BAROYECA GOLD & SILVER INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended
November 30, 2020

BAROYECA GOLD & SILVER INC.
November 30, 2020

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited – See Notice)

		November 30, 2020		May 31, 2020
ASSETS				
CURRENT				
Cash	$	**96,867**	$	5,137
Marketable securities		**89,560**		120,000
Amounts receivable		**53**		53
Prepaid expenses		**7,586**		3,749
		194,066		128,941
Exploration advances		**241**		241
Exploration and evaluation assets – Note 4 and 16		**154,210**		-
	$	**348,517**	$	129,182
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities – Note 6 and 7	$	**830,699**	$	799,016
Advance payable – Note 13		**20,000**		20,000
		850,699		819,016
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Capital Stock – Note 5		**5,096,873**		4,749,373
Agent options – Note 5		**100,629**		100,629
Reserves		**683,742**		683,742
Subscriptions received in advance		**-**		5,000
Deficit		**(6,398,425)**		(6,228,578)
Accumulated other comprehensive income		**(1)**		-
		(502,182)		(689,834)
	$	**348,517**	$	129,182

NATURE AND CONTINUANCE OF OPERATIONS *(Note 1)*

Approved on behalf of the Board:

"Richard Wilson"	*"Douglas Eacrett"*
Richard Wilson – Director	Douglas Eacrett – Director

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

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian dollars)
(Unaudited – See Notice)

	Three Months Ended November 30, 2020	Three Months Ended November 30, 2019	**Six Months Ended November 30, 2020**	Six Months Ended November 30, 2019
EXPENSES				
Bank charges	**96**	18	**145**	36
Management fees – Note 8	**-**	15,000	**15,000**	30,000
Office and miscellaneous	**428**	-	**2,002**	1,028
Professional fees	**41,998**	14,900	**77,248**	21,825
Transfer agent and filing fees	**27,957**	2,647	**30,010**	6,906
LOSS BEFORE OTHER INCOME	**(70,479)**	(32,565)	**(124,405)**	(59,795)
Unrealized gain (loss) on marketable securities – Note 16	**(142,440)**	-	**(30,440)**	-
NET LOSS FOR THE PERIOD	**(212,919)**	(32,565)	**(154,845)**	(59,795)
Loss from write of investments	**(2)**		**(2)**	
Comprehensive gain (loss) from discontinued operation for the period	**-**	(22,894)	**-**	(51,482)
COMPREHENSIVE LOSS FOR THE PERIOD	**$ (212,921)**	$ (55,459)	**$ (154,847)**	$ (111,277)
LOSS PER SHARE				
Basic and diluted	**$ (0.03)**	$ (0.01)	**$ (0.02)**	$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**6,598,912**	4,913,213	**6,598,912**	4,913,213

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

BAROYECA GOLD & SILVER INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited – See Notice)

	Six Months Ended November 30, 2020	Six Months Ended November 30, 2019
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Gain (Loss) for the period	**$ (154,847)**	$ (59,795)
Adjusted for:		
Unrealized (gain) loss on marketable securities	**30,440**	-
Loss from write off of investment	**2**	-
Net changes in non-cash working capital items:		
Decrease (increase) in amounts receivable	**(3,838)**	(83)
Increase (decrease) in accounts payable and accrued liabilities	**(8,317)**	4,603
Increase in due to related parties	**40,000**	43,825
Cash provided by (used in) discontinue operations	**-**	47,056
	(96,560)	35,606
INVESTING ACTIVITIES		
Cash provided by discontinued operations	**-**	(50,712)
Deferred exploration cost	(154,210)	-
	(154,210)	(50,712)
FINANCING ACTIVITIES		
Shares issued for cash, net of cost	347,500	-
Subscription received in advance	(5,000)	-
	342,500	-
EFFECT OF FOREIGN EXCHANGE RATE	**-**	(90)
INCREASE (DECREASE) IN CASH	**91,730**	(15,196)
CASH, BEGINNING OF PERIOD	**5,137**	16,120
CASH, END OF PERIOD	$ **96,867**	$ 924

For supplemental disclosure with respect to cash flows, see Note 10.

