
AGUILA AMERICAN GOLD LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JANUARY 31, 2021

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

AGUILA AMERICAN GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	January 31, 2021 \$	April 30, 2020 \$
ASSETS			
Current assets			
Cash		1,863,909	21,759
GST receivable		17,462	8,668
Prepays		<u>231,754</u>	<u>1,678</u>
Total current assets		<u>2,113,125</u>	<u>32,105</u>
Non-current assets			
Exploration and evaluation assets	4	<u>477,138</u>	<u>-</u>
Total non-current assets		<u>477,138</u>	<u>-</u>
TOTAL ASSETS		<u>2,590,263</u>	<u>32,105</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	102,235	245,850
Advances	5	<u>-</u>	<u>118,856</u>
TOTAL LIABILITIES		<u>102,235</u>	<u>364,706</u>
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	6	29,209,019	26,055,130
Share-based payments reserve		1,659,809	1,477,619
Deficit		<u>(28,380,800)</u>	<u>(27,865,350)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)		<u>2,488,028</u>	<u>(332,601)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		<u>2,590,263</u>	<u>32,105</u>

Nature of Operations - see Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on March 25, 2021 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
Director

/s/ Nick DeMare
Nick DeMare
Director

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

AGUILA AMERICAN GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended January 31		Nine Months Ended January 31	
		2021 \$	2020 \$	2021 \$	2020 \$
Expenses					
Accounting and administration	7(b)	8,250	3,650	36,350	13,200
Audit		-	-	6,667	7,000
Corporate development		29,851	-	57,799	-
Directors and officers compensation	7	33,000	12,000	79,580	36,000
Insurance		2,952	-	5,149	-
Investor relations		63,177	-	63,177	-
Legal		7,403	-	36,137	-
Office		490	206	2,922	980
Professional fees		-	-	17,858	-
Regulatory fees		5,732	867	10,261	6,246
Share-based compensation	6(d)	-	-	182,190	38,220
Shareholder costs		3,618	-	5,500	-
Transfer agent		3,302	858	9,462	2,256
Website		2,434	-	4,684	-
		<u>160,209</u>	<u>17,581</u>	<u>517,736</u>	<u>103,902</u>
Loss before other items		<u>(160,209)</u>	<u>(17,581)</u>	<u>(517,736)</u>	<u>(103,902)</u>
Other items					
Interest income		3,946	101	7,084	233
Interest expense	5	-	(416)	(1,373)	(416)
Foreign exchange		(4,904)	5	(3,425)	5
		<u>(958)</u>	<u>(310)</u>	<u>2,286</u>	<u>(178)</u>
Net loss and comprehensive loss for the period		<u>(161,167)</u>	<u>(17,891)</u>	<u>(515,450)</u>	<u>(104,080)</u>
Basic and diluted loss per common share		<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$(0.04)</u>	<u>\$(0.03)</u>
Weighted average number of common shares outstanding		<u>20,220,430</u>	<u>3,209,652</u>	<u>13,130,545</u>	<u>3,058,504</u>

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

AGUILA AMERICAN GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN (DEFICIT) EQUITY
(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended January 31, 2021					
Common Shares		Share-Based Payments Reserve	Deficit	Total Equity (Deficit)	
Number of Shares	Amount \$				
Balance at April 30, 2020	3,238,985	26,055,130	1,477,619	(27,865,350)	(332,601)
Common shares issued for cash:					
- private placements	16,812,556	3,179,225	-	-	3,179,225
- warrants exercised	175,000	23,650	-	-	23,650
Share issue costs	-	(48,986)	-	-	(48,986)
Share-based compensation	-	-	182,190	-	182,190
Net loss for the period	-	-	-	(515,450)	(515,450)
Balance at January 31, 2021	20,226,541	29,209,019	1,659,809	(28,380,800)	2,488,028

