



REYNA SILVER

REYNA SILVER CORP.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

**For the nine months ended
September 30, 2020**

(Unaudited)

PO Box 49130
2900 – 595 Burrard Street
Vancouver, British Columbia, Canada V7X 1J5

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

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

The accompanying unaudited 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 the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2020	December 31, 2019
		(Unaudited)	(Audited)
ASSETS			
Current			
Cash		\$ 11,904,717	\$ 1,104,553
Receivables		153,252	42,421
Prepaid expenses		210,404	803
		<u>12,268,373</u>	<u>1,147,777</u>
Non-current			
Exploration and evaluation assets	5	4,822,296	2,314,665
		<u>4,822,296</u>	<u>2,314,665</u>
		<u>\$ 17,090,669</u>	<u>\$ 3,462,442</u>
LIABILITIES			
Current			
Trade and other payables		\$ 266,492	\$ 22,968
Shareholders' loans	8	-	227,814
		<u>266,492</u>	<u>250,782</u>
SHAREHOLDERS' EQUITY			
Common shares	6	17,345,237	858,076
Common shares subscribed	6	54,581	762,997
Preferred shares	6	-	2,286,552
Reserves	6	1,446,825	-
Deficit		(2,022,466)	(695,965)
		<u>16,824,177</u>	<u>3,211,660</u>
		<u>\$ 17,090,669</u>	<u>\$ 3,462,442</u>

Nature of Operations and Going Concern (Note 1)
Event After the Reporting Period (Note 14)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 26, 2020. They are signed on the Company's behalf by:

"Jorge Ramiro Monroy"

Jorge Ramiro Monroy, Director

"Alex Langer"

Alex Langer, Director

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Note	For the three months ended September 30		For the nine months ended September 30	
		2020	2019	2020	2019
Exploration expenses	5	\$ 223,437	\$ 103,162	\$ 529,945	\$ 171,817
Administrative expenses					
Accounting and audit		49,825	510	81,897	1,554
Bank charges		1,648	319	3,494	718
Consulting		157,015	59,800	590,534	59,800
Legal		101,588	2,975	350,905	11,036
Management and director fees		116,250	-	252,250	-
Marketing and shareholders communication		125,223	-	358,404	38
Office		6,179	2,307	22,824	44,112
Share-based compensation		-	-	47,345	-
Transfer agent, listing and filing fees		42,047	-	42,047	-
Foreign exchange		35,604	(8,893)	126,035	(7,094)
		<u>635,379</u>	<u>57,018</u>	<u>1,875,735</u>	<u>110,164</u>
Other items					
Interest income		9,523	-	9,523	-
Net loss before income taxes		<u>849,293</u>	<u>160,180</u>	<u>2,396,157</u>	<u>281,981</u>
Total comprehensive loss for the period		<u>\$ 849,293</u>	<u>\$ 160,180</u>	<u>\$ 2,396,157</u>	<u>\$ 281,981</u>
Basic and diluted loss per share		<u>\$ 0.01</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.02</u>
Weighted average number of common shares outstanding		<u>79,663,506</u>	<u>16,588,462</u>	<u>55,620,571</u>	<u>13,235,631</u>

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Note	Common Shares			Preferred Shares		Reserves				Total	Deficit	Total shareholders' equity
		Number of shares	Amount	Shares subscribed	Number of shares	Amount	Equity-settled employee benefits	Finder's warrants	Warrants	Foreign exchange reserve			
Balance as at December 31, 2018 (Audited)		11,000,000	\$ 10	\$ -	100	\$ 2,286,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (185,585)	\$ 2,100,977
Shares issued:													
Private placements	6(b)	7,500,000	750,000	52,010	-	-	-	-	-	-	-	-	802,010
Net loss and comprehensive loss		-	-	-	-	-	-	-	-	-	-	(118,474)	(118,474)
Balance as at September 30, 2019 (Unaudited)		18,500,000	750,010	52,010	100	2,286,552	-	-	-	-	-	(304,059)	2,784,513
Shares issued:													
Private placements	6(b), 6(c)	-	-	710,987	-	-	-	-	-	-	-	-	710,987
Share issue costs	6(b)	80,000	-	-	-	-	-	-	-	-	-	-	-
In lieu of services rendered		1,080,666	108,066	-	-	-	-	-	-	-	-	-	108,066
Net loss and comprehensive loss		-	-	-	-	-	-	-	-	-	-	(391,906)	(391,906)
Balance as at December 31, 2019 (Audited)		19,660,666	858,076	762,997	100	2,286,552	-	-	-	-	-	(695,965)	3,211,660
Shares issued:													
Pursuant to reverse takeover of Century	4	5,348,279	-	-	-	-	-	-	-	-	-	1,069,656	1,069,656
Private placements	6(b)	32,988,030	6,597,606	(762,997)	-	-	-	-	-	-	-	-	5,834,609
Share issue costs	6(b)	428,961	(311,403)	-	-	-	9,843	61,247	-	-	71,090	-	(240,313)
In lieu of services rendered	6(b)	166,668	16,667	-	-	-	-	-	-	-	-	-	16,667
Shares issued pursuant to Purchase Agreement	6(f)	14,556,706	2,911,341	-	(100)	(2,286,552)	-	-	-	-	-	-	624,789
Shares issued for property acquisition	6(b)	250,000	342,500	-	-	-	-	-	-	-	-	-	342,500
Warrants issued for property acquisition	6(h)	-	-	-	-	-	-	-	670,500	-	670,500	-	670,500
Exercise of advisor options	6(g)	572,475	251,260	-	-	-	(43,271)	-	-	-	(43,271)	-	207,989
Exercise of finders' warrants	6(i)	553,050	247,340	9,581	-	-	-	(29,659)	-	-	(29,659)	-	227,262
Exercise of warrants	6(c), 6(h)	1,396,975	662,389	45,000	-	-	-	-	-	-	-	-	707,389
Private placements	6(b)	11,300,000	7,006,000	-	-	-	-	-	-	-	-	-	7,006,000
Share issue costs	6(b)	-	(1,236,539)	-	-	-	-	655,497	-	-	655,497	-	(581,042)
Share-based payments	6(g)	-	-	-	-	-	140,917	-	-	-	140,917	-	140,917
Net loss and comprehensive loss		-	-	-	-	-	-	-	-	(18,249)	(18,249)	(2,396,157)	(2,414,406)
Balance as at September 30, 2020 (Unaudited)		87,221,810	\$ 17,345,237	\$ 54,581	-	\$ -	\$ 107,489	\$ 687,085	\$ 670,500	\$ (18,249)	\$ 1,446,825	\$ (2,022,466)	\$ 16,824,177