BAROYECA GOLD & SILVER INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)

(Expressed in Canadian Dollars)

(Unaudited – See Notice)

	Capital Stock													
	Number of Shares		*Amount*	*Subscription Received in advance*		*Agent Options*		*Reserves*		*Deficit*		*Accumulated Other Comprehensive Income*		*Total Shareholders' Equity (Deficiency)*
Balance, May 31, 2020	5,376,994	$	4,749,373	5,000	$	100,629	$	683,742	$	(6,228,578)	$	-	$	(689,834)
Addition in the period	5,000,000		347,500	(5,000)										342,500
Net Loss for the period	-		-			-		-		(154,847)		-		(154,847)
Translation adjustment	-		-			-		-		-		(1)		(1)
Balance, November 30, 2020	**10,376,994**	**$**	**5,096,873**	**-**	**$**	**100,629**	**$**	**683,742**	**$**	**(6,383,425)**	**$**	**(1)**	**$**	**(502,182)**
Balance, May 31, 2019	5,376,994	$	4,749,373	-	$	100,629	$	683,742	$	(7,993,562)	$	(7,581)	$	(2,467,399)
Addition in the year														
Net loss for the period	-		-			-		-		(55,818)	-			(55,818)
Translation adjustment	-		-			-		-		-		806		806
Balance, November 30, 2019	5,376,994	$	4,749,373	-	$	100,629	$	683,742	$	(8,049,380)	$	(6,775)	$	(2,522,411)

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

(Expressed in Canadian dollars)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

General business description

Baroyeca Gold & Silver Inc. (the "Company") was incorporated under the laws of British Columbia on February 17, 2006. The Company's registered office is located at Suite 1008 - 409 Granville Street, Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of its exploration and evaluation assets. During the year ended May 31, 2008, the Company incorporated a wholly-owned subsidiary, Baroyeca Gold & Silver de Mexico, S.A. de C.V. under the laws of Mexico. In June 2011, the Company incorporated two new wholly-owned subsidiaries, Tombstone Gold & Silver Inc. and Tombstone Resources Inc., under the laws of Arizona.

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and exploration and development programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is primarily dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Novel Coronavirus ("COVID-19")

The Company's operations could be significant adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Working capital deficiency	**November 30, 2020**	May 31,2020
Working capital	**$ (656,633)**	$ (690,075)
Deficit	**$ (6,383,425)**	$ (6,228,578)

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on January 29, 2021**.**

NOTE 2 – BASIS OF PREPARATION

Statement of Compliance and Conversion to IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Boroyeca Gold & Silver de Mexico, S.A. de C.V. (the "Mexican Subsidiary"). All inter-company transactions were eliminated upon consolidation.

The accounts for Tombstone Gold & Silver Inc. and Tombstone Resources Inc. (collectively the "US Subsidiaries") had been deconsolidated from the consolidated financial statements for its year ended May 31, 2020 as the Company had entered into agreements subsequent to the year end to dispose of these US Subsidiaries. On September 25, 2020, in settlement of an outstanding loan for which the shares of these US subsidiaries had been provided as security, the Company transferred the shares of the US subsidiaries to the lender in settlement of the outstanding debt. See also Note 11 - Loan Payable herein. The Company has deconsolidated the US Subsidiaries as of May 31, 2020 and reclassified these investments as Investments to be Disposed Of. The Company also wrote down these investments to its nominal value of $2 during the year ended May 31, 2020.

Use of Estimates and Significant Accounting Judgements

The preparation of consolidated financial statements in accordance with IFRS often requires management to make estimates about and apply assumptions or subjective judgment to future events and other matters that affect the reported amounts of the Company's assets, liabilities, expenses and related disclosures. Assumptions, estimates and judgments are based on historical experience, expectations, current trends and other factors that management believes to be relevant at the time at which the Company's consolidated financial statements are prepared.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates and judgments in order to ensure that the consolidated financial statements are presented fairly and in accordance with IFRS.

