SPEY RESOURCES CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

NOVEMBER 30, 2019 AND 2018

manning elliott

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Spey Resources Corp.

Opinion on the Financial Statements

We have audited the accompanying financial statements of Spey Resources Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2019 and 2018, and the statements of comprehensive loss, cash flows and statements of changes in equity for the years then ended, and the related notes, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits 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 of the accompanying financial statements, which indicates that the Company incurred a net loss of $309,960 for the year ended November 30, 2019 and, as of that date, the Company had an accumulated deficit of $624,594. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, 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, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 on this other information, 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 these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, 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.

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Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' report is Joseph Bonvillain.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
March 26, 2020

SPEY RESOURCES CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2019 AND 2018
(Expressed in Canadian dollars)

	Note	2019	2018
		$	$
ASSETS			
CURRENT			
Cash		2,048	170,721
Amounts receivable		2,536	7,241
Prepaid expense		3,390	-
		7,974	177,962
EXPLORATION AND EVALUATION ASSET	5	126,334	117,179
		134,308	295,141
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	7	19,515	28,914
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	6	574,536	442,536
CONTRIBUTED SURPLUS	6	164,851	138,325
DEFICIT		(624,594)	(314,634)
		114,793	266,227
		134,308	295,141

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
COMMITMENT (Note 11)
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on March 26, 2020

"Tracy Mabone " Director *"Marshall Farris"* Director

The accompanying notes are an integral part of these financial statements

SPEY RESOURCES CORP.
STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED NOVEMBER 30, 2019 AND 2018
(Expressed in Canadian dollars)

	Note	**2019**	**2018**
		$	$
EXPENSES			
Consulting fees		-	30,000
Management fees	7	91,350	10,500
Office		35,338	16,112
Professional fees		27,770	96,812
Rent		8,000	13,953
Share-based payments	6(c,d),7	26,526	73,059
Transfer and filing fees		21,695	16,768
LOSS BEFORE OTHER ITEMS		(210,679)	(257,204)
OTHER ITEMS			
Expense recovery		16,497	-
Impairment on exploration and evaluation assets	5	(115,778)	-
NET LOSS AND COMPREHENSIVE LOSS		(309,960)	(257,204)
LOSS PER SHARE – Basic and diluted		(0.02)	(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		12,839,178	8,916,438

The accompanying notes are an integral part of these financial statements

SPEY RESOURCES CORP.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, November 30, 2017	7,940,000	184,000	30,000	(57,430)	156,570
Shares issued for cash	3,500,000	350,000	-	-	350,000
Share issuance costs	-	(101,464)	24,375	-	(77,089)
Shares issued for exploration and evaluation asset	100,000	10,000	-	-	10,000
Share-based payments included in exploration and evaluation asset	-	-	10,891	-	10,891
Share-based payments	-	-	73,059	-	73,059
Net loss for the year	-	-	-	(257,204)	(257,204)
Balance, November 30, 2018	11,540,000	442,536	138,325	(314,634)	266,227
Shares issued for cash	1,350,000	81,000	-	-	81,000
Shares issued for exploration and evaluation asset	600,000	51,000	-	-	51,000
Share-based payments	-	-	26,526	-	26,526
Net loss for the year	-	-	-	(309,960)	(309,960)
Balance, November 30, 2019	13,490,000	574,536	164,851	(624,594)	114,793

The accompanying notes are an integral part of these financial statements

SPEY RESOURCES CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED NOVEMBER 30, 2019 AND 2018
(Expressed in Canadian dollars)

	2019	**2018**
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	(309,960)	(257,204)
Item not involving cash:		
Impairment on exploration and evaluation asset	115,778	-
Share-based payments	26,526	73,059
	(167,656)	(184,145)
Changes in non-cash working capital balances:		
Amounts receivable	4,706	(1,387)
Prepaid expense	(3,390)	-
Accounts payable and accrued liabilities	(9,400)	25,768
Cash used in operating activities	(175,740)	(159,764)
INVESTING ACTIVITIES		
Exploration and evaluation asset	(73,933)	(11,195)
Cash used in investing activities	(73,933)	(11,950)
FINANCING ACTIVITIES		
Issuance of common shares, net	81,000	292,911
Cash provided by financing activities	81,000	292,911
INCREASE (DECREASE) IN CASH	(168,673)	121,952
CASH, BEGINNING	170,721	48,769
CASH, END	2,048	170,721
SUPPLEMENTAL CASH DISCLOSURES		
Interest paid	-	-
Income taxes paid	-	-
NON-CASH TRANSACTIONS		
Fair value of agent warrants issued as share issuance costs	-	24,375
Shares and options issued for exploration and evaluation asset	51,000	20,891

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Spey Resources Corp. ("the Company") was incorporated on July 31, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 900 - 580 Hornby Street, Vancouver, British Columbia, Canada.

The Company completed its initial public offering ("IPO") and the common shares commenced trading on the Canadian Securities Exchange under the symbol "SPEY" on August 24, 2018 ("Listing").