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

REYNA SILVER CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

		For the nine months ended September 30	
	Note	2020	2019
Cash provided by (used for):			
Operating activities			
Net loss		\$ (2,396,157)	\$ (281,981)
Items not involving cash:			
Exploration expenses		16,667	-
Consulting		93,572	-
Share-based compensation		47,345	-
Changes in non-cash working capital items:			
Receivables		(80,754)	(44,685)
Prepaid expenses		(209,601)	-
Trade and other payables		169,186	22,662
Due to related parties		(595,413)	-
Exchange difference arising on the translation of foreign subsidiaries		(18,249)	-
Cash (used in) operating activities		(2,973,404)	(304,004)
Investing activities			
Cash acquired from the RTO	4	895,734	-
Cash acquired by investing activities		839,488	-
Financing activities			
Net proceeds from issuance of common shares	6	13,107,313	742,000
Common shares subscribed	6	54,581	60,000
Shareholders' loans		(227,814)	(6,244)
Cash provided by financing activities		12,934,080	795,756
Net increase in cash		10,800,164	491,752
Cash - beginning of the period		1,104,553	101,626
Cash - end of the period		\$ 11,904,717	\$ 593,378
Supplemental disclosure with respect to cash flows:			
Common shares issuance pursuant to exploration expenses		\$ 16,667	\$ -
Common shares issuance pursuant to property acquisition		\$ 342,500	-
Common shares issuance pursuant to consulting		\$ 93,572	\$ -
Common shares issuance pursuant to share issue costs		\$ 726,587	\$ -
Common share value adjustment pursuant to exploration and evaluation asset acquisition		\$ 624,789	\$ -
Warrants issuance pursuant to property acquisition		\$ 670,500	\$ -

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

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Reyna Silver Corp. (the “Company” or “Reyna Silver”) registered its incorporation on August 24, 2017 in the province of British Columbia, Canada. The Company changed its name from “Trudeau Gold Inc.” to “Century Metals Inc.” on April 30, 2018 and began trading on TSX Venture Exchange (the “Exchange”) on June 17, 2019. Its registered address is at 2900-595 Burrard Street, Vancouver, BC V7X 1J5.

Reyna Silver Mining Inc. (“Reyna”) was incorporated under the Business Corporations Act (British Columbia) on June 19, 2018 and its principal business activity is the acquisition and exploration of mineral properties. Its registered and head office is 2900-595 Burrard Street, Vancouver, BC V7X 1J5.

On June 3, 2020, the Company completed the acquisition of Reyna pursuant to an amalgamation agreement dated March 20, 2020. This acquisition constituted a reverse takeover (“RTO”) (Note 4). Upon completion of the RTO, the Company changed its name from Century Metals Inc. to Reyna Silver Corp. and began trading on the Exchange under the symbol “RSLV”.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its exploration and evaluation assets, and to commence profitable operations in the future. To date, the Company has not generated any significant revenues and is considered to be in the exploration stage. These uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

Management’s plan includes continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity and reducing overhead costs. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated financial statements of financial position. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that may be necessary should the Company be unable to continue in existence.

	September 30, 2020	December 31, 2019
Deficit	\$ (2,022,466)	\$ (695,965)
Working capital	\$ 12,001,881	\$ 896,995

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

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION

(a) Statement of compliance

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

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

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

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended December 31, 2019.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended December 31, 2019. 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 nine-month period ended September 30, 2020 are not necessarily indicative of the results that may be expected for the current fiscal year ending December 31, 2020.