Critical accounting estimates and judgments are those that have a significant risk of causing material

NOTE 2 – BASIS OF PREPARATION – CONT'D

Use of Estimates and Significant Accounting Judgements - Cont'd

adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Management considers the following areas to be those where critical accounting policies affect the significant judgments and estimates used in the preparation of the Company's consolidated financial statements.

Critical judgments in applying accounting policies

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its Mexican Subsidiary has been determined to be the Canadian dollar. Effective June 1, 2013, the Company has determined that the functional currency of its US subsidiaries is the United States dollar.

Significant Estimates

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

To the extent that any of management's assumptions change, there could be a significant impact on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Company's future operating results or on other components of shareholders' equity.

NOTE 2 – BASIS OF PREPARATION – CONT'D

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company and its Mexican Subsidiary is the Canadian dollar.

Transactions occurring in currencies other than the functional currency of the entity recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

Cash and cash equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at November 30, 2020 and May 31, 2020 there were no cash equivalents.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment charges. Such cost consists of the purchase price, any costs directly attributable to bringing the equipment to the location and condition necessary for its intended used. Depreciation of equipment is calculated on a straight-line basis over the estimated useful lives as follows:

- mining equipment: 5 to 15 years
- Office equipment: 5 years

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Equipment - Cont'd

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted if appropriate.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. All costs related to the acquisition, exploration and evaluation of exploration and evaluation assets are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as resource assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a resource property is impaired, that property is written down to its estimated net realizable value. A resource property is reviewed for impairment at each financial statement date or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Interest on borrowings incurred to finance resource assets is capitalized until the asset is capable of carrying out its intended use.

From time to time the Company may acquire or dispose of a resource property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

The amounts shown for resource properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development and future profitable production or proceeds from the disposition thereof.

Revenues from saleable material produced during the exploration phase are applied as a reduction to capitalized exploration and evaluation assets.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property and equipment, or site closure or reclamation activities when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the rehabilitation provision in the year incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as resource assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to resource assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

For the periods presented, the Company has determined that it has no significant provision for environmental rehabilitation.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Impairment

The Company reviews and evaluates its property, including exploration and evaluation assets, and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash- generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.
The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset.

Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss. An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period of options granted as both share-based compensation expense and reserves. Consideration paid for the shares on the exercise of stock options is credited to capital stock, and the reserve account is reduced. The share-based compensation expense includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Income taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Income taxes – cont'd

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

Earnings (loss) per share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period.

For diluted per share computations, assumptions are made regarding potential common shares outstanding during the period. The weighted average number of common shares is increased to include the number of additional common shares that would be outstanding if, at the beginning of the period, or at time of issuance, if later, all options and warrants are exercised. Proceeds from exercise are used to purchase the Company's common shares at their average market price during the period, thereby reducing the weighted average number of common shares outstanding. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that does not transfer substantially all the risks and rewards of ownership of an asset to the Company is classified as an operating lease.

Operating lease payments are recorded as deferred exploration and evaluation expenses on a straight-line basis over the lease term where the leased asset is used for the acquisition exploration and evaluation of exploration and evaluation assets. Otherwise, the lease payments are recognized as an operating expense in the Statement of Operation on a straight-line basis over the lease term.

Financial Instruments

IFRS 9, "Financial Instruments" replaces IAS 39, "Financial Instruments: Recognition and Measurement" and is effective for annual periods beginning on or after January 1, 2018. The Company applied the new standard retrospectively as of June 1, 2018. The adoption of IFRS 9 did not result in any change in recognition or measurement of any of the Company's financial instruments on transition.

The new standard contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale have been eliminated. IFRS 9 bases the classification of financial assets on the business model for managing the financial asset and the characteristics of the contractual cash flows. There were no changes to measurement categories for financial liabilities.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Financial Instruments-cont'd

IFRS 9 also introduces an expected credit loss model for evaluation impairment of financial assets. The credit loss model groups receivables based on similar credit risk characteristics. The expected credit loss model applies to the Company's trade and other receivables.

The Company has classified its cash as FVTPL. The Company's amounts receivable and due from related parties are classified as amortized cost. The Company's accounts payable and accrued liabilities, due to related parties, advance payable and loan payable are classified as amortized cost.

