



(formerly Columbus Gold Corp.)

**1090 Hamilton Street  
Vancouver, B.C.  
V6B 2R9  
Canada**

## **Consolidated Financial Statements**

**For the Years Ended  
September 30, 2020 and 2019**

**(Stated in Canadian Dollars)**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Orea Mining Corp.

### Opinion

We have audited the consolidated financial statements of Orea Mining Corp. (formerly “Columbus Gold Corp.”) (the “Company”), which comprise the consolidated statements of financial position as at September 30, 2020 and 2019, and the consolidated statements of comprehensive income (loss), cash flows and shareholders’ equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, (collectively the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Rakesh Patel.

DMCL

## **DALE MATHESON CARR-HILTON LABONTE LLP CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, BC

December 11, 2020



An independent firm  
associated with Moore  
Global Network Limited

**Orea Mining Corp.** (formerly Columbus Gold Corp.)

## Consolidated Statements of Financial Position

(Expressed in thousands of Canadian Dollars)

	September 30, 2020 (\$)	September 30, 2019 (\$)
<b>Assets</b>		
Current Assets		
Cash	2,602	503
Marketable securities (note 5)	162	711
Receivables	6	29
Note receivable from Allegiant Gold Ltd. (note 11)	1,345	-
Prepaid expenses (note 11)	276	319
	4,391	1,562
Non-Current Assets		
Note receivable from Allegiant Gold Ltd. (note 11)	-	1,142
Investment in Compagnie Minière Montagne d'Or SAS (note 6)	38,220	34,613
Exploration and evaluation asset (note 7)	1,701	573
Equipment (note 8)	136	39
	<b>44,448</b>	<b>37,929</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts payable (note 9, 11)	232	128
Accrued liabilities (note 11)	392	148
	624	276
Non-Current Liabilities		
Lease liabilities (note 8)	30	-
	654	276
Shareholders' Equity		
Share capital (note 10)	70,974	67,421
Reserves (note 10e)	13,982	9,688
Deficit	(41,162)	(39,456)
	43,794	37,653
	<b>44,448</b>	<b>37,929</b>

Nature of operations and going concern (note 1)

Commitments (note 13)

Subsequent event (note 17)

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

**Approved by the Board of Directors***"Robert Giustra"*

Robert Giustra – Director

*"Peter Gianulis"*

Peter Gianulis - Director

**Orea Mining Corp.** (formerly Columbus Gold Corp.)  
**Consolidated Statements of Comprehensive Income (Loss)**  
(Expressed in thousands of Canadian Dollars, except per share amounts)



	<b>Year Ended</b>	
	<b>September 30, 2020 (\$)</b>	<b>September 30, 2019 (\$)</b>
Operating Expenses		
Administration and office (note 11)	1,356	1,213
Directors fees (note 11)	174	305
General exploration	461	2
Investor relations	358	164
Management fees (note 11)	100	133
Professional fees	654	364
Share-based payments (note 10b)	24	72
Transfer agent and filing fees	107	104
Travel	105	108
Amortization (note 8)	38	21
Cost recoveries (note 11)	(410)	(309)
Loss before other items	(2,967)	(2,177)
Other Items		
Finance income (notes 9 and 11)	379	126
Finance expense	(10)	-
Other income	7	-
Unrealized gain (loss) on marketable securities (note 5)	81	(1,755)
Gain from sale of marketable securities (note 5)	1,238	-
Loss from equity accounted investment (note 6)	(261)	(319)
Impairment of note receivable (note 11)	(166)	-
Loss on note receivable extension (note 11)	-	(384)
Loss from settlement of receivables	-	(104)
Foreign exchange gain (loss)	(7)	3
<b>Net loss for the year</b>	<b>(1,706)</b>	<b>(4,610)</b>
Other comprehensive income (loss):		
Foreign currency translation	4,004	(1,614)
<b>Comprehensive income (loss) for the year</b>	<b>2,298</b>	<b>(6,224)</b>
Loss per share (note 10d)		
Basic	(0.01)	(0.03)
Diluted	(0.01)	(0.03)

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

**Orea Mining Corp.** (formerly Columbus Gold Corp.)

## Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

	Year Ended	
	September 30, 2020 (\$)	September 30, 2019 (\$)
<b>Operating Activities</b>		
Net loss for the year	(1,706)	(4,610)
Items not involving cash		
Unrealized (gain) loss on marketable securities (note 5)	(81)	1,755
Impairment of note receivable (note 11)	166	-
Loss from equity accounted investment (note 6)	261	319
Loss from settlement of receivables	-	104
Finance income from note receivable	(369)	(111)
Gain from sale of marketable securities (note 5)	(1,238)	-
Loss on note receivable extension (note 11)	-	384
Finance expense from lease liabilities	10	-
Share-based payments	24	72
Amortization	38	21
Unrealized foreign exchange loss	31	5
	(2,864)	(2,061)
Changes in non-cash working capital		
Receivables and prepaid expenses	(39)	(109)
Accounts payable and accrued liabilities	272	(153)
Cash used in operating activities	(2,631)	(2,323)
<b>Investing Activities</b>		
Exploration and evaluation asset	(943)	(378)
Sale of marketable securities	1,867	-
Equipment	(12)	(22)
Interest received	10	15
Cash from (used in) investing activities	922	(385)
<b>Financing Activities</b>		
Net proceeds from share offerings (note 10)	3,819	2,397
Payment of lease liabilities	(25)	-
Cash from financing activities	3,794	2,397
Effect of foreign exchange on cash	14	5
Increase (decrease) in cash	2,099	(306)
Cash, beginning of year	503	809
<b>Cash, end of year</b>	<b>2,602</b>	<b>503</b>