New adopted accounting policies

Share-based payment transactions

The Company's stock option plan allows the Company's employees and consultants to acquire shares of the Company through the exercise of granted stock options. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when such individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where finders' warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to reserves and as a share issue cost.

When warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

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REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

4. REVERSE TAKEOVER TRANSACTION (“RTO”)

Effective June 3, 2020, Reyna Silver Corp. (formerly Century Metals Inc., “Century”) has completed the acquisition of all the issued and outstanding securities of Reyna Silver Mining Inc. (formerly Reyna Silver Corp., “Reyna”).

Century consolidated its 34,228,765 outstanding common shares so as to have 5,348,279 consolidated shares outstanding prior to closing the RTO. Century issued an aggregate of 45,352,864 common shares to acquire the outstanding common shares of Reyna (inclusive of the 25,525,530 shares issued by Reyna under its \$0.20 private placement); and issued 14,556,706 common shares to MAG Silver Corp. (“MAG Silver”) in exchange for the preferred shares held by it in Reyna (equating to 19.9% of the outstanding common shares of the Company on closing of the RTO).

Century and Reyna jointly undertook private placements raising an aggregate of \$6,597,606, resulting in the issuance of 32,988,030 units at \$0.20 (each unit consisting of one common share and one-half of one share purchase warrant (for a total of 16,494,013 warrants) exercisable at \$0.45 for 24 months from closing the RTO).

Aggregate finders’ fees pertaining to the private placements were:

- (i) 428,961 finder’s shares;
- (ii) 1,423,583 finders’ warrants (each entitling the holder to acquire one common share at \$0.45 until June 3, 2022);
- (iii) 7,000 finder’s warrants (each entitling the holder to acquire one common share at \$0.20 until June 3, 2022);
- (iv) 114,450 compensation options (each entitling the holder to acquire one unit at \$0.20 until June 3, 2022; and
- (v) \$240,314 cash.

As part of the RTO, the Company also issued these advisor options and retained the options granted by Century on a post-consolidation basis:

- (vi) 366,535 advisor options (each entitling the holder to acquire one common share at \$0.45 until June 3, 2022);
- (vii) 905,000 advisor options (each entitling the holder to acquire one common share at \$0.20 until June 3, 2022); and
- (viii) 265,625 options (each entitling the holder to acquire one common share at \$0.57 until September 13, 2029).

Accordingly, the Company has accounted for the acquisition as a reverse takeover, and no goodwill or intangible asset representing the stock exchange listing has been recorded. Therefore, for accounting purposes, Reyna, the legal subsidiary, has been treated as the accounting acquirer, and Century, the legal parent, has been treated as the accounting acquiree in these consolidated financial statements.

As Reyna was deemed to be the acquirer for accounting purposes, Century’s assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Century’s results of operations have been included from June 3, 2020, the date of completion of the acquisition.

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

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

4. REVERSE TAKEOVER TRANSACTION (“RTO”), (Continued)

The RTO is being accounted for as a capital transaction in which Reyna is being identified as the acquirer of Century and equity consideration is being measured at fair value. The RTO does not constitute a business combination under IFRS 3. The RTO is accounted for in the consolidated financial statements of the resulting issuer as a continuation of the consolidated financial statements of Reyna, subject to a deemed issuance of shares and re-capitalization of the resulting issuer’s equity. The acquisition of Century is accounted for as 5,348,279 common shares deemed issued at \$0.20 per share to acquire the net identifiable assets of Century. This \$1,069,656 equity consideration is allocated to Century’s net identifiable assets and liabilities with the negative residual accounted for as a reduction to Century’s exploration and evaluation assets. .

For the purposes of accounting for the reverse takeover, the percentage of ownership of the pre-acquisition shareholders of Century in the combined entity upon completion of the acquisition was determined to be 7.3% (which represents 5,348,279 common shares out of a total of 73,149,310 common shares of the Company outstanding upon closing of the acquisition).

The total purchase price of \$1,069,656 has been allocated as follows:

Fair value of consideration - purchase price	\$ 1,069,656
Identifiable net assets of Century Metals Inc. acquired by Reyna Silver Mining Inc.	
Cash	895,734
Other current assets	30,077
Exploration and evaluation assets	1,494,629
Trade and other payables (settled in cash)	(74,338)
Due to related parties	(595,413)
Total fair value of identifiable net assets acquired by Reyna Silver Mining Inc.	<u>1,750,689</u>
Reduction to exploration and evaluation assets	<u>\$ (681,033)</u>

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REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES

MEXICO

(a) Guigui Property

The Company acquired 100% interest of the Guigui Property pursuant to the Asset Purchase and Sale Agreement (the "Agreement") with MAG Silver Corp. ("MAG Silver") on June 29, 2018. The Guigui Property, consisting of 7 concessions (4,553.7034 hectares) is located in Chihuahua Mexico.

