

Condensed Consolidated Interim Financial Statements of

**Azucar Minerals Ltd.**

For the three and nine months ended September 30, 2020  
(Unaudited)

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

The accompanying unaudited condensed consolidated interim financial statements of Azucar Minerals Ltd. (“the Company”) for the three and nine months ended September 30, 2020 have been prepared by the management of the Company and approved by the Company’s Audit Committee and the Company’s Board of Directors.

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

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

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed consolidated interim financial statements by an entity’s auditor.

**Azucar Minerals Ltd.**

Condensed consolidated interim statements of financial position  
(Unaudited - Expressed in Canadian dollars)

	September 30, 2020	December 31, 2019
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 10)	5,196,071	7,528,104
Accounts receivable and prepaid expenses (Note 4)	72,019	145,265
	<b>5,268,090</b>	<b>7,673,369</b>
<b>Non-current assets</b>		
Property and equipment (Note 5)	164,269	174,865
Exploration and evaluation assets (Note 6)	20,444,847	18,879,741
	<b>20,609,116</b>	<b>19,054,606</b>
<b>TOTAL ASSETS</b>	<b>25,877,206</b>	<b>26,727,975</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 8(b))	297,936	211,341
<b>Total liabilities</b>	<b>297,936</b>	<b>211,341</b>
<b>EQUITY</b>		
Share capital (Note 7)	24,043,321	24,043,321
Reserves (Note 7)	3,323,487	3,302,237
Deficit	(1,787,538)	(828,924)
<b>Total equity</b>	<b>25,579,270</b>	<b>26,516,634</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,877,206</b>	<b>26,727,975</b>

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 19, 2020.

They are signed on the Company's behalf by:

/s/Duane Poliquin  
Director

/s/Mark T. Brown  
Director

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

**Azucar Minerals Ltd.**

Condensed consolidated interim statements of comprehensive loss  
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Expenses</b>				
Administrative services fee (Note 8(a)(b))	217,222	169,629	706,903	468,525
Depreciation (Note 5)	3,532	1,715	10,596	5,083
Salaries and benefits	-	37,471	-	98,636
Office	12,542	22,500	43,662	61,299
Professional fees	38,985	45,765	92,720	166,554
Transfer agent and filing fees	13,296	12,242	43,072	59,248
Travel and promotion	23,777	10,052	52,653	47,932
Share-based payments (Note 7(c))	-	135,492	21,250	318,222
	<b>309,354</b>	<b>434,866</b>	<b>970,856</b>	<b>1,225,499</b>
<b>Other income (loss)</b>				
Interest income	6,258	33,384	42,634	140,396
Foreign exchange loss	(3,493)	4,219	(30,392)	(43,368)
	<b>2,765</b>	<b>37,603</b>	<b>12,242</b>	<b>97,028</b>
<b>Total comprehensive loss for the period</b>	<b>(306,589)</b>	<b>(397,263)</b>	<b>(958,614)</b>	<b>(1,128,471)</b>
<b>Basic and diluted net loss per share (Note 9)</b>	<b>(0.00)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.02)</b>

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

**Azucar Mineral Ltd.**Condensed consolidated interim statements of cash flows  
(Unaudited - Expressed in Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Operating activities</b>				
Net loss for the period	(306,589)	(397,263)	(958,614)	(1,128,471)
Items not affecting cash				
Depreciation	3,532	1,715	10,596	5,083
Share-based payments	-	135,492	21,250	318,222
Changes in non-cash working capital components				
Accounts receivable and prepaid expenses	(3,944)	(674)	73,246	128,909
Trade and other payables	14,571	49,961	(23,934)	(100,081)
Net cash used in operating activities	(292,430)	(210,769)	(877,456)	(776,338)
<b>Investing activities</b>				
Exploration and evaluation assets - costs	(234,530)	(984,729)	(1,454,577)	(3,963,150)
Property and equipment - purchase	-	(25,407)	-	(35,095)
Net cash used in investing activities	(234,530)	(1,010,136)	(1,454,577)	(3,998,245)
<b>Financing activities</b>				
Issuance of shares, net of share issue costs	-	-	-	18,683
Options exercised	-	18,900	-	18,900
Net cash from financing activities	-	18,900	-	37,583
Change in cash and cash equivalents	(526,960)	(1,202,005)	(2,332,033)	(4,737,000)
Cash and cash equivalents, beginning of period	5,723,031	10,934,894	7,528,104	14,469,889
Cash and cash equivalents, end of period	5,196,071	9,732,889	5,196,071	9,732,889