Nine Months Ended January 31, 2020					
Common Shares		Share-Based Payments Reserve	Deficit	Total Equity (Deficit)	
Number of Shares	Amount \$				
Balance at April 30, 2019	2,744,985	25,917,290	1,477,619	(27,737,552)	(342,643)
Common shares issued for cash:					
- share options exercised	294,000	67,620	-	-	67,620
- warrants exercised	200,000	32,000	-	-	32,000
Transfer on exercise of share options	-	38,220	(38,220)	-	-
Share-based compensation	-	-	38,220	-	38,220
Net loss for the period	-	-	-	(104,080)	(104,080)
Balance at January 31, 2020	3,238,985	26,055,130	1,477,619	(27,841,632)	(308,883)

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

AGUILA AMERICAN GOLD LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended January 31,	
	2021 \$	2020 \$
Operating activities		
Net loss for the period	(515,450)	(104,080)
Adjustments for:		
Share-based compensation	182,190	38,220
Interest expense	1,373	416
Changes in non-cash working capital items:		
GST receivable	(8,794)	2,353
Prepays	(230,076)	2,026
Accounts payable and accrued liabilities	(143,615)	(20,324)
Net cash used in operating activities	<u>(714,372)</u>	<u>(81,389)</u>
Investing activity		
Exploration and evaluation assets expenditures	(477,138)	-
Net cash used in investing activity	<u>(477,138)</u>	<u>-</u>
Financing activities		
Issuance of common shares	3,202,875	99,620
Share issue costs	(48,986)	-
Advances received	-	1,500
Repayment of advances and accrued interest	(120,229)	-
Net cash provided by financing activities	<u>3,033,660</u>	<u>101,120</u>
Net change in cash	1,842,150	19,731
Cash at beginning of period	<u>21,759</u>	<u>11,140</u>
Cash at end of period	<u>1,863,909</u>	<u>30,871</u>

Supplemental cash flow information - See Note 8

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

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Aguila American Gold Limited (the “Company”) is listed and traded on the TSX Venture Exchange (“TSXV”) under the symbol “AGL”, the OTCQB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the Symbol “AGP”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 Canada.

As at January 31, 2021 the Company had working capital of \$2,010,890 and considers that it has adequate resources to maintain anticipated levels of corporate administration and budgeted exploration activities for the next twelve months. The Company’s operations are typically funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

These condensed consolidated interim financial statements have been 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 operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to identify, acquire and develop properties and to establish future profitable production.

The global outbreak of a novel coronavirus identified as “COVID-19”, has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries in which the Company may conduct future mineral interests or business acquisitions to fight the virus.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect any adjustments which could be material to the carrying values of assets and liabilities which may be required should the Company be unable to continue as a going concern. In addition, these condensed consolidated interim financial statements do not reflect any adjustments related to conditions that occurred subsequent to January 31, 2021.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s financial statements for the year ended April 30, 2020.

Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

3. Subsidiary

On November 10, 2020 the Company established a United States subsidiary, Aguila Gold Inc., (“Aguila USA”) in the state of Nevada to conduct the Company’s activities in the United States.

4. Exploration and Evaluation Assets

	Total \$
Balance at April 30, 2020	-
Exploration costs	
Drilling	256,999
Geological	75,052
Travel	7,700
Vehicle rental	8,209
	347,960
Acquisition cost	
Option payments	129,178
Balance at January 31, 2021	477,138

Effective December 27, 2017, as amended, Mawson Gold Limited and its subsidiary, Mawson Resources USA (“Mawson USA”) (collectively “Mawson”), entered into an agreement (the “WUSA Option Agreement”) whereby it was granted the option to lease and to conduct exploration on mineral rights (the “WUSA Gold Project”) located in Oregon, USA. Pursuant to the agreement Mawson had agreed to pay an annual option to lease payments (adjusted for inflation) of:

- Option Year 1 - US \$100,000 (paid by Mawson);
- Option Year 2 - payments of US \$25,000 (the “August Payment”) on or before August 1, 2020 (paid) and US \$75,000 on or before February 1, 2021 (paid); and
- Option Year 3 - US \$25 per acre. The option lease payment will be determined by the acreage.