The Company adopted the new standard on a modified retrospective basis, applying a practical expedient that provides transitional relief to contracts completed before January 1, 2018. The Company has evaluated the impact of applying IFRS 9 and has concluded that the adoption of the standard did not have a material impact on the condensed interim consolidated financial statements.

Revenue recognition

Effective April 1, 2018, the Company adopted IFRS 15, "Revenue from Contracts with Customers". IFRS 15 establishes a single, five-step model to be applied to all contracts with customers and two approaches to recognizing revenue; at a point in time or over time. The standard requires an entity to recognize revenue that reflects the transfer of goods and services for the amount it expects to receive when control has been transferred to the customer.

The Company adopted the new standard on a modified retrospective basis, applying a practical expedient that provides transitional relief to contracts completed before January 1, 2018. The Company has evaluated the impact of applying IFRS 15, and has concluded that the adoption of the standard did not have a material impact on the condensed interim consolidated financial statements.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

i) Level 1– Applies to assets or liabilities for which there are quoted prices inactive markets for identical assets or liabilities.

ii) Level 2– Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities inactive markets or indirectly such as quoted prices for identical assets or liabilities in markets within sufficient volume or infrequent transactions.

iii)Level 3–Applies to assets or liabilities for which there are unobservable market data.

Cash and the short-term deposit have been measured at fair value using Level 1 inputs.

Comprehensive income (loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. The Company's translation of its US Subsidiaries into Canadian dollars is the only item currently affecting comprehensive income (loss) for the period presented.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

New accounting standards adopted

IFRS 16 - Leases

The Company has adopted IFRS 16, Leases. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal and Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 June 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 June 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. As the leased equipment was included in the deconsolidated US Subsidiaries, the application of IFRS 16, Leases had no impact to the Company's consolidated financial statements.

Leases previously accounted for as operating leases
The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

Leases

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

i. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES – CONT'D

IFRS 16 – Leases (continued)

assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

i. Lease liabilities

At the commencement date, the lease liability is measured as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot readily be determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is remeasured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, of the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in profit or loss.

Measurement of Lease Receivable

At the commencement of a lease, the Company, if acting in capacity as a lessor, will classify the lease as finance lease and recognize a lease receivable at an amount equal to the net investment in the lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset or if the lease is a sublease, by reference to the ROU asset arising from the original lease (the "head lease"). A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset or the lease is a short-term lease. Cash received from an operating lease is included in other income in the Company's statement of (loss) income on a straight-line basis over the period the lease. The lease receivable is initially measure at the present value of the lease payments remaining at the lease commencement date, discounted at the interest rate implicit in the lease or the Company's incremental borrowing rate if the lease is a sublease. The lease receivable is subsequently measured at amortized cost using the effective interest rate method, and reduced by the amount received and impairment losses, if any.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

Tombstone, Arizona

Pursuant to a series of agreements, the Company acquired mining claims located in the state of Arizona and the option to acquire two additional parcels of claims contiguous to the group acquired. The Company paid the vendor US$250,000 for the group of claims purchased and had the option to purchase the second parcel for US$180,000 and the third parcel for US$250,000. In September 2011, the Company paid US$180,000 to exercise the option on the second parcel of claims.

In connection with the option for the third parcel, the Company paid US$90,000 during the year end May 31, 2012, with the remaining balance of US$160,000 to be paid. This date was extended indefinitely upon agreement with the vendor.

The Company agreed to issue to the Optionor, as additional consideration, 100,000 common shares upon

NOTE 4 – EXPLORATION AND EVALUATION ASSETS – CONT'D

closing of the purchase and sale of the third parcel of claims. The share issuance will be subject to acceptance for filing by the TSX Venture Exchange.

In conjunction with the acquisition of the claims, the Company agreed to purchase a number of pieces of equipment and an office facility located on the properties that had been used in operations carried out by the vendor for a total of US$170,000(paid during the year ended May 31, 2012).