Supplemental cash flow information (Note 10)

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

## Azucar Mineral Ltd.

Condensed consolidated interim statement of changes in equity  
(Unaudited - Expressed in Canadian dollars)

	<u>Share Capital</u>		<u>Reserves</u>			<u>(Deficit)</u>	<u>Total</u>
	Number of shares	Amount	Share-based payments	Warrants	Total Reserves		
		\$	\$	\$	\$	\$	\$
<b>Balance, January 1, 2019</b>	<b>73,679,371</b>	<b>23,991,008</b>	<b>2,998,745</b>	<b>-</b>	<b>2,998,745</b>	<b>493,384</b>	<b>27,483,137</b>
Share-based payments	-	-	318,222	-	318,222	-	318,222
Private placement, net	59,654	18,683	-	-	-	-	18,683
Options exercised	90,000	18,900	-	-	-	-	18,900
Fair value of options transferred to share capital	-	14,730	(14,730)	-	(14,730)	-	-
Total comprehensive loss for the period	-	-	-	-	-	(1,128,471)	(1,128,471)
<b>Balance, September 30, 2019</b>	<b>73,829,025</b>	<b>24,043,321</b>	<b>3,302,237</b>	<b>-</b>	<b>3,302,237</b>	<b>(635,087)</b>	<b>26,710,471</b>
Total comprehensive loss for the period	-	-	-	-	-	(193,837)	(193,837)
<b>Balance, December 31, 2019</b>	<b>73,829,025</b>	<b>24,043,321</b>	<b>3,302,237</b>	<b>-</b>	<b>3,302,237</b>	<b>(828,924)</b>	<b>26,516,634</b>
Share-based payments	-	-	21,250	-	21,250	-	21,250
Total comprehensive loss for the period	-	-	-	-	-	(958,614)	(958,614)
<b>Balance, September 30, 2020</b>	<b>73,829,025</b>	<b>24,043,321</b>	<b>3,323,487</b>	<b>-</b>	<b>3,323,487</b>	<b>(1,787,538)</b>	<b>25,579,270</b>

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

## **Azucar Minerals Ltd.**

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### **1. Nature of Operations**

Azucar Minerals Ltd. (the “Company” or “Azucar”) was incorporated on April 10, 2015 under the laws of the Province of British Columbia pursuant to a Plan of Arrangement to reorganize Almaden Minerals Ltd. (“Almaden”) which was completed on July 31, 2015. The Company’s business activity is the exploration of the El Cobre project in Veracruz, Mexico. The address of the Company’s registered and records office is Suite 1710 –1177 West Hastings Street, Vancouver, BC, Canada V6E 2L3.

A global pandemic related to COVID-19 was declared in March 2020. The current and expected impacts on global commerce have been, and are anticipated to be, far-reaching. To date, there has been significant volatility in commodity prices and foreign exchange rates, restrictions on the conduct of business in many jurisdictions, including travel restrictions, and supply chain disruptions. There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impact that it may have.

On April 1, 2020, the Company announced that the Mexican federal government has mandated that all non-essential businesses, including mining and exploration, temporarily suspend operations due to the COVID-19 virus. The Mexican government has since considered mining and exploration activities as essential businesses, thus allowing such businesses to resume operations. On September 3, 2020, the Company received approval from the Mexican government health authorities to resume operations in a safe manner.

### **2. Basis of Presentation**

#### *(a) Statement of Compliance with International Financial Reporting Standards*

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “*Interim Financial Reporting*” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

#### *(b) Basis of preparation*

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes the Company will continue its operations for a reasonable period of time. The Company’s ability to continue its operations is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

Except as described below, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2019.

The changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as at and for the year ended December 31, 2020.

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

### 2. Basis of Presentation (Continued)

These condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the period ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ended December 31, 2020.

### 3. Significant Accounting Policies

The preparation of these condensed consolidated interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The condensed consolidated interim financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. There have been no changes in estimates since the annual consolidated financial statements as at and for the year ended December 31, 2019.

### 4. Accounts Receivable and Prepaid Expenses

Accounts receivable and prepaid expenses consist of the following:

	September 30, 2020	December 31, 2019
	\$	\$
Accounts receivable	50,215	98,922
Prepaid expenses	21,804	46,343
	<b>72,019</b>	<b>145,265</b>

### 5. Property and Equipment

	Computer hardware	Computer software	Field equipment	Building	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
December 31, 2019	3,068	27,719	39,582	118,420	188,789
Additions	-	-	-	-	-
<b>September 30, 2020</b>	<b>3,068</b>	<b>27,719</b>	<b>39,582</b>	<b>118,420</b>	<b>188,789</b>
<b>Accumulated depreciation</b>					
December 31, 2019	1,361	1,043	11,520	-	13,924
Depreciation	770	5,617	4,209	-	10,596
<b>September 30, 2020</b>	<b>2,131</b>	<b>6,660</b>	<b>15,729</b>	<b>-</b>	<b>24,520</b>
<b>Carrying amounts</b>					
December 31, 2019	1,707	26,676	28,062	118,420	174,865
<b>September 30, 2020</b>	<b>937</b>	<b>21,059</b>	<b>23,853</b>	<b>118,420</b>	<b>164,269</b>



## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2020  
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### 6. Exploration and Evaluation Assets

<b>Exploration and evaluation assets – El Cobre</b>	<b>\$</b>
<b>Acquisition costs:</b>	
<b>Opening balance – December 31, 2019</b>	<b>1,539,062</b>
Additions	-
<b>Closing balance – September 30, 2020</b>	<b>1,539,062</b>
<b>Deferred exploration costs:</b>	
<b>Opening balance - December 31, 2019</b>	<b>17,340,679</b>
Costs incurred during the period:	
Drilling and related costs	535,459
Professional/technical fees	30,373
Claim maintenance/lease costs	93,585
Geochemical, metallurgy	104,963
Technical studies	31,620
Travel and accommodation	115,926
Geology, geophysics, exploration	453,571
Supplies and miscellaneous	43,553
Environmental	2,053
Value-added tax	154,003
<b>Total deferred exploration costs during the period</b>	<b>1,565,106</b>
<b>Closing balance – September 30, 2020</b>	<b>18,905,785</b>
<b>Total exploration and evaluation assets</b>	<b>20,444,847</b>

The following is a description of the Company's property interest and related spending commitments:

#### *El Cobre*

During 2011, Almaden completed the sale of its 30% interest in the Caballo Blanco property located in the state of Veracruz, Mexico to Goldgroup Mining Inc. ("Goldgroup"). As part of the sale, Goldgroup transferred to Almaden its 40% interest in the El Cobre property also located in the state of Veracruz, Mexico. The Company owns a 100% interest in the El Cobre property.

### 7. Share Capital and Reserves

#### (a) *Authorized share capital*

At September 30, 2020, the Company's authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

### 7. Share Capital and Reserves (Continued)

#### (b) Warrants

The continuity of warrants for the period ended September 30, 2020 is as follows:

Expiry date	Exercise Price	December 31, 2019	Issued	Exercised	Expired	September 30, 2020
March 27, 2020	\$ 1.41	1,999,995	-	-	(1,999,995)	-
Warrants outstanding and exercisable		<b>1,999,995</b>	-	-	<b>(1,999,995)</b>	-
Weighted average exercise price		<b>\$ 1.41</b>	-	-	\$ 1.41	-