Supplemental cash flow information (note 15)

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

**Consolidated Statements of Shareholders' Equity**

(Expressed in thousands of Canadian Dollars except for share amounts)

	<b>Share Capital</b>		<b>Reserves</b>				
	<b>Number of Shares (000's)</b>	<b>Share Capital (\$)</b>	<b>Share Options and Warrants (\$)</b>	<b>Accumulated Other Comprehensive Income (Loss) (\$)</b>	<b>Total (\$)</b>	<b>Deficit (\$)</b>	<b>Total (\$)</b>
Balance, October 1, 2018	158,770	65,208	8,220	2,963	11,183	(34,983)	41,408
Private placement of common shares – January 2019 (note 10a)	9,851	1,788	153	-	153	-	1,941
Private placement of common shares – August 2019 (note 10a)	2,988	425	31	-	31	-	456
Share-based payments (note 10b)	-	-	72	-	72	-	72
Reclassification of investment revaluation reserve to deficit	-	-	-	(137)	(137)	137	-
Comprehensive loss	-	-	-	(1,614)	(1,614)	(4,610)	(6,224)
<b>Balance, September 30, 2019</b>	<b>171,609</b>	<b>67,421</b>	<b>8,476</b>	<b>1,212</b>	<b>9,688</b>	<b>(39,456)</b>	<b>37,653</b>
Private placement of common shares – October 2019 (note 10a)	7,813	1,208	-	-	-	-	1,208
Private placement of common shares – February 2020 (note 10a)	7,813	1,078	172	-	172	-	1,250
Private placement of common shares – March 2020 (note 10a)	8,688	1,267	94	-	94	-	1,361
Share-based payments (note 10b)	-	-	24	-	24	-	24
Comprehensive income (loss)	-	-	-	4,004	4,004	(1,706)	2,298
Rounding adjustment	(2)	-	-	-	-	-	-
<b>Balance, September 30, 2020</b>	<b>195,921</b>	<b>70,974</b>	<b>8,766</b>	<b>5,216</b>	<b>13,982</b>	<b>(41,162)</b>	<b>43,794</b>

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

## **1. Nature of Operations and Going Concern**

Orea Mining Corp. (the “Company” or “Orea”) was incorporated on May 14, 2003 under the laws of the Province of Saskatchewan, Canada and continued on to British Columbia, Canada on December 29, 2003. On May 14, 2020, the Company changed its name from Columbus Gold Corp. to Orea Mining Corp. The Company is currently listed on the Toronto Stock Exchange (the “TSX” or “Exchange”) and the OTCQX International.

The Company’s principal business activities are the exploration and development of resource properties which are located in French Guiana. The Company is in the process of exploring and developing its resource properties. 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 or from proceeds of disposition. The Company’s exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required.

All figures in these consolidated financial statements are expressed in thousands of Canadian Dollars except for share, per share amounts, warrants, per warrant amounts, units, per unit amounts or noted otherwise. References to “US\$” are to thousands of US Dollars. At September 30, 2020, the Company had working capital of \$3,767 (September 30, 2019 – \$1,286) and an accumulated deficit of \$41,162 (September 30, 2019 - \$39,456). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19. The Company’s field work in French Guiana was temporarily suspended on March 17, 2020 due to COVID-19, however, was resumed on May 11, 2020. The Company may need to delay or suspend future field work if required by the French Government relating to COVID-19 measures.

The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

## **2. Basis of Presentation**

### **(a) Statement of Compliance**

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 International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were approved by the Board of Directors and authorized for issue on December 11, 2020.

### **(b) Basis of Measurement**

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.



## 2. Basis of Presentation – continued

### (c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

<u>Entity</u>	<u>Country of Incorporation</u>
Orea Guyane SAS	France
Columbus Gold (Luxembourg) S.à.r.l.	Luxembourg
Columbus International (Luxembourg) S.à.r.l	Luxembourg
Columbus Investments S.à.r.l	Luxembourg

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

### (d) Use of Estimates and Judgments

#### Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, the fair value of its equity investment, the recoverability of the carrying value of marketable securities and exploration and evaluation assets, assumptions used in determination of the fair value of share-based payments, the recoverability and measurement of deferred tax assets, loan receivable, decommissioning, restoration and similar liabilities and contingent liabilities.

#### Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern and whether the Company has significant influence over other entities, classification of expenditures as exploration and evaluation expenditures or operating expenses and the classification of financial instruments.

### 3. Significant Accounting Policies

#### (a) 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 currencies are as follows:

Entity	Functional Currency
Orea Mining Corp.	Canadian dollar
Orea Guyane SAS	European euro
Columbus Gold (Luxembourg) S.à.r.l.	European euro
Columbus International (Luxembourg) S.à.r.l	European euro
Columbus Investments S.à.r.l	European euro

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. 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 reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. 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 reflected in profit or loss for the year.

#### (b) Exploration and Evaluation Assets

Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired.

The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

**3. Significant Accounting Policies - continued**

(c) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated based on the estimated residual value and estimated economic life of the specific assets using the straight-line method over the period indicated below:

Furniture	5 years
Leasehold improvements	Term of lease
Equipment	3 to 10 years

(d) Impairment of Long-Lived Assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if 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 amortization, if no impairment loss had been recognized.