The Company also has agreed to pay a finder's fee of up to 390,000 common shares, of which 265,000 were issued in the year ended May 31, 2012, to an individual for introductions and assistance provided to the Company with respect to this acquisition (Note 6). The remaining common shares will be issued to the finder at completion of above mentioned purchase agreement.

To carry out the above property and equipment acquisitions, the Company incorporated two new wholly-owned subsidiary companies in Arizona in June 2011 to hold the assets acquired, namely, Tombstone Gold & Silver Inc. and Tombstone Resources Inc. (the "Tombstone Subsidiaries".

During the year ended May 31, 2018, the company entered into an option agreement with Aztec Mineral Corp. ("Aztec") whereby Aztec can acquire a 75% interest in the Tombstone mineral properties held by the Company. To earn an interest in the property, Aztec must incur exploration expenditures of CAD $1,000,000 on the property ($350,000 incurred), make cash payments totalling CAD $100,000 ($70,000 paid) and issue 1,000,000 Aztec common shares to the Company over a three year period (400,000 shares have been issued).

In 2013, the Company entered into a loan agreement to acquire equipment for its Tombstone operations. The lender required security for the loan and the Company agreed to put up the shares of the Tombstone Subsidiaries as security for the loan. (See Note 11 herein.) The Company was unable to pay the loan when due and on September 25, 2020 the shares of the Tombstone Subsidiaries were transferred to the lender in settlement of the outstanding debt.

Colombia, South America

During the year end May 31, 2020, the company has entered into 2 option agreements with Malabar Gold Corp ("Malabar") whereby Baroyeca can acquire 100% interest in two mineral properties (Santa Barbara and Falan Property) located in Columbia, South America, along with all of the machinery, equipment, surface rights, license, permits, data and records relating to the properties and held by Malabar.

To earn a 100% interest in Malabar Gold Corp must complete the followings:

- *Santa Barbara Property*

  The Company must make cash payments of $1,700,000 ($50,000 paid), issue 7,000,000 Baroyeca common shares and must incur expenditures of $500,000 on the property over a three year period.

- *Falan Property*

  The Company must make cash payment of $1,000,000 ($50,000 paid) and issue 5,000,000 Baroyeca common shares over a three year period.

(Expressed in Canadian dollars)

NOTE 4 – EXPLORATION AND EVALUATION ASSETS – CONT'D

Total expenditures on the Company's mineral properties are as follows:

	Tombstone, AZ	Columbia, SA	Total
Balance, May 31, 2019	$ 500,000	$ -	$ 500,000
Additions			
Consulting	45,497	-	45,497
Contract wages	85,050	-	85,050
Equipment rental and repair	26,072	-	26,072
Equipment lease	79,413	-	79,413
Permit, title search and taxes	783	-	783
Travel and accommodation	22,011	-	22,011
Vehicle repairs and maintenance	19,395	-	19,395
Deposit received from option	(28,677)	-	(28,677)
Recovery	(162,392)	-	(162,392)
Impairment Loss	(319,644)	-	(319,644)
Effect of foreign currency translation	12,492	-	12,492
Deconsolidation	(280,000)	-	280,000
Total acquisition and exploration costs during the year	500,000	-	500,000
Balance, May 31, 2020	$ -	$ -	$ -
Additions			
Acquisition cost	-	100,000	100,000
Consulting	-	20,000	20,000
Camp constructions	-	34,210	34,210
Effect of foreign currency translation	-	-	-
Total acquisition and exploration costs during the year		154,210	154,210
Balance, November 30, 2020	$ -	$ 154,210	$ 154,210

As of May 31, 2020, the Company deconsolidated the US Subsidiaries and as a result, the amount of total exploration and evaluation assets has become $Nil.

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

(Expressed in Canadian dollars)

NOTE 5 – CAPITAL STOCK

Authorized: An unlimited number of common shares without par value

During the Six months period November 30, 2020, the Company has completed its non-brokered private placement of 2,000,000 shares of its capital stock at $0.05 per share and 3,000,000 units of its securities at a price of $0.0825 per unit raising a total of $347,500 in working capital as follow:

Private placement financing during the six months period November 30, 2020 as follow:

- 2,000,000 common shares at $0.05 per share were issued.
- 3,000,000 common shares at $0.825 per share were issued, each common share consisting of one common share and one non-transferable share purchase warrant (a "Warrant"), with each such Warrant entitling the holder to acquire one additional common share of the Company at a price of $0.165 per share for a period of two years.