(b) Batopilas Property

The Company acquired 100% interest of the Batopilas Property pursuant to the Agreement with MAG Silver on June 29, 2018. The Batopilas Property, consisting of 10 concessions (1,169.7313 hectares) is located in Chihuahua Mexico.

Pursuant to the Agreement, the Company acquired the Guigui Property and the Batopilas Property by paying US\$8,500 (\$11,036) to MAG Silver and issuing 100 preferred shares to MAG Silver (the "MAG Silver's Preferred Shares") with conversion rights to common shares of the Company

Prior to the MAG Silver's Preferred Shares being converted into common shares of the Company, the Company cannot incur any indebtedness without the prior written consent of MAG Silver.

On June 3, 2020, MAG Silver's Preferred Shares were converted into 14,556,706 common shares with each common share valued at \$0.20 for a total value of \$2,911,341. \$2,286,552 has been recorded in the Company's preferred shares as of December 31, 2019 and therefore, the balance of \$624,789 is added to the Exploration and Evaluation Assets (Note 6f). These 14,556,706 common shares are subject to a voluntary pooling arrangement in accordance with the Agreement (Note 6e).

MAG Silver retains certain participation rights to maintain MAG Silver's percentage ownership interest in the Company. This right to participate shall survive until the earlier of (a) the date of which MAG Silver owns less than 10% of the Company's common shares; and (b) the date that is two years following the date of conversion of MAG Silver's preferred shares to common shares.

Royalties:

The Guigui property is subject to a 2.5% net smelter royalty ("NSR") payable to the underlying owner with a right of first refusal; while the Batopilas property is subject to a 4.5% NSR payable to the underlying owner with a right of first refusal.

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REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

MEXICO, (Continued)

(c) La Chinche Property

The Company entered into two agreements to acquire an 80% interest in the La Chinche Property.

On July 1, 2020, the Company entered into a mineral property option agreement with United Minerals Pty Limited and Minerales Unidos La Chinche S.A. de C.V. ("United Minerals") to acquire 50% interest in the La Chinche property in exchange for 500,000 common shares and 11,500,000 warrants as follows:

Date/Period	Shares	Warrants
Upon receipt of the Exchange approval	250,000 (issued)	1,000,000 warrants exercisable for a period of 12 months at \$0.74 (issued)
January 1, 2021	None	3,000,000 warrants exercisable for a period of 12 months at \$0.75
July 1, 2021	None	3,500,000 warrants exercisable for a period of 12 months at \$1.00
January 1, 2022	None	4,000,000 warrants exercisable for a period of 12 months at \$1.25
July 1, 2022	250,000	None

On July 1, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the "Sellers") to acquire an additional 30% interest in the La Chinche property by incurring the following:

- (i) Making a cash payment of US\$42,000 on signing the agreement (paid);
- (ii) Undertaking a minimum of US\$900,000 in work on the property within 24 months;
- (iii) Following the above work program, preparing a NI 43-101 technical report summarizing any mineral resources on the property (the "Report"); and
- (iv) Based on the mineral resources set out in the Report, paying an additional amount to the Sellers, calculated as a minimum of US\$1,000,000 (for up to 1,500,000 tonnes of resource based on 12% Zn equivalent cut-off) plus an additional US\$250,000 for every 500,000 tonnes of resource at comparable grade contained within the property over and above 1,500,000 tonnes.

(d) La Reyna Property

On September 29, 2020, the Company entered into a mineral property option agreement with the underlying concession owner (the "Sellers") to acquire a 100% interest in the La Reyna property by incurring the following:

- (i) US\$30,000 - on signing (paid);
- (ii) US\$45,000 - six months from signing;
- (iii) US\$75,000 - 12 months from signing;
- (iv) US\$75,000 - 18 months from signing;
- (v) US\$120,000 - 24 months from signing;
- (vi) US\$120,000 - 30 months from signing;
- (vii) US\$150,000 - 36 months from signing;
- (viii) US\$685,000 - 48 months from signing.

The La Reyna Property is subject to a 2.5% royalty of which the Company can pay US\$500,000 for each 0.5%.

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REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

As at September 30, 2020

(Unaudited)

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

MEXICO, (Continued)

(e) Matilde Property

In fiscal 2018, the Company acquired the Matilde property for \$7,476 by staking. The Matilde property is located in Sonora Mexico and consists of 1,369 hectares.

(f) El Durazno Property

In fiscal 2019, the Company acquired the El Durazno property for \$9,601 by staking. The El Durazno property is located in Sonora Mexico and consists of 24,630 hectares.

UNITED STATES

(g) Medicine Springs Property (Nevada)

On September 24, 2020, the Company entered into a property option agreement with Northern Lights Resources Corp. ("Northern Lights"), subject to the completion of due diligence, to acquire an 80% interest in the Medicine Springs Property, located in Elko county, Nevada.

