	32,534	55,327
TILZ Minerals Ltd.	31,682	4,164
	$ 64,216	$ 59,491

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital which comprises all components of equity. The Company manages and adjusts its capital structure based on current economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the nine months ended September 30, 2020.

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As at September 30, 2020 the Company had working capital of $1,291,389. Management believes that the Company has sufficient financial resources to sustain minimum operating requirements, however it will need to raise additional funds to meet future expenditure requirements (see Note 1). A failure to raise capital when required could cause a deferral or delay in future exploration projects, loss of currently held mineral properties, and have a material adverse effect on the Company's business, financial condition and results of operations.

Foreign exchange risk

The Company's functional currency is the Canadian dollar. There is a foreign exchange risk to the Company as its exploration and evaluation property interests and resulting future commitments are located in Ireland. The Euro translation rate has experienced volatility over the last several years as a result of monetary policies adopted by the European Central Bank. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company has a policy of not engaging in hedging activities to address this foreign currency risk. At September 30, 2020, the Company had Euro denominated current assets of €1,203,605 and Euro denominated current liabilities of €533,831. Accordingly, a 10% change in the foreign exchange rate would result in a $104,691 credit or charge to operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is currently not exposed to any interest rate risk as cash is held in a non-interest bearing account and the Company does not hold any interest bearing liabilities.

Commodity price risk

While the value of the Company's exploration and evaluation assets is related to the price of zinc and other minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks with respect to its operational activities. Zinc and other mineral prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for zinc, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's other receivables, accounts payable, accrued liabilities and government loans payable approximates their carrying value. The Company's cash is measured at fair value using Level 1 inputs.

12. RELATED PARTY BALANCES AND TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Their remuneration includes the following:

Nine Months Ended September 30	**2020**	**2019**
Salaries and benefits	$ 342,524	$ 457,503
Management fees	–	90,333
Professional fees	13,187	14,750
Share-based payments	46,876	42,025
Total	**$ 402,587**	**$ 604,611**

For the nine months ended September 30, 2020, $46,659 (2019 - $24,854) of salaries and benefits were recorded in exploration and evaluation expense. At September 30, 2020, accounts payable and accrued liabilities include $1,838 (2019 – $17,445) payable to key management personnel of the Company.

13. SEGMENT INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief executive officer, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in Ireland. Accordingly, the Company's operations are in one commercial and two geographic segments. The Company's Equipment (Note 3) and Exploration and Evaluation Assets (Note 4) are held by the Company in Ireland. The remaining assets, including cash and cash equivalents, prepaids and receivables, reside in both of the Company's two geographic locations. The Company is not exposed to significant operating risks as a consequence of the concentration of its assets in Ireland.

14. SUBSEQUENT EVENTS

On October 2, 2020, the Company granted incentive stock options to directors, officers and employees of the Company to purchase up to 1,535,000 common shares in the capital stock of the Company. These options vest over a period of two years from the date of grant, at an exercise price of $0.09 per share. All options granted are subject to regulatory approval. The Company has also granted 666,666 deferred share units to three independent directors as an annual award for services provided, in accordance with the provisions of the Company's deferred share unit plan.