During the year ended May 31, 2020, the Company received TSX Venture Exchange approval to consolidate its common shares on June 25, 2019 on the basis of one new common share for every 10 existing common shares of the Company. The consolidation of shares had been reflected retrospectively in these consolidated financial statements.

Stock options

The Board of Directors is authorized, pursuant to the Company's Stock Option Plan, to grant options to directors, officers, consultants or employees to acquire up to 10% of issued and outstanding common shares. The exercise price of options granted shall not be less than the price permitted by any stock exchange on which the common shares are then listed or other regulatory body having jurisdiction. The options can be granted for a maximum term of 5 years and are subject to such vesting terms and conditions as may be specified by the Board of Directors.

The award of stock options is at the discretion of the Board of Directors. The Company has no formal objectives or criteria and relies on the recommendations of the Board of Directors.

As at November 30, 2020 and May 31, 2020, The Company has no stock options outstanding.

NOTE 6 – RELATED PARTY TRANSACTIONS

Compensation of key management

Key management includes the Company's directors. Key management compensation for the periods ended November 30, 2020 and November 30, 2019, comprised:

	November 30, 2020	November 30, 2019
Management fees	**$ 15,000**	$ 30,000

NOTE 6 – RELATED PARTY TRANSACTIONS – CONT'D

Other related party transactions

In addition to the compensation paid to directors, the Company had the following transactions with related parties:

a) The Company paid or accrued management fees of $15,000 (November 30, 2019 - $15,000) to a company controlled by a director. As of November 30, 2020, $114,000 (May 31, 2020 – 99,000) was payable to this company and is included in accounts payable and accrued liabilities. The Company has entered into a debts settlement agreement with this party in July 2020 to settle all existing debts as of May 31, 2020 by issuing 1,200,000 common shares of the Company at $0.0825 for a total of $99,000 and forgive the remaining balance of $378,500 which was included as gain on writing off of debts

b) The Company incurred legal fees of $48,250 (November 30, 2019 - $13,825) to a director of the Company. As at November 30, 2020, the Company had a balance payable of $124,000 (May 31, 2020 - $99,000) to the director which is included in accounts payable and accrued liabilities. The Company has entered into a debts settlement agreement with this party in July 2020 to settle all existing debts as of May 31, 2020 by issuing 1,200,000 common shares of the Company at $0.0825 for a total of $99,000 and forgive the remaining balance of $112,648 which was included as gain on writing off of debts.

c) As of November 30, 2020, the Company owed $99,000 (May 31, 2020 - $99,000) to an officer of a subsidiary of the Company for expense reimbursement, which is included in accounts payable and accrued liabilities. The Company has entered into a debts settlement agreement with this party in July 2020 to settle all existing debts as of May 31, 2020 by issuing 1,200,000 common shares of the Company at $0.0825 for a total of $99,000 and forgive the remaining balance of $89,749 which was included in the loss from discontinued operations.

d) As at November 30, 2020, the Company owed $2,903 (May 31, 2020 - $2,971) to directors of the Company, which is included in accounts payable and accrued liabilities. These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

e) As at November 30, 2020, the Company owed $99,000 (May 31, 2020 - $99,000) to a director of the Company for expense reimbursement, and is included in accounts payable and accrued liabilities. The Company has entered into a debts settlement agreement with this party in July 2020 to settle all existing debts as of May 31, 2020 by issuing 1,200,000 common shares of the Company at $0.0825 for a total of $99,000 and forgive the remaining balance of $174,265 which was included in the loss from discontinued operations.

f) As of November 30, 2020, the Company owed $483 (May 31, 2020 - $483) to a former director of the Company, who resigned on September 28, 2012, which is included in accounts payable and accrued liabilities.