(e) Investment

The Company accounts for its investment, in which the Company has significant influence, using the equity method. Under the equity method, the Company’s investment is initially recognized at fair value and subsequently increased or decreased to recognize the Company’s share of net earnings and losses, after any adjustments necessary to give effect to uniform accounting policies, and for impairment losses after the initial recognition date. The Company’s share of earnings and losses of the investee are recognized in net earnings during the year. Dividends and repayment of capital received from the investee company are accounted for as a reduction in the carrying amount of the Company’s investment.

The Company has determined that it has significant influence over Compagnie Minière Montagne d’Or SAS (“CMMO”) (note 6).

### 3. Significant Accounting Policies - *continued*

#### (f) Restoration Provision

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, 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 the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining 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 mining assets with a corresponding entry to the provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the year.

#### (g) Finance Income and Expenses

Finance income comprises interest income on funds invested (including marketable securities, gains on the disposal of marketable securities and changes in the fair value of financial assets at fair value through profit or loss). Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

#### (h) Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

#### (i) Earnings per Share

Earnings per share is calculated using the weighted average number of common shares outstanding during the year. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

### 3. Significant Accounting Policies - *continued*

#### (j) Share-Based Payments

The Company grants share-based awards, including options, as an element of compensation to directors, officers, employees and service providers. Details of the Company's share option plan are disclosed in note 10b.

The Company uses the Black-Scholes Option Pricing Model to measure the fair value for all share options granted, modified or settled during the period. Compensation expense is recorded based on the fair value of the award at the grant date, amortized over the vesting period. Each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognised in the statement of comprehensive income or as capitalized mineral resource property cost with a corresponding entry within equity, against share-based payments reserve. No expense is recognised for awards that do not ultimately vest. When options are exercised, the proceeds received, together with any related amount in share-based payments reserve, are credited to share capital.

#### (k) Financial Instruments

The Company's financial instruments consist of cash, marketable securities, receivables, note receivable from Allegiant Gold Ltd., and accounts payable.

The Company's classification of its financial instruments is as follows:

Asset or Liability	IFRS 9 Classification
Cash	FVTPL
Marketable securities	FVTPL
Receivables	Amortized cost
Note receivable from Allegiant Gold Ltd.	Amortized cost
Accounts Payable	Amortized cost

<sup>1</sup> Fair value through profit and loss ("FVTPL")

#### Classification

On initial recognition, the Company classifies its financial instruments in the following categories: at ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### 3. Significant Accounting Policies - continued

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

#### Measurement

##### *Financial Assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial Assets and Liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

##### *Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

##### *Derecognition*

##### *Financial Assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

### 3. Significant Accounting Policies - *continued*

#### Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### 4. Changes in Accounting Standards

#### New Accounting Standards Adopted During the Year

Effective October 1, 2019, the Company adopted IFRS 16 – *Leases* (“IFRS 16”) in accordance with the transitional provisions outlined in the standard, using a cumulative catch-up approach where applicable leases have been recorded prospectively from October 1, 2019. Comparative information has not been restated and continues to be reported under IAS 17, *Leases*, and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company elected to not apply IFRS 16 to leases with a term of less than 12 months, which election is made by the underlying class of assets to which the right of use asset relates, or leases where the underlying asset is of low value, which election is made on an asset by asset basis.

At inception of a contract, an assessment is made to determine whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An assessment is made to determine whether the contract involves the use of an identified asset, whether there is the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and if the right to direct the use of the asset is present. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component on the basis of their relative standalone prices.

As a lessee, a right-of-use asset is recognized and included in property, plant and equipment, and a corresponding lease liability is recorded at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

Operating lease commitments at September 30, 2019	146
Leases with less than 12 months remaining lease term at October 1, 2019	(110)
Leases recognized	36
Discounted using the incremental borrowing rate at October 1, 2019	(10)
<b>Lease liabilities recognized as IFRS 16 adjustment at October 1, 2019</b>	<b>26</b>

On adoption of IFRS 16, the Company recognized \$12 in current lease liabilities, and \$14 in non-current lease liabilities.



#### 4. Changes in Accounting Standards - continued

##### Changes in Accounting Standards

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

#### 5. Marketable Securities

	September 30, 2020 (\$)	September 30, 2019 (\$)
Allegiant Gold Ltd. ("Allegiant")	-	584
Organto Foods Inc. ("Organto")	162	127
	<b>162</b>	<b>711</b>

During the year ended September 30, 2020, the Company recorded an unrealized gain on marketable securities of \$81 (2019 – loss of \$1,755). During the year ended September 30, 2020, the Company recorded a realized gain on marketable securities of \$1,238 (2019 – \$nil).

#### 6. Investment in Compagnie Minière Montagne d'Or SAS

The Company entered into an agreement with Nord Gold SE ("Nordgold") on March 13, 2014 (the "Option Agreement"), under which Nordgold was granted the right to acquire a 50.01% interest in the Paul Isnard mining concessions in French Guiana, France, which includes the Montagne d'Or project, and the exploration permits (the "Paul Isnard Gold Project"), held by the Company's subsidiary at the time, CMMO.