- (i) To acquire the 75% interest in the Medicine Springs Property, the Company must assume and satisfy certain of Northern Lights' obligations under the underlying option agreement as to payment of US\$875,000 of cash consideration and incurring of at least US\$2,439,065 of Expenditures on the property (collectively the "Option Price"), on or before December 31, 2023 (provided that all cash payments and Expenditures required to be paid or undertaken in phases 1, 2 and 3 under the underlying option agreement are to so paid or undertaken by December 31, 2021).
- (ii) Northern Lights further grants to the Company the option to acquire an additional 5% interest in the property for US\$1,000,000.

On November 4, 2020, the Company announced that the Company completed its due diligence and closed the option agreement. A finder's fee of \$25,000 will be paid, plus 5% of any future cash payments to the owner of the Medicine Spring claims.

CANADA

(h) Trudeau Gold Property (Quebec)

The Company holds a 100% interest in the Trudeau Gold Property consisting of three non-contiguous claim groups surrounding Duparquet Lake in the province of Quebec, namely Fabie, Trudeau and Eastchester.

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

REYNA SILVER CORP.

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5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

	Mexico			
	Batopilas	Guigui	Others	Total
Exploration and evaluation assets				
Acquisition costs				
As of January 1, 2019	\$ 469,571	\$ 1,828,017	\$ 7,476	\$ 2,305,064
Addition during the period	-	-	9,601	9,601
As of December 31, 2019	\$ 469,571	\$ 1,828,017	\$ 17,077	\$ 2,314,665
Mineral exploration expenses for the year ended December 31, 2019				
Consulting and reporting	\$ -	\$ 144,029	\$ -	\$ 144,029
Mineral taxes	29,250	113,863	-	143,113
Geology and exploration	-	21,257	-	21,257
Other property related expenses	-	40,969	-	40,969
	\$ 29,250	\$ 320,118	\$ -	\$ 349,368
Cumulative mineral exploration expenses up to December 31, 2019				
Consulting and reporting	\$ -	\$ 201,460	\$ -	\$ 201,460
Mineral taxes	45,390	174,925	-	220,315
Geology and exploration	-	21,257	-	21,257
Other property related expenses	-	40,968	-	40,968
	\$ 45,390	\$ 438,610	\$ -	\$ 484,000

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

REYNA SILVER CORP.

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5. EXPLORATION AND EVALUATION ASSETS AND MINERAL EXPLORATION EXPENSES, (Continued)

	Mexico					Canada	USA	Total
	Batopilas	Guigui	La Chinche	La Reyna	Others	Trudeau	Medicine Spring	
Exploration and evaluation assets								
Acquisition costs								
As of January 1, 2020	\$ 469,571	\$ 1,828,017	\$ -	\$ -	\$ 17,077	\$ -	\$ -	\$ 2,314,665
Addition during the period	127,691	497,098	1,069,246	-	-	813,596	-	2,507,631
As of September 30, 2020	\$ 597,262	\$ 2,325,115	\$ 1,069,246	\$ -	\$ 17,077	\$ 813,596	\$ -	\$ 4,822,296
Mineral exploration expenses for the nine months ended September 30, 2020								
Consulting and reporting	\$ 3,297	\$ 49,175	\$ 391	\$ -	\$ -	\$ 4,500	\$ -	\$ 57,363
Mineral taxes	25,340	98,645	3,634	426	-	-	-	128,045
Geology and exploration	68,172	215,229	7,546	3,001	-	-	9,004	302,952
Geophysics	-	5,716	-	-	-	-	-	5,716
Other property related expenses	9,038	25,759	1,072	-	-	-	-	35,869
	\$ 105,847	\$ 394,524	\$ 12,643	\$ 3,427	\$ -	\$ 4,500	\$ 9,004	\$ 529,945
Cumulative mineral exploration expenses up to September 30, 2020								
Consulting and reporting	\$ 3,297	\$ 250,635	\$ 391	\$ -	\$ -	\$ 4,500	\$ -	\$ 258,823
Mineral taxes	70,730	273,570	3,634	426	-	-	-	348,360
Geology and exploration	68,172	236,486	7,546	3,001	-	-	9,004	324,209
Geophysics	-	5,716	-	-	-	-	-	5,716
Other property related expenses	9,038	66,727	-	-	-	-	-	75,765
	\$ 151,237	\$ 833,134	\$ 11,571	\$ 3,427	\$ -	\$ 4,500	\$ 9,004	\$ 1,012,873

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

REYNA SILVER CORP.

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6. SHARE CAPITAL

a. Authorized

There are an unlimited number of common shares without par value.

b. Common share issuance

During the year ended December 31, 2019:

- (i) In February 2019, the Company reverse-consolidated the shares on a basis of one old common share equals to 110,000 new common shares. For the purpose of comparison, such reverse-consolidation was retroactively adjusted as of the date of incorporation on June 19, 2018.
- (ii) The Company issued an aggregate of 7,500,000 common shares for gross proceeds of \$750,000 pursuant to private placements. A finder's fee of \$8,000 was paid by issuing 80,000 common shares (with a fair value of \$8,000).
- (iii) During the year, the Company issued 1,080,666 common shares with a fair value of \$108,066 to its directors, officers and consultants for consulting and geological consulting services.