g) The loan payable of $379,143 (May 31, 2020 - $379,143) arranged through a partnership of individuals which includes a director of the Company together with $494,547 (May 31, 2020 - $494,547) owing for accrued interest, participation fee, and loan fee was fully satisfied

(Expressed in Canadian dollars)

NOTE 6 – RELATED PARTY TRANSACTIONS – CONT'D

through the transfer of the shares of the Tombstone Subsidiaries to the lenders on September 25, 2020.. This amount was previously included in the accounts payable and accrued liabilities of the US Subsidiaries and was deconsolidated from the consolidated financial statements as of May 31, 2020. Refer to Notes 11 and 12 for additional information

Other than the items g) above, amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		November 30, 2020		May 31, 2020
Trade accounts payable	**$**	**349,453**	$	333,630
Accrued liabilities		**41,860**		66,000
Due to related parties (Note 6)		**439,386**		399,386
	$	**830,699**	$	799,016

NOTE 8– FINANCIAL RISK FACTORS

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

The fair value of the Company's amounts receivable, due from related parties, accounts payable and accrued liabilities, advance payable and line of credit approximate carrying value due to their short terms to maturity, which is the amount recorded on the consolidated statement of financial position. The company's loan payable is recorded at amortized cost, and the Company's cash is recorded at fair value using Level 1 quoted prices in active markets for identical assets or liabilities.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. Cash is held in major financial institutions and the major component of amounts receivable is GST/HST receivable from the government of Canada. Accordingly, the Company believes it has no significant credit risk.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2020, the Company had a cash balance of $96,867 (May 31, 2020 - $5,137) to settle current liabilities of $850,699 (May 31, 2020 - $819,016). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

The Company has historically relied on equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital, sale of existing gravel (Note 4) and debt to finance its

NOTE 8– FINANCIAL RISK FACTORS - CONT'D

activities. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing market conditions.

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. As at November 30, 2020, the carrying value of the financial instruments approximates their fair values.

a) Foreign currency risk

   The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable, accounts payable and accrued liabilities, and loan payable that are denominated in Mexican Pesos and US dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. A 10% change in the foreign exchange rate would affect net income for the period by approximately $14,500 (May 31, 2020 - $14,500).

b) Price risk

   The Company is exposed to price risk with respect to commodity and equity prices. 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. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

NOTE 9 – CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and evaluation of its mineral property interests. Capital is comprised of the Company's shareholders' equity. As at November 30, 2020, the shareholders' deficiency was $(502,182) (May 31, 2020 - $(689,834). The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the Six months ended November 30, 2020.

(Expressed in Canadian dollars)

NOTE 10 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOW

	November 30, 2020	Changes in the period	May 31, 2020
There is no other material non-cash transactions need to be reported as a result of deconsolidation of US Subsidiaries	$ -	$ -	$ -

NOTE 11 – LOAN PAYABLEAND ITS RELATED FINANCE COST

In July 2013, Tombstone Resources Inc. ("the Borrower") finalized the terms of the loan agreement for up to US$300,000, of which a total of US$275,000 was received. The loans were from a partnership of individuals of which a director of the Company is the manager and are secured by the assets of, and promissory notes issued by, Tombstone Resources Inc. and Tombstone Gold & Silver Inc. (the "Tombstone subsidiaries").The loans bear interest at 12% per annum with interest paid monthly. In the event that Borrower fails to make any payment of interest or principal when due, the interest rate shall increase immediately to 15% per annum and shall remain at 15% until all amounts due under this loan agreement have been paid in full. Principal payments are to be paid each June in an amount equal to 20% of net operating cash flow of the Borrower (which includes the accounts of Tombstone Gold & Silver Inc.) less interest expense and loan participation payments for the fiscal year ended May 31 of each year. Participation payments are payable to the lender at a rate equal to 10% of gross sales of the Borrower for the year, which rate will be reduced as loan repayments are made. The outstanding balance shall be fully repaid on the maturity date of June 30, 2018. The loan has been converted into a due on demand loan on maturity date of June 30, 2018. An additional loan fee of US$11,000 was also charged to Statements of Operations during the year ended May 31, 2019 in order for the loan to be continued as a due on demand loan. As of May 31, 2020, interest expense of CDN$44,237 and a participation cost of CDN$14,531 (Note 12) has been recorded and were included in the loss from discontinued operations.