On January 12, 2016, the Company entered into an agreement with Nordgold to sell a 5% minority interest in the Paul Isnard Gold Project (the "5% Sale") for \$7,870 (US\$6,000) (received). The formal acquisition and transfer of the 5% interest would not occur until Nordgold earned the initial 50.01% interest in the Paul Isnard Gold Project under the Option Agreement.

On September 14, 2017, the Company's interest in CMMO was diluted to 49.99% through Nordgold's successful Option Agreement earn-in, and an additional 5% interest in CMMO was transferred to Nordgold to complete the 5% Sale. A Shareholders' Agreement was signed between the Company and Nordgold, with the Company retaining a 44.99% interest in CMMO, and Nordgold owning the remaining 55.01% interest.

Upon recognition of Nordgold's earn-in, the Company recorded the carrying value of its investment in CMMO at its fair value of \$36,701, resulting in a gain on deconsolidation of \$14,116. The fair value of the Company's investment in CMMO was determined using the consideration it received for an aggregate interest of 55.01%, which was \$44,875 (US\$36,000).

The Company accounts for its investment in CMMO as an equity accounted investment.

Investment in CMMO continuity table:

	(\$)
Balance, October 1, 2018	36,538
Proportionate share of losses	(319)
Foreign exchange loss	(1,606)
<b>Balance, September 30, 2019</b>	<b>34,613</b>
Proportionate share of losses	(261)
Foreign exchange gain	3,868
<b>Balance, September 30, 2020</b>	<b>38,220</b>



## **6. Investment in Compagnie Minière Montagne d'Or SAS - continued**

CMMO's title to the Montagne d'Or gold project was initially held in 8 mining concessions (each, a "Concession") plus 2 exclusive exploration permits covering a total area of 190 km<sup>2</sup>. Historically, the Concessions were granted to the original applicant and all subsequent title holders in perpetuity, in accordance with a French Imperial Law of the year 1810. As such, when the Concessions were first granted, they had the benefit of never expiring.

In 1994, the French Mining Code was amended to provide that all mining concessions granted under the Imperial Law of 1810 would expire on December 31, 2018, including CMMO's Concessions, but can be subject to successive extensions not exceeding 25 years. In accordance therewith, and after extensive exploration work, CMMO submitted renewal applications for a 25-year period for the core project Concessions (2 of the 8 Concessions), two years prior to the expiration date. Exploration results did not justify renewal applications for the other 6 Concessions.

Renewal of the two CMMO Concessions involved a national public enquiry, which was carried out in November and December 2018. The Commission of Mines in French Guiana was expected to provide a non-binding opinion to the French Minister of Economy in charge of mines, which makes a renewal decision. The renewal of the Concessions was on the agenda of the Commission of Mines on October 16, 2019, but was removed from the agenda prior to the Commission's meeting and the Prefect of French Guiana indicated that it would be considered at a future meeting following some complementary legal analysis.

The Mining Code provides that there is an implicit (deemed) refusal of the renewal applications if no response is received by the Minister in charge of mines within two years of the date the applications were submitted. On December 21, 2018, the Minister informed CMMO, and all other holders of former historical concessions in French Guiana, that the assessment of their application might not be finalized upon the deadline and notified each applicant that exceeding this deadline will not preclude an explicit (formal) decision at a later date. The letter stated further that the French Supreme Administrative Court (Conseil d'État) had provided that the operator "may continue its works until an explicit (formal) decision of its request for renewal." Conditions for renewal include the requirement that the concessions be exploited on December 31, 2018, and the examination by the administrative authority of the technical and financial capacities of the title holder as well as the foreseeable duration of the exploitation of the deposit.

In order to protect its rights to the Montagne d'Or Concessions, in February and March 2019, CMMO filed proceedings in the Administrative Court of Cayenne in French Guiana to invalidate any implicit (deemed) refusal as a result of the French government having failed to respond within the prescribed deadline, and to expedite a clear and definitive formal written decision from the Minister in charge of mines. The Administrative Court declared in January 2020, that it had received sufficient submissions from all the parties (CMMO, the Minister of Economy and an NGO) and the decision of the Administrative Court is pending.

## **7. Exploration and Evaluation Asset**

On July 19, 2018, the Company entered into an agreement (the "Maripa Option") with a subsidiary of IAMGOLD Corporation ("IAMGOLD") to acquire up to a 70% interest in two stages in the Maripa Gold Project ("Maripa"), located in French Guiana, France. The terms of the Maripa Option are as follows:

- Option to earn up to a 70% interest in Maripa:
  - Initial option (the "First Option") to acquire a 50% interest by incurring \$6,683 (US\$5,000) in expenditures within 5 years from the date of deemed non-objection of the French Government of the Maripa Option (the "Effective Date"), with Orea acting as Operator. The Effective Date was set to April 10, 2019, corresponding to the date on which the deemed non-objection of the agreement was received from the French Government.
    - Firm spending commitment of \$273 (US\$200) by December 31, 2018 (requirement met);
    - \$2,005 (US\$1,500) firm cumulative spending commitment by the 2nd anniversary of the Effective Date;
    - \$3,675 (US\$2,750) cumulative spending by the 3rd anniversary of the Effective Date;
    - \$5,346 (US\$4,000) cumulative spending by the 4th anniversary of the Effective Date; and
    - \$6,683 (US\$5,000) cumulative spending and the completion of an internal scoping study by the 5th anniversary of the Effective Date.