#### (c) Stock option plan

The Company's stock option plan permits the issuance of options to acquire up to a maximum of 10% of the Company's issued common shares. Stock options issued to any consultant or person providing investor relations services cannot exceed 2% of the issued and outstanding common shares in any twelve month period. At September 30, 2020, the Company may reserve up to 1,007,903 shares that may be granted as stock options. The exercise price of any option cannot be less than the volume weighted average trading price of the shares for the five trading days immediately preceding the date of the grant. The maximum term of all options is ten years. The Board of Directors determines the term of the option and the time during which any options may vest. Options granted to consultants or persons providing investor relations services shall vest in stages with no more than 25% of such option being exercisable in any three month period. All options granted during the period ended September 30, 2020 vested on the date of grant.

The continuity of stock options for the period ended September 30, 2020 is as follows:

Expiry date	Exercise price	December 31, 2019	Granted	Exercised	Expired/cancelled	September 30, 2020
April 30, 2020	\$ 0.73	300,000	-	-	(300,000)	-
December 15, 2020	\$ 0.39	330,000	-	-	-	330,000
April 28, 2021	\$ 0.60	3,934,200	-	-	(300,000)	3,634,200
June 4, 2021	\$ 0.29	553,000	-	-	(50,000)	503,000
July 7, 2021	\$ 0.34	967,800	-	-	-	967,800
February 28, 2022	\$ 0.36	515,000	-	-	-	515,000
May 9, 2022	\$ 0.11	-	425,000	-	-	425,000
Options outstanding and exercisable		<b>6,600,000</b>	<b>425,000</b>	-	<b>(650,000)</b>	<b>6,375,000</b>
Weighted average exercise price		\$ 0.51	\$ 0.11	-	\$ 0.64	\$ 0.47

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2020  
(Unaudited - Expressed in Canadian dollars)

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### 7. Share Capital and Reserves (Continued)

#### (c) Stock option plan (continued)

The fair value of the options granted during the period ended September 30, 2020, was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.28%
Expected life	2 years
Expected volatility	78.28%
Expected dividend yield	Nil
Weighted average fair value per option	\$0.05

During the nine months ended September 30, 2020, the Company recognized share-based payments expense of \$21,250 (2019 - \$318,222) associated with the vesting of stock options granted.

### 8. Related Party Transactions and Balances

#### (a) Compensation of key management personnel

Key management personnel include these persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management includes members of the Board, the President and Chief Executive Officer, the Chief Financial Officer and the Vice President Corporate Development. These amounts are included within administrative services fee expense. The aggregate value of compensation to key management personnel was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
Management fees <sup>(1)</sup>	151,800	101,200	455,400	303,600
Share-based payments	-	84,840	15,000	233,970
	151,800	186,040	470,400	537,570

<sup>(1)</sup> Management fees are recorded within Administrative services fees.

#### (b) Other related party transactions

##### Administrative Services Agreement

The Company paid administrative services fees to Almaden pursuant to an Administrative Services Agreement dated May 15, 2015, under which Almaden provides the Company with office space, executive management, marketing support, technical oversight, and financial/corporate secretary duties, amongst other administrative services.

At September 30, 2020, included in trade and other payables is \$83,622 (December 31, 2019 - \$61,873) due to Almaden.

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements  
For the three and nine months ended September 30, 2020  
(Unaudited - Expressed in Canadian dollars)

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### 8. Related Party Transactions and Balances (Continued)

#### (b) Other related party transactions (continued)

##### Other

At September 30, 2020, the Company accrued \$189,990 (December 31, 2019 - \$Nil) payable to Almadex for drilling services in Mexico included in exploration and evaluation assets.

At September 30, 2020, the Company paid a company controlled by a former Director of the Company \$Nil (2019 - \$49,470) for geological services included in exploration and evaluation assets.

Amounts owing to related parties are unsecured, non-interest bearing and due on demand.

### 9. Net Loss per Share

#### Basic and diluted net loss per share

The calculation of basic net loss per share for the three months ended September 30, 2020 was based on the net loss attributable to common shareholders of \$306,589 (2019 – \$397,263) and a weighted average number of common shares outstanding of 73,829,025 (2019 – 73,828,047).