Principal balance of loan payable	US	$275,000
Foreign exchange rate as at May 31, 2020		X 1.3787
	CDN$	379,143

The above loan was owed by the US Subsidiaries which was deconsolidated from the Company's consolidated financial statements as of May 31, 2020 with amount $Nil owing. On September 25, 2020, pursuant to the lender exercising upon its security, the shares of the Tombstone Subsidiaries were transferred to the lender in settlement of the debt.

(Expressed in Canadian dollars)

NOTE 12 – FINANCE COSTS

The Company's finance cost consists of the following for the Six month period ended:

	November 30, 2020	November 30, 2019
Loan participation cost	**$** -	$ 6,064
Loan interest expense	-	21,469
Included in the loss from discontinued operation	-	(27,533)
	$ -	$ -

NOTE 13 – ADVANCE PAYABLE

The advance payable does not bear interest and has no specific terms for repayment.

NOTE 14 – SEGMENTED INFORMATION

The Company's principal activity is the exploration and development of mineral properties. The Company's resource properties are located in Mexico, United States and Colombia(Note 4).

	November 30, 2020	May 31, 2020
Identifiable Assets:		
Equipment		
United States	**$** -	$ -
Exploration and evaluation assets		
Colombia	**154,210**	$ -
	$ 154,210	$ -

NOTE 15 – COMMITMENTS

a) The Company has two mining equipment leases for its mining properties. both of the leases had expired and had agreed for month to month basis. These leases have already been deconsolidated from the Company's consolidated financial statements.

b) The Loan payable mentioned on Note 11, with an outstanding balance as of May 31, 2020 of $379,143 (2019 $359,166), matured on June 30, 2018. Lender has agreed to defer repayment as a due on demand loan subject to the same annual interest rate of 12%. These loans payable have already been deconsolidated from the Company's consolidated financial statements.

NOTE 16 – MARKETABLE SECURITIES

On March 22, 2019, the Company received 100,000 Aztec common shares at a total fair value of $19,000 to satisfy one of the terms of the option agreement (Note 5). On March 25, 2020, the Company received an additional 300,000 Aztec common shares at a total fair value of $15,000 in accordance with the option agreement. As at November 30, 2020, these 400,000 Aztec common shares were fair valued adjusted to $89,560 (May 31, 2020 $120,000) and recorded an unrealized loss of $30,440 (May 31, 2020 $94,000) to the Consolidated Statements of Operations for the period ended November 30, 2020.

Further to the settlement of the Loan Payable (See Note 11 - Loan Payable.), the parties have agreed to sell the 400,000 Aztec common shares, received as payment on the Tombstone Property Option Agreement, and apply the proceeds to the accounts payable outstanding as obligations of the Tombstone Subsidiaries.

NOTE 17 – SUBSEQUENT EVENTS

i) In July 2020, the Company has entered into debt settlement agreements with five parties to settle all of their outstanding accounts payable as of May 31, 2020, a total of $1,393,069, through the issue of 6,000,000 common shares of the Company at $0.0825 per share, a value of $495,000. As part of the settlement, each party agreed to forgive any remaining balance owing. These debt settlements have been conditionally approved by the TSX Venture Exchange, subject to the approval by the disinterested shareholders of the Company. At an Extraordinary General Meeting of the shareholders of the Company held December 4, 2020, the disinterested shareholders in attendance at the Meeting ratified, confirmed and approved the debt settlement agreements entered into by the Company and the issuance of 6,000,000 shares in settlement of the outstanding debts.

ii) In January 2021, the Company is closed a non-brokered private placement of 9,200,000 units of its securities (the “Units”) at a price of $0.22 per Unit, each Unit consisting of one common share in its capital stock and one non-transferable share purchase warrant (a “Warrant”), with each such Warrant entitling the holder to acquire one additional common share of the Company at a price of $0.30 per share for a period of two years. The private placement offering raised $2,024,000 in working capital for the Company.