**7. Exploration and Evaluation Asset – continued**

- Additional 20% interest:
  - Following exercise of the First Option, Orea may provide notice to IAMGOLD under certain conditions, of preparing a Preliminary Feasibility Study (“PFS”);
  - If IAMGOLD does not elect to contribute its pro-rata share of the cost of preparing the PFS, then Orea may elect to earn an additional 20% interest by completing the PFS within an additional 3 years; and
  - A 70:30 JV will be formed upon completion of the PFS by Orea within the 3 year period, otherwise a 50:50 JV will be formed.
- If any party’s interest in the JV falls below 10% it will convert to a 2% NSR, of which 1% can be purchased by the other party for \$4,010 (US\$3,000).

On October 23, 2019, the Company closed the first tranche of a private placement fully subscribed by Sandstorm Gold Ltd. (“Sandstorm”), raising gross proceeds of \$1,250 through the issuance of 7,812,500 common shares of Orea, at a price of \$0.16 per share and granting to Sandstorm a 0.5% net smelter returns royalty from Orea’s ownership interest on gold production from Maripa, if and when Orea earns its interest in the project, and increasing up to 1% depending on Orea’s interest in the project.

A summary of the Company’s exploration and evaluation asset for the years ended September 30, 2020 and 2019 is set out below:

	<b>Maripa Gold Project</b>
	<b>\$</b>
Balance at October 1, 2018	145
Geology and geophysics	123
Salaries and consulting	280
Supplies	33
Other	14
Foreign exchange	(22)
<b>Balance at September 30, 2019</b>	<b>573</b>
Geology and geophysics	295
Salaries and consulting	506
Supplies	66
Equipment	63
Permitting	27
Transportation	30
Assays and analysis	20
Other	30
Foreign exchange	91
<b>Balance at September 30, 2020</b>	<b>1,701</b>

## 8. Equipment

	Office Furniture and Equipment (\$)	Right of Use Assets (\$)	Total (\$)
<b>Cost</b>			
Balance, October 1, 2018	141	-	141
Additions	40	-	40
Disposals	(16)	-	(16)
Foreign exchange	(2)	-	(2)
Balance, September 30, 2019	163	-	163
Adoption of IFRS 16 (note 4)	-	26	26
Additions	11	95	106
Foreign exchange	5	1	6
Balance, September 30, 2020	179	122	301
<b>Accumulated Amortization</b>			
Balance, October 1, 2018	(103)	-	(103)
Amortization	(21)	-	(21)
Disposals	1	-	1
Foreign exchange	(1)	-	(1)
Balance, September 30, 2019	(124)	-	(124)
Amortization	(20)	(18)	(38)
Foreign exchange	(2)	(1)	(3)
Balance, September 30, 2020	(146)	(19)	(165)
<b>Net book value, September 30, 2019</b>	<b>39</b>	<b>-</b>	<b>39</b>
<b>Net book value, September 30, 2020</b>	<b>33</b>	<b>103</b>	<b>136</b>

### Lease liability

The estimated fair value of lease liabilities is based on an incremental borrowing rate of 15%. Leases include an office lease, office equipment and vehicles.

### *Maturity Analysis*

	(\$)
Contractual undiscounted cash flows:	
Less than one year	82
Two to three years	27
Four to five years	-
<b>Total undiscounted lease liabilities as at September 30, 2020</b>	<b>109</b>
<b>Lease liabilities in Consolidated Statements of Financial Position as at September 30, 2020</b>	
Current (included in accounts payable)	77
Non-current (included in lease liabilities)	30
	<b>107</b>

*Amounts Recognized in Consolidated Statements of Comprehensive Income (Loss)*

**8. Equipment - continued**

	Year Ended	
	September 30, 2020	September 30, 2019
Interest expense on lease liabilities	10	-
Expenses relating to short-term leases	131	-
	<b>141</b>	<b>-</b>

**9. CEBA Loan**

On April 20, 2020, the Company received an interest free loan of \$40 (the “CEBA Loan”) from the Canada Emergency Business Account (“CEBA”) in response to the economic conditions caused by COVID-19. Funds from the CEBA Loan may only be used to pay non-deferrable operating expenses, including, without limitation, payroll, rent, utilities, insurance, and property tax. If the Company repays the CEBA Loan on or before December 31, 2022, then \$10 of the CEBA Loan will be forgiven. The Company recorded \$30 as liability in the consolidated statement of financial position, and recognized \$10 in other income as the Company intends to repay the CEBA Loan before December 31, 2022. The Company believes it qualifies for the CEBA Loan under the government rules at the time of application.

**10. Share Capital**

(a) Common Shares

Authorized - unlimited common shares without par value.

At September 30, 2020, the Company had 195,921,160 (September 30, 2019 – 171,608,660) common shares issued and outstanding.

*Year Ended, September 30, 2020*

On March 26, 2020, the Company closed a non-brokered private placement, raising gross proceeds of \$1,390 through the issuance of 8,687,500 units at a price of \$0.16 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder to purchase one common share at a price of \$0.24, for a period of 18 months from the closing date of the private placement. The warrants have a fair value of \$94. OCIM Finance, a Company managed by a former director of Orea, Laurent Mathiot, was amongst the subscribers in the private placement. OCIM Finance acquired an aggregate of 7,812,500 units for total consideration of \$1,250. Share issue costs for this private placement totaled \$29.

On February 4, 2020, the Company closed a non-brokered private placement, raising gross proceeds of \$1,250 through the issuance of 7,812,500 units at a price of \$0.16 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder, on exercise, to purchase one common share at a price of \$0.24, for a period of 18 months from the closing date of the private placement. The warrants have a fair value of \$172. The private placement was fully subscribed by OCIM Finance.