During the nine months ended September 30, 2020:

- (i) Reyna and Century jointly completed a number of non-brokered private placements by issuing a total of 32,988,030 units ("Unit") at a price of \$0.20 per Unit for gross proceeds of \$6,597,606, \$762,997 of which was received during the year ended December 31, 2019. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a 24 month period at a price of \$0.45, expiring on June 3, 2022. Under the residual value approach, no value was assigned to the warrant component of the Units.

In connect with the private placements, the Company paid a total of \$240,314 cash finder's fee and issued 428,961 finder's shares valued \$0.20 per share for \$85,792. The Company also, issued 7,000 and 1,423,583 finder's warrants, each of which is exercisable into one common share at a price of \$0.20 and \$0.45 respectively for a period of 24 months, expiring on June 3, 2022. The values of the finder's warrants were determined to be \$602 and \$60,645 respectively and were calculated using the Black-Scholes option pricing model. In addition, the Company issued 114,450 compensation options, each of which is exercisable into one Unit at a price of \$0.20 for a period of 24 months, expiring on June 3, 2022. The value of the compensation options was determined to be \$9,843 and was calculated using the Black-Scholes option pricing model.

- (ii) On August 19, 2020, the Company completed a non-brokered private placement by issuing 11,300,000 units ("Unit") at a price of \$0.62 per Unit for gross proceeds of \$7,006,000. Each Unit consists of one common share one one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a 24 month period at a price of \$0.90, expiring on August 19, 2022. Under the residual value approach, no value was assigned to the warrant component of the Units.

In connection with the private placement, the Company paid a total of \$419,326 cash finder's fee and issued 734,204 finder's warrants, each of which is exercisable into one Unit at a price of \$0.62 for a period of 24 months, expiring on August 19, 2022. The value of the finder's warrants was determined to be \$655,497 calculated using the Black-Scholes option pricing model. Another \$161,716 was also included as share issue costs.

REYNA SILVER CORP.

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6. SHARE CAPITAL, (Continued)

b. Common share issuance, (Continued)

During the nine months ended September 30, 2020: (Continued)

(iii) On September 18, 2020, the Company issued 250,000 common shares pursuant to a mineral property option agreement (see Note 5(c)).

(iv) During the period, the Company issued 166,668 common shares with a fair value of \$16,667 to its consultants for geological consulting services.

c. Common shares subscribed

During the year ended December 31, 2019:

The Company received \$762,997 as share subscription for a private placement which was completed during the first quarter of fiscal 2020.

During the nine months ended September 30, 2020:

The Company received \$45,000 in relations to the exercise of 100,000 warrants by their holders at the prescribed exercise price of \$0.45 of which the shares were issued after the period end (Note 14b).

d. Escrowed shares

2,968,212 common shares were placed in escrow in accordance with the escrow agreement dated April 3, 2019, where 10% of the escrowed common shares were released on June 10, 2019 and 15% every six months thereafter. As at September 30, 2020, 1,780,928 common shares were held in escrow.

12,076,501 common shares were placed in escrow in accordance with the escrow agreement dated June 3, 2020, where 10% of the escrowed common shares were released on June 4, 2020 and 15% every six months thereafter. As at September 30, 2020, 10,868,851 common shares were held in escrow.

e. Pooling agreement

14,556,706 common shares held by MAG Silver are subject to a voluntary pooling arrangement in accordance with the Agreement, where 25% of these common shares were free-trading on June 3, 2020 and 25% will become free-trading every six months thereafter. As at September 30, 2020, 10,917,530 common shares were held in escrow.

REYNA SILVER CORP.

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6. SHARE CAPITAL, (Continued)

f. Preferred share issuance

On August 3, 2018, Reyna, a pre-RTO predecessor company, issued 100 preferred shares pursuant to the Agreement with MAG Silver (Note 6).

The preferred shares would automatically convert to common shares, without the payment of any additional consideration by MAG Silver, upon the date the Company completed its initial public offering ("IPO") by way of prospectus or other business transaction such as a reverse take-over, with the Company's common shares becoming listed on the TSX Venture Exchange (or similar) and the Company raising aggregate gross proceeds of no less than \$5,000,000 in conjunction with the IPO.

The number of common shares to be issued upon conversion of the preferred shares shall be the number of common shares such that following the conversion, MAG Silver would hold 19.9% of the issued and outstanding common shares of the Company.

As of December 31, 2018, it was estimated that the 100 preferred shares would therefore be converted into approximately 11,432,758 common shares of the resulting company, with each common share valued at \$0.20 for a total value of \$2,286,552.

On June 3, 2020, upon the completion of the RTO and the private placements, the 100 preferred shares were converted into 14,556,706 common shares, with each common share valued at \$0.20 for a total value of \$2,911,341, resulting in an increase in the value of the exploration and evaluation assets by \$624,789.

REYNA SILVER CORP.