Mawson was also required to expend minimum annual exploration expenditures as follows:

- Option Year 1 - US \$500,000, which was met by Mawson as at November 30, 2018;
- Option Year 2 - US \$750,000, of which a minimum of US \$200,000 shall be completed on or before December 31, 2020, and the remaining US \$550,000 on or before December 31, 2021;
- Option Year 3 - US \$1,000,000; and
- Option Year 4 - US \$1,000,000.

On July 27, 2020 Mawson entered into an agreement with the Company whereby it granted the Company the right to earn up to an 80% indirect interest in the WUSA Gold Project. The Company can earn an initial 51% indirect interest (the “Initial Interest”) by funding a minimum of US \$200,000 in exploration expenditures by December 31, 2020 and making the August Payment to the landholder. As at January 31, 2021 the Company has earned the Initial Interest.

The Company can earn an additional 29% indirect interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022. The Company has also agreed to make all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

The Company and Mawson have a director in common.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

5. Advances

	January 31, 2021 \$	April 30, 2020 \$
Advances	-	115,000
Accrued interest	-	3,856
	<u>-</u>	<u>118,856</u>

Advances had been previously provided from private companies controlled or affiliated with the Company's CFO. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During the nine months ended January 31, 2021 the Company repaid \$120,229, representing the \$115,000 principal and \$5,229 of accrued interest.

6. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Nine Months Ended January 31, 2021

- (i) On June 11, 2020 the Company completed a non-brokered private placement of 3,000,000 units at \$0.10 per unit, for total proceeds of \$300,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.13 per share on or before June 11, 2022. Directors and officers of the Company purchased a total of 1,205,000 units of the private placement.
- (ii) On June 25, 2020 the Company completed a non-brokered private placement of 1,905,000 units at \$0.105 per unit, for total proceeds of \$200,025. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.14 per share on or before June 25, 2022. Directors and officers of the Company purchased a total of 1,260,000 units of the private placement.
- (iii) On September 25, 2020 the Company completed a non-brokered private placement of 11,907,556 units at \$0.225 per unit, for total proceeds of \$2,679,200. Each unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.45 per share on or before September 25, 2022. The Company paid finders' fees of \$14,850. Directors and officers of the Company and close family members purchased a total of 434,000 units of the private placement.

The Company incurred a total of \$34,136 for legal and other costs associated with these private placements.

Fiscal 2020

No financings were conducted by the Company during fiscal 2020.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at January 31, 2021 and 2020 and the changes for the nine months ended those dates is as follows:

	2021		2020	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	342,500	0.50	542,500	0.37
Issued	8,406,278	0.38	-	-
Exercised	<u>(175,000)</u>	0.14	<u>(200,000)</u>	0.16
Balance, end of period	<u>8,573,778</u>	0.36	<u>342,500</u>	0.50

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at January 31, 2021:

Number	Exercise Price \$	Expiry Date
185,000	0.50	March 10, 2021*
157,500	0.50	March 24, 2021*
1,415,000	0.13	June 11, 2022
862,500	0.14	June 25, 2022
<u>5,953,778</u>	0.45	September 25, 2022
<u>8,573,778</u>		

*Expired subsequent to January 31, 2021 without exercise.

(d) ***Share Option Plan***

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended January 31, 2021 the Company granted share options to purchase 1,904,000 (2020 - 294,000) common shares and recorded compensation expense of \$182,190 (2020 - \$38,220).