On October 23, 2019, the Company closed a non-brokered private placement fully subscribed by Sandstorm (the “Sandstorm Private Placement”), raising gross proceeds of \$1,250 through the issuance of 7,812,500 common shares, at a price of \$0.16 per share and granting to Sandstorm a 0.5% net smelter returns royalty from Orea’s ownership interest on gold production from the Maripa gold project in French Guiana, if and when Orea earns its interest in the project, and increasing up to 1% depending on Orea’s interest in the project. No finders’ fees have been paid in connection with this private placement. The Sandstorm Private Placement was closed on January 31, 2020 (note 7). Share issue costs for the Sandstorm Private Placement totaled \$42.

**10. Share Capital - continued**

*Year ended September 30, 2019*

On August 16, 2019, the Company closed a non-brokered private placement, raising gross proceeds of \$456 through the issuance of 2,850,000 units at a price of \$0.16 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder, on exercise, to purchase one common share at a price of \$0.32, for a period of 18 months from the closing date of the private placement. An aggregate of 137,500 units with a fair value of \$22 was paid in finders' fees.

On January 16, 2019, the Company closed a non-brokered unit private placement, raising gross proceeds of \$1,957 through the issuance of 9,786,778 units at a price of \$0.20 per unit. Each unit is comprised of one common share and a half warrant. Each full warrant entitles the holder, on exercise, to purchase one common share at a price of \$0.40, for a period of 12 months from the closing date of the private placement. An aggregate of 65,250 common shares of the Company with a fair value of \$13 was paid in finder's fees. Share issuance costs totaled \$16.

**(b) Share Options**

The Company has a share option plan to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant date.

The continuity of the Company's share options is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, October 1, 2018	7,257,500	0.45
Granted	1,200,000	0.27
Expired	(450,000)	0.62
<b>Balance, September 30, 2019</b>	<b>8,007,500</b>	<b>0.42</b>
Granted	1,000,000	0.25
Forfeited	(2,075,000)	0.37
<b>Balance, September 30, 2020</b>	<b>6,932,500</b>	<b>0.41</b>

A summary of the Company's options at September 30, 2020 is as follows:

Exercise Price (\$)	Options Outstanding		Options Exercisable	
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)
0.25	700,000	3.45	483,333	3.45
0.30	500,000	1.58	500,000	1.58
0.30	100,000	2.52	100,000	2.52
0.30	1,150,000	2.93	1,150,000	2.93
0.40	200,000	0.37	200,000	0.37
0.40	432,500	0.42	432,500	0.42
0.48	3,750,000	2.38	3,750,000	2.38
0.65	100,000	1.28	100,000	1.28
<b>0.25-0.65</b>	<b>6,932,500</b>	<b>2.33</b>	<b>6,715,833</b>	<b>2.29</b>

The fair value of vested share options recognized as an expense during the year ended September 30, 2020 was \$24 (2019 - \$72).

# 10. Share Capital - continued

The fair value of each share option is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of share options granted represents the period of time that share options granted are expected to be outstanding. The risk-free rate of periods within the contractual life of the share option is based on the Canadian government bond rate. Assumptions used for share options granted during fiscal 2020 and 2019 are as follows:

Grant Date	Number of Share Options	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value Per Option (\$)	Total Fair Value (\$)
March 30, 2020	1,000,000	75%	0.47%	2.96	-	0.03	34
April 30, 2019	500,000	76%	1.60%	2.96	-	0.06	28
March 14, 2019	700,000	76%	1.66%	2.96	-	0.10	72

## (c) Warrants

In connection with the March 2020 Private Placement, 4,343,750 warrants were issued on March 26, 2020 with a fair value of \$94. In connection with the February 2020 Private Placement, 3,906,250 warrants were issued on February 4, 2020 with a fair value of \$172. In connection with the August 2019 Private Placement, 1,493,750 warrants were issued on August 16, 2019 with a fair value of \$31. In connection with the January 2019 Private Placement, 4,893,389 warrants were issued on January 16, 2019 with a fair value of \$153. All warrants are exercisable on the date of issuance.

The continuity of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance at October 1, 2018	-	n/a
Issued	6,387,139	0.38
<b>Balance, September 30, 2019</b>	<b>6,387,139</b>	<b>0.38</b>
Issued	8,250,000	0.24
Expired	(4,893,389)	0.40
<b>Balance, September 30, 2020</b>	<b>9,743,750</b>	<b>0.25</b>

The fair value of each warrant is estimated on the date of grant using the Black-Scholes Option Pricing Model that uses the assumptions noted in the table below. Expected volatilities are based on historical volatility of the Company's shares, and other factors. The expected term of warrants issued represents the period of time which those warrants are expected to be outstanding.