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6. SHARE CAPITAL, (Continued)**g. Stock options**

Stock option transactions and the number of stock options, including the compensation options and advisor options, for the nine months ended September 30, 2020 are summarized as follows:

Expiry date	Exercise price	December 31, 2019	Granted	Exercised	Expired / Cancelled	September 30, 2020
June 3, 2022 (i)	\$ 0.20	-	905,000	(230,000)	-	675,000
June 3, 2022	\$ 0.45	-	366,535	(276,850)	-	89,685
September 13, 2029	\$ 0.57	-	265,625	(65,625)	-	200,000
Options outstanding		-	1,537,160	(572,475)	-	964,685
Options exercisable		-	1,537,160	-	-	964,685
Weighted average exercise price	\$	-	\$ 0.32	\$ 0.36	\$	\$ 0.30

Subsequent to September 30, 2020:

(i) 100,000 advisor options were exercised;

As at September 30, 2020, the weighted average contractual remaining life of options is 3.18 years. The weighted average fair value of stock options granted during the nine months ended September 30, 2020 was \$0.32.

During the nine months, the Company granted 905,000 advisor options at an exercise price of \$0.20 and 366,535 advisor options at an exercise price of \$0.45, all expiring on June 3, 2022, and recognized fair values of \$77,830 and \$15,742 as consulting expenses respectively. Upon the completion of the RTO, the Company also granted an equivalence of 265,625 stock options in terms of post-consolidation share capital at an exercise price determined to be the closing price of the first day of trading resumption upon the completion of the RTO of \$0.57 expiring on September 13, 2029 and recognized a fair value of \$47,345 as share-based compensation.

The weighted average assumptions used to estimate the fair value of options for the nine months ended September 30, 2020 were as follows:

	2020	2019
Expected dividend yield	0.00%	-
Expected stock price volatility	78.25% - 99%	-
Risk-free interest rate	1.5% - 1.68%	-
Forfeiture rate	0.00%	-
Expected life of options	2 years - 10 years	-

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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6. SHARE CAPITAL, (Continued)

h. Warrants

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

Expiry date	Exercise price	December 31, 2019	Issued	Exercised	Expired	September 30, 2020
August 17, 2021	(a) \$ 0.74	-	1,000,000	-	-	1,000,000
June 3, 2022	(i) \$ 0.45	-	16,554,738	(1,321,975)	-	15,232,763
August 19, 2022	\$ 0.90	-	5,650,000	(75,000)	-	5,575,000
Warrants outstanding		-	23,204,738	(1,396,975)	-	21,807,763
Weighted average exercise price	\$	-	\$ 0.57	\$ 0.47	\$	\$ 0.58

(a) These warrants were granted pursuant to the mineral property option agreement (see note 5(c)).

Subsequent to September 30, 2020:

(i) 1,529,267 warrants were exercised.

As at September 30, 2020, the weighted average contractual remaining life of warrants is 1.69 years.

i. Finder's Warrants

The continuity of finder's warrants for the nine months ended September 30, 2020 is as follows:

Expiry date	Exercise price	December 31, 2019	Issued	Exercised	Expired	September 30, 2020
June 3, 2022	(a) \$ 0.20	-	114,450	(114,450)	-	-
June 3, 2022	(a) \$ 0.20	-	7,000	(7,000)	-	-
June 3, 2022	(i) \$ 0.45	-	1,423,583	(431,600)	-	991,983
August 19, 2022	(b) \$ 0.62	-	734,204	-	-	734,204
Finders warrants outstanding		-	2,279,237	(553,050)	-	1,726,187
Weighted average exercise price	\$	-	\$ 0.49	\$ 0.450	\$	\$ 0.52

(a) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$0.45 for a period of 2 years.

(b) Each compensation warrant is exercised into one common share and one-half of a warrant, where each full warrant is then exercisable into one common share at \$0.62 for a period of 2 years.

Subsequent to September 30, 2020:

(i) 19,450 finder's warrants were exercised.

As at September 30, 2020, the weighted average contractual remaining life of finder's warrants is 1.76 years.

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6. SHARE CAPITAL, (Continued)

i. Finder's Warrants, (Continued)

The weighted average assumptions used to estimate the fair value of finder's warrants for the nine months ended September 30, 2020 were as follows:

	2020	2019
Expected dividend yield	0.00%	-
Expected stock price volatility	79.83%	-
Risk-free interest rate	1.60%	-
Forfeiture rate	0.00%	-
Expected life of options	2 years	-

7. LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic and diluted loss per share for nine months ended September 30, 2020 was based on the loss attributable to common shareholders of \$2,396,157 (nine months ended September 30, 2019 – \$281,981) and a weighted average number of common shares outstanding of 55,620,571 (nine months ended September 30, 2019 – 13,235,631).

Diluted loss per share did not include the effect of Nil preferred shares (September 30, 2019 – 100 preferred shares), 21,807,763 warrants, 964,685 stock options and advisor options and 1,726,187 finders' warrants since they were anti-dilutive.