The fair value of share options granted during the six months ended January 31, 2021 and 2020 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2021</u>	<u>2020</u>
Risk-free interest rate	0.29%	1.42%
Estimated volatility	84%	87%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options granted during the nine months ended January 31, 2021, using the Black-Scholes Option Pricing Model, was \$0.22 (2020 - \$0.13) per option.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at January 31, 2021 and 2020 and the changes for the nine months ended on those dates, is as follows:

	2021		2020	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	-	-	-	-
Granted	1,904,000	0.34	294,000	0.23
Exercised	<u>-</u>	-	<u>(294,000)</u>	0.23
Balance, end of period	<u>1,904,000</u>	0.34	<u>-</u>	-

The following table summarizes information about the share options outstanding and exercisable at January 31, 2021:

Number Outstanding	Exercise Price \$	Expiry Date
450,000	0.32	August 18, 2023
364,000	0.40	August 18, 2023
<u>1,090,000</u>	0.32	November 6, 2023
<u>1,904,000</u>		

7. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the nine months ended January 31, 2021 the Company incurred \$70,580 (2020 - \$27,000) executive compensation with respect to the Company's executive officers who hold the positions of Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (formerly also the Interim CEO). As at January 31, 2021, \$59,180 (April 30, 2020 - \$170,100) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

During the nine months ended January 31, 2021 the Company also recorded \$94,710 (2020 - \$14,820) share-based compensation for share options granted to the executive officers.

(b) *Transactions with Other Related Parties*

(i) During the nine months ended January 31, 2021 the Company incurred \$9,000 (2020 - \$9,000) for compensation to non-executive directors of the Company. As at January 31, 2021 \$37,076 (April 30, 2020 - \$75,482) was outstanding for past fees and has been included in accounts payable and accrued liabilities.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

7. Related Party Transactions and Balances (continued)

During the nine months ended January 31, 2021 the Company also recorded \$31,500 (2020 - \$15,600) share-based compensation for share options granted to non-executive directors.

- (ii) During the nine months ended January 31, 2021 the Company incurred \$36,350 (2020 - \$13,200) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by the CFO of the Company. As at January 31, 2021 \$750 (April 30, 2020 - \$nil) remained unpaid and has been included in accounts payable and accrued liabilities.

During the nine months ended January 31, 2021 the Company also recorded \$3,780 (2020 - \$7,800) share-based compensation for share options granted to Chase.

- (iii) See also Notes 3, 4 and 5.

8. Supplemental Cash Flow Information

Non-cash activities conducted by the Company during the nine months ended January 31, 2021 and 2020 are as follows:

	2021 \$	2020 \$
Financing activities		
Transfer on exercise of share options	-	38,220
Share-based payment reserve	-	(38,220)
	<u>-</u>	<u>-</u>

9. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	January 31, 2021 \$	April 30, 2020 \$
Cash	FVTPL	1,863,909	21,759
Accounts payable and accrued liabilities	Amortized cost	(102,235)	(245,850)
Advances	Amortized cost	-	(118,856)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, accounts payable and accrued liabilities and advances approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at January 31, 2021				
	Less than 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Total
	\$	\$	\$	\$	\$
Cash	1,863,909	-	-	-	1,863,909
Accounts payable and accrued liabilities	(102,235)	-	-	-	(102,235)

	Contractual Maturity Analysis at April 30, 2020				
	Less than 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Total
	\$	\$	\$	\$	\$
Cash	21,759	-	-	-	21,759
Accounts payable and accrued liabilities	(245,850)	-	-	-	(245,850)
Advances	(118,856)	-	-	-	(118,856)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

AGUILA AMERICAN GOLD LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JANUARY 31, 2021
(Unaudited - Expressed in Canadian Dollars)

9. Financial Instruments and Risk Management (continued)

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At January 31, 2021, 1 Canadian Dollar was equal to 0.78 US Dollar.

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	21,141	27,104
Accounts payable and accrued liabilities	<u>(1,871)</u>	<u>(2,399)</u>
	<u>19,270</u>	<u>24,705</u>

Based on the net exposures as of January 31, 2021 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$2,500 higher (or lower).

Capital Management

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 and exploration of mineral properties or evaluate business opportunities which may become available. 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 Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.