The risk-free rate of periods within the contractual life of the warrants is based on the Canadian government bond rate. Assumptions used for warrants issued during 2020 and 2019 are as follows:

Issue Date	Number of Warrants	Expected Price Volatility	Risk Free Interest Rate	Expected Life (Years)	Expected Dividend Yield	Fair Value per Warrant (\$)	Total Fair Value (\$)
March 26, 2020	4,343,750	76%	0.64%	1.50	-	0.02	94
February 4, 2020	3,906,250	76%	1.51%	1.50	-	0.04	172
August 16, 2019	1,493,750	72%	1.39%	1.50	-	0.02	30
January 16, 2019	4,893,389	83%	1.90%	1.00	-	0.03	153

**10. Share Capital - continued**

(d) Loss per Share

	Year Ended	
	September 30, 2020 (\$)	September 30, 2019 (\$)
Basic loss per share	(0.01)	(0.03)
Diluted loss per share	(0.01)	(0.03)
Net loss for the year	<b>(1,706)</b>	<b>(4,610)</b>

(in thousands)	Year Ended	
	September 30, 2020	September 30, 2019
Shares outstanding, beginning of year	171,609	158,769
Effect of share offerings	16,952	7,341
<b>Basic weighted average number of shares outstanding</b>	<b>188,561</b>	<b>166,110</b>
Effect of dilutive share options	-	-
Effect of dilutive warrants	-	-
<b>Diluted weighted average number of shares outstanding</b>	<b>188,561</b>	<b>166,110</b>

As at September 30, 2020, there were 6,932,500 (September 30, 2019 – 8,007,500) share options and 9,743,750 (September 30, 2019 – 6,387,139) warrants that were potentially dilutive but not included in the diluted loss per share calculation as the effect would be anti-dilutive.

(e) Reserves

*Share Options and Warrants*

The share options and warrants reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

*Accumulated Other Comprehensive Income (Loss)*

The accumulated other comprehensive income (loss) reserve records unrealized exchange differences arising from translation of foreign operations that have a functional currency other than the Company's reporting currency.

## 11. Related Party Transactions

The Company has a note receivable of \$1,604 (the “Grid Note”) from Allegiant, a company with certain directors in common, originally due on the later of March 1, 2019 or when Allegiant has completed one or more equity financings with collective proceeds of a minimum of \$4,000 subsequent to the date on which Allegiant lists on the TSX-V. On March 5, 2019, the Company received 1,000,000 common shares (the “Extension Shares”) of Allegiant in exchange for extending the due date of the Grid Note to December 31, 2020 (the “Extended Grid Note”). The fair value of the Extension Shares was \$190 at the time of issuance. The fair value of the Extended Grid Note is \$1,220, based on a 15% discount rate. The fair value of the Grid Note has been further reduced by the fair value of the Extension Shares, resulting in a carrying value of \$1,030 on initial recognition. The Extended Grid Note will be accreted to its face value of \$1,604 by the due date. The Grid Note is non-interest bearing and unsecured. Subsequent to September 30, 2020, the Extended Grid Note was settled in exchange for 3,201,766 shares (the “Settlement Shares”) of Allegiant. Consequently, the Company impaired the carrying value of the Extended Grid Note to \$1,345, and recorded an impairment charge of \$166 which corresponds to the fair value of the Settlement Shares as at September 30, 2020.

A summary of the Grid Note is presented in the following table:

	(\$)
Balance, October 1, 2018	1,604
15% fair value discount	(384)
Extension Shares	(190)
Finance income	111
Rounding adjustment	1
<b>Balance, September 30, 2019</b>	<b>1,142</b>
Finance income	369
Impairment	(166)
<b>Balance, September 30, 2020</b>	<b>1,345</b>

The Company had an agreement with Allegiant, whereby certain overhead and administration costs were shared, which Allegiant reimbursed to the Company on a periodic basis and was included in cost recoveries. The agreement was terminated effective September 30, 2019.

The Company entered into a cost sharing agreement (the “Xebra Cost Sharing Agreement”) with Xebra Brands Ltd. (“Xebra”) effective October 1, 2019, whereby certain overhead and administration costs are shared, which Xebra reimburses to the Company on a periodic basis and is included in cost recoveries. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020 and replaced with a fixed fee agreement (the “Xebra Services Agreement”), whereby the Company provides certain overhead and administration services in exchange for a fixed fee of \$10 per month and a reduction in compensation of \$8 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020. The Company and Xebra has a director and certain officers in common.



**11. Related Party Transactions - continued**

The following is a summary of related party transactions:

	Year Ended	
	September 30, 2020 (\$)	September 30, 2019 (\$)
Management fees paid to Columbus Capital Corporation, a company controlled by the Chairman of the Company	100	133
Management fees paid to the President and CEO of the Company	284	250
Accounting fees paid to the CFO of the Company	208	156
Directors fees paid or accrued	174	305
Finance income from Grid Note	(369)	(111)
Administration cost recoveries received or accrued from Xebra	(371)	-
Administration cost recoveries received or accrued from Allegiant	(33)	(309)
	<b>(7)</b>	<b>424</b>

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	September 30, 2020 (\$)	September 30, 2019 (\$)
Note receivable from Allegiant	1,345	1,142
Advances to the Chairman of the Company	20	32
Directors fees payable	(91)	(43)
	<b>1,274</b>	<b>1,131</b>

The Company closed two private placements of its common shares on March 26, 2020 and February 4, 2020, which OCIM Finance subscribed to an aggregate of 15,625,000 units (note 10) in these private placements.