8. SHAREHOLDERS' LOANS

During the nine months ended September 30, 2020, the Company fully repaid the shareholders' loans to Reyna Silver Hong Kong Limited, a major shareholder, of US\$142,582 (December 31, 2019 - \$191,990 (US\$142,582)) and to Jorge Ramiro Monroy, a director of the Company, of US\$27,707 (December 31, 2019 - \$35,824 (US\$27,707)).

REYNA SILVER CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the nine months ended September 30, 2020

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jorge Ramiro Monroy ⁽¹⁾ Chief Executive Officer, Director	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alex Tsang ⁽²⁾ Former Chief Financial Officer	\$ 2,000	\$ -	\$ -	\$ -	\$ 8,355	\$ 10,355
Sandy Chim ⁽³⁾ Former director	\$ -	\$ -	\$ -	\$ -	\$ 8,355	\$ 8,355
Peter Jones ⁽⁴⁾ Director	\$ 6,250	\$ -	\$ -	\$ -	\$ 8,355	\$ 14,605
Michael Wood ⁽⁵⁾ Chief Financial Officer, Director	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alex Langer ⁽⁶⁾ Director	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

- (1) Jorge Ramiro Monroy is paid as the Chief Executive Officer through payments to Emerging Capital Markets (see table below).
- (2) Alex Tsang became the Chief Financial Officer of the Company effective June 3, 2020 and resigned effective July 6, 2020.
- (3) Sandy Chim became the director of the Company effective June 3, 2020 and resigned effective September 21, 2020.
- (4) Peter Jones became the director of the Company effective June 3, 2020.
- (5) Michael Wood became the director of the Company effective June 3, 2020 and the Chief Financial Officer effective July 6, 2020. He is paid as the Chief Financial Officer through payments to Reyna Silver Hong Kong Limited (see table below).
- (6) Alex Langer's director fee is paid to his company Andros Capital Corp. (see table below).

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9. RELATED PARTY TRANSACTIONS, (Continued)

For the nine months ended September 30, 2019

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jorge Ramiro Monroy Chief Executive Officer, Director	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Alex Langer Director	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Related party transactions and balances:

Amounts in due to related parties:	Services for:	For the nine months ended September 30		As at September 30, December 31,	
		2020	2019	2020	2019
Emerging Capital Markets ⁽¹⁾	Management fee	\$ 163,000	\$ -	\$ 15,000	\$ -
Reyna Silver Hong Kong Limited ⁽²⁾	Management fee	76,000	-	9,000	-
Alex Tsang	Management fee	2,000	-	-	-
Andros Capital Corp. ⁽³⁾	Management fee	5,000	-	5,000	-
Total		\$ 246,000	\$ -	\$ 29,000	\$ -

(1) Jorge Ramiro Monroy is the managing director of this private company.

(2) Michael Wood and Jorge Ramiro Monroy are the sole directors of this private company.

(3) Alex Langer is the owner of this private company.

10. COMMITMENTS

The Company is committed to issue a total of 2,502,666 common shares to its directors, officers and consultants over the next 24 months for consulting and geological consulting services.

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11. FINANCIAL INSTRUMENTS

The fair value of the Company's cash, receivables, trade and other payables and due to related parties approximate their carrying values.

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

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

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

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

Cash is measured using level 1 inputs. There were no transfers between levels 1, 2 and 3.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest risk, currency and industry risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to fulfil an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian and Mexican financial institutions. Management believes that credit risk related to these amounts is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash and cash equivalents, primarily through private placements. The Company access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

(c) Interest rate risk

Interest rate risk is the risk that any investment income or investment value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk is minimal.

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11. FINANCIAL INSTRUMENTS, (Continued)

(d) 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 the Mexican pesos. The Company does not invest in foreign currency contracts to mitigate the risks. The Company has net monetary liabilities of approximately 16,633,000 Mexican pesos. A 1% change in the absolute rate of exchange in Mexican pesos would affect its net loss by approximately \$5,400.

(e) Management of industry risk

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

12. CAPITAL MANAGEMENT

The Company manages its cash, common shares, warrants, finder's warrants and share purchase options as capital (see Note 6). The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating 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 maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration or operations in the near term.

REYNA SILVER CORP.

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13. SEGMENTED FINANCIAL INFORMATION

The Company operates in one industry segment, being the acquisition and exploration of mineral properties. Geographic information is as follows:

	September 30, 2020		December 31, 2019
Non-current assets			
Mexico	\$ 2,939,454	\$	2,314,665
Canada	813,596		-
	<u>\$ 3,753,050</u>	<u>\$</u>	<u>2,314,665</u>
		For the	
		nine months ended September 30	
	2020		2019
Mineral exploration expenses			
Mexico	\$ 500,371	\$	171,817
USA	9,004		-
Canada	4,500		-
	<u>\$ 513,875</u>	<u>\$</u>	<u>171,817</u>

REYNA SILVER CORP.

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14. EVENT AFTER THE REPORTING PERIOD

- (a) 1,600,000 options were granted on October 13, 2020 to its directors with an exercise price of \$1.13 per option expiring on October 13, 2025.