The calculation of basic net loss per share for the nine months ended September 30, 2020 was based on the net loss attributable to common shareholders of \$958,614 (2019 – \$1,128,471) and a weighted average number of common shares outstanding of 73,829,025 (2019 – 73,746,955).

The calculation of diluted net loss per share for the three and nine months ended September 30, 2020 and 2019 did not include the effect of stock options and warrants as they were considered anti-dilutive.

### 10. Supplemental Cash Flow Information

Supplemental information regarding the split between cash and cash equivalents is as follows:

	September 30, 2020	December 31, 2019
	\$	\$
Cash	1,196,071	728,104
Term Deposits	4,000,000	6,800,000
	<u>5,196,071</u>	<u>7,528,104</u>

As at September 30, 2020, \$194,369 (December 31, 2019 - \$83,840) of exploration and evaluation asset costs is included in trade and other payables.

### 11. Financial Instruments

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

The Company does not carry any financial instruments at fair value.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and commodity and equity price risk

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### 11. Financial Instruments (Continued)

#### (a) Currency risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign currencies. The Company does not invest in foreign currency contracts to mitigate the risks.

As at September 30, 2020, the Company is exposed to foreign exchange risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable subsidiary:

	US dollar	Mexican peso
All amounts in Canadian dollars		
	\$	\$
Cash and cash equivalents	259,150	253,850
<b>Total assets</b>	<b>259,150</b>	<b>253,850</b>
Trade and other payables	-	192,488
<b>Total liabilities</b>	<b>-</b>	<b>192,488</b>
<b>Net assets</b>	<b>259,150</b>	<b>61,362</b>

A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's profit or loss by \$26,000.

A 10% change in the Mexican peso relative to the Canadian dollar would change the Company's profit or loss by \$6,000.

#### (b) Credit risk

The Company's cash and cash equivalents are held in large Canadian and Mexican financial institutions. The Company's accounts receivable consists primarily of sales tax due from the federal government of Canada. The Company is exposed to credit risks through its accounts receivable.

To mitigate exposure to credit risk on cash and cash equivalents, the Company has established policies to limit the concentration of credit risk with any given banking institution where the funds are held, to ensure counterparties demonstrate minimum acceptable credit risk worthiness and ensure liquidity of available funds.

As at September 30, 2020, the Company's maximum exposure to credit risk is the carrying value of its cash and cash equivalents and accounts receivable.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Trade and other payables are due within twelve months of the statement of financial position date.

## Azucar Minerals Ltd.

Notes to the condensed consolidated interim financial statements

For the three and nine months ended September 30, 2020

(Unaudited - Expressed in Canadian dollars)

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### 11. Financial Instruments (Continued)

#### (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to varying interest rates on cash and cash equivalents. The Company has no interest-bearing debt.

A 1% change in the interest rate would change the Company's net loss by \$52,000.

#### (e) Commodity and equity price risk

The ability of the Company to explore its exploration and evaluation assets and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company monitors gold prices to determine the appropriate course of action to be taken by the Company. Equity price risk is defined as the potential adverse impact on the Company's operations due to movements in individual equity price or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

### 12. Management of Capital

The Company considers its capital to consist of components of equity. 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 exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its 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 and acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short-term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations for the foreseeable future. There have been no changes to the Company's capital management approach during the year. The Company is not subject to externally imposed capital requirements.

### 13. Segmented Information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral resource properties in Canada, the United States, and Mexico.

Geographic information is as follows:

	Property and equipment	Exploration and evaluation assets	September 30, 2020
	\$	\$	\$
Mexico	143,794	20,444,847	20,588,641
Canada	20,475	-	20,475
	<b>164,269</b>	<b>20,444,847</b>	<b>20,609,116</b>

**Azucar Minerals Ltd.**

Notes to the condensed consolidated interim financial statements  
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**13. Segmented Information** *(Continued)*

The Company's revenue from interest income on cash and cash equivalents was earned in Canada.