## 12. Segmented Disclosure

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

	September 30, 2020 (\$)	September 30, 2019 (\$)
Current assets		
Canada	3,999	1,279
Luxembourg	8	8
France (French Guiana)	384	275
	4,391	1,562
Non-current assets		
Canada	106	1,148
France (French Guiana)	39,951	35,219
	40,057	36,367
Total assets		
Canada	4,105	2,427
Luxembourg	8	8
France (French Guiana)	40,335	35,494
	44,448	37,929

## 13. Commitments

The Company has commitments as follows:

	1 year (\$)	2-3 years (\$)	4-5 years (\$)	Total (\$)
Office lease payments	74	18	-	92
Vehicles	4	-	-	4
Equipment	4	9	-	13
	82	27	-	109

## 14. Financial Risk and Capital Management

### Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at September 30, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

#### (a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks and an investment firm. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada and trade receivables. The Company's note receivable from Allegiant is unsecured. Management believes that the credit risk with respect to cash and receivables as it relates to goods and services tax are low, and medium as it relates to remaining other receivables. The note receivable from Allegiant was settled subsequent to year end.

#### **14. Financial Risk and Capital Management - continued**

##### **(b) Liquidity Risk**

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at September 30, 2020, the Company has working capital of \$3,767 (September 30, 2019 – \$1,286).

##### **(c) Market Risks**

###### **(i) Foreign Currency Risk**

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its French subsidiary, Orea Guyane SAS. The Company also has assets and liabilities denominated in US dollars and the European Euro. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar or European Euro could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

###### **(ii) Commodity Price Risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

###### **(iii) Interest Rate Risk**

The Company does not have any interest-bearing debt and is therefore not exposed to interest rate risk.

#### **Sensitivity Analysis**

A 1% change in interest rates does not have a material effect on the Company's profit or loss and equity.

The Company has certain cash balances, receivables and accounts payables in US Dollars and European Euros, currencies other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar and European Euro would have a corresponding effect of approximately \$50 to profit or loss.

#### **Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration and development stage, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors approves the annual and updated budgets. There have been no changes to the Company's capital management policies and procedures since the end of the most recent fiscal year.

#### 14. Financial Risk and Capital Management - continued

##### Fair Value

The fair value of the Company's financial instruments including cash, receivables, and accounts payable approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

The fair value of marketable securities is based on quoted market prices for publicly traded shares.

The note receivable from Allegiant is measured at amortized cost, with an initial fair value of \$1,030 and will be accreted to its face value of \$1,604 by the maturity date, unless settled prior to the maturity date or impaired (see note 11).

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method, and accreted accordingly.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. Marketable securities are classified as Level 1. At September 30, 2020, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

Financial Instrument	Measurement Method	Associated Risks	Fair value at
			September 30, 2020 (\$)
Cash	FVTPL (Level 1)	Credit and currency	2,602
Marketable securities	FVTPL (Level 1)	Exchange	162
Receivables	Amortized cost	Credit and concentration	6
Note receivable from Allegiant Gold Ltd.	Amortized cost	Credit and concentration	1,345
Accounts payable	Amortized cost	Currency	(232)
			<b>3,883</b>

#### 15. Supplemental cash flow information

	Year Ended	
	September 30, 2020 (\$)	September 30, 2019 (\$)
Extension Shares received (note 11)	-	190
Organto common shares received to settle Organto receivables (note 5)	-	189
	-	<b>379</b>

## 16. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items:

	<b>Year Ended</b>	
	<b>September 30, 2020</b>	<b>September 30, 2019</b>
	<b>(\$)</b>	<b>(\$)</b>
Loss before taxes	(1,706)	(4,610)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax (recovery) expense	(461)	(1,245)
Foreign tax differences, rate changes and foreign exchange	(222)	(65)
Non-taxable items	66	4
Share issue costs	(19)	(14)
True up prior year timing differences	17	1,343
Unrealized changes in marketable securities	-	-
Non deductible equity loss in affiliate	87	106
Impact of deconsolidation	-	-
Change in valuation of deferred tax assets	531	(129)
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	<b>September 30, 2020</b>	<b>September 30, 2019</b>
	<b>(\$)</b>	<b>(\$)</b>
Net operating losses carried forward	4,896	3,949
Share issuance costs	61	94
Equipment and other	97	74
Investments	292	749
Capital losses carried forward	476	425
Valuation allowance	(5,822)	(5,291)
	-	-

As of September 30, 2020, the Company has Canadian tax loss carry-forwards of approximately \$12,628 (2019 - \$11,296) available to reduce future years' taxable income. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income in the relevant jurisdictions. The Company's tax loss carry-forwards will expire, if not utilized as follows:

**16. Income Taxes – continued**

	Canada (CDN\$)	French Guiana (Euro)	Luxembourg (Euro)
September 30, 2026	765	-	-
September 30, 2027	982	-	-
September 30, 2028	814	-	-
September 30, 2029	543	-	-
September 30, 2030	450	-	-
September 30, 2031	94	-	-
September 30, 2032	861	-	18
September 30, 2033	452	-	19
September 30, 2034	945	-	10
September 30, 2035	165	-	80
September 30, 2036	488	-	119
September 30, 2037	1,932	-	75
September 30, 2038	1,736	493	84
September 30, 2039	1,074	758	106
September 30, 2040	1,329	1,097	82
	<b>12,628</b>	<b>2,348</b>	<b>594</b>

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

**17. Subsequent Event**

On September 30, 2020, the Company entered into a debt settlement agreement (the “DSA”) with Allegiant, which is subject to Allegiant obtaining approval of the TSX-V, to settle the Grid Note for 3,201,766 common shares of Allegiant (note 11). The DSA was approved by the TSX-V subsequent to September 30, 2020 and the Company received the Settlement Shares on October 21, 2020.