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2019, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

The Company incurred a net loss of $309,960 for the year ended November 30, 2019 and, as of that date, the Company had an accumulated deficit of $624,594. The Company's operations have been funded by the issuance of equity. These factors form a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on March 26, 2020.

b) Basis of presentation

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of November 30, 2019, the Company held no cash equivalents.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

f) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Share Capital

The Company's common shares, share warrants and options and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. For equity offerings of units consisting of a common share and warrants, when both instruments are classified as equity, the Company bifurcates the proceeds between the common share and warrants based on residual value. When warrants are exercised, the corresponding value is transferred from equity reserve to common stock.

h) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

i) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

j) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Decommissioning, restoration and similar liabilities (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

l) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m) Financial Instruments

Classification and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at amortized cost, at fair value through other comprehensive income (loss) (“FVTOCI”), or at fair value through profit (“FVTPL”).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial Instruments (continued)

Financial assets

The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost - Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any financial assets measured at amortized cost as at November 30, 2019.

Financial assets at FVTOCI - Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company does not have any financial assets classified as FVTOCI as at November 30, 2019.

Financial assets at FVTPL - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value which changes in fair value recognized in the statement of operations. The Company has classified its cash as FVTPL.

Financial liabilities
All financial liabilities are initially recorded at fair value and classified as measured at amortized cost or FVTPL.

Financial liabilities at amortized cost - Financial liabilities are subsequently measured at amortized cost using the effective interest rate method except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. The Company's accounts payable is measured at amortized cost.

Financial liabilities at FVTPL- This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company did not hold any financial liabilities at FVTPL as at November 30, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial Instruments (continued)

I. Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability□weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

II. De-recognition

A financial asset is derecognized when the contractual right to the asset's cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions 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 estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

ii. the measurement of deferred income tax assets and liabilities; and

iii. the inputs used in accounting for share-based payments.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities; and

ii. the evaluation of the Company's ability to continue as a going concern.

4. NEW ACCOUNTING STANDARDS

a) New Standards and Amendments Effective for the First Time

IFRS 9, Financial Instruments: Classification and Measurement - The Company adopted all of the requirements of IFRS 9 for the annual period beginning on November 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Financial assets:		
Cash	FVTPL	FVTPL
Financial liabilities:		
Accounts payable	Other financial liabilities	Amortized cost

(b) New Accounting Standards Issued but not yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

(Expressed in Canadian dollars)

4. NEW ACCOUNTING STANDARDS (continued)

New Accounting Standards Effective for Annual Periods on or After January 1, 2019

IFRS 16 - Leases

In January 2016, the IASB issued this standard which establishes principles for recognition, measurement, presentation and disclosure of leases. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract based on whether the customer controls the assets being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The Company has not early adopted IFRS 16 and does not expect the adoption to have a material effect on the Company's future results and financial position.

5. EXPLORATION AND EVALUATION ASSET

The Company has funded and incurred the following expenditures on the Standfast Wigwam Property and the Uravan Property (as those terms are defined below):

	November 30, 2018	Additions	Impairment	November 30, 2019
	$	$	$	$
Acquisition costs:				
Cash option payment	5,000	46,618	(46,618)	5,000
Finder's fee	-	13,339	(13,339)	-
Shares issued	10,000	51,000	(47,500)	13,500
Total acquisition costs	15,000	110,957	(107,457)	18,500
Exploration costs:				
Assaying and samples	3,430	-	-	3,430
Accommodation and meals	10,680	-	-	10,680
Data	4,200	-	-	4,200
Equipment rentals	16,800	-	-	16,800
Fuels and other costs	2,064	-	-	2,064
Geological and related services	50,300	13,976	(8,321)	55,955
Management fees	3,814	-	-	3,814
Share-based payments	10,891	-	-	10,891
Total exploration costs	102,179	13,976	(8,321)	107,834
Total acquisition and exploration costs	117,179	124,933	(115,778)	126,334

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSET (continued)

	November 30, 2017	Additions	November 30, 2018
	$	$	$
Acquisition costs:			
Cash option payment	5,000	-	5,000
Shares issued	-	10,000	10,000
Total acquisition costs	5,000	10,000	15,000
Exploration costs:			
Assaying and samples	1,828	1,602	3,430
Accommodation and meals	9,360	1,320	10,680
Data	4,200	-	4,200
Equipment rentals	15,000	1,800	16,800
Fuels and other costs	1,491	573	2,064
Geological and related services	44,400	5,900	50,300
Management fees	3,814	-	3,814
Share-based payments	-	10,891	10,891
Total exploration costs	80,093	22,086	102,179
Total acquisition and exploration costs	85,093	32,086	117,179

Standfast Wigwam Property

Pursuant to an option agreement (the "Agreement") dated July 31, 2017, the Company was granted an option to acquire a 100% undivided interest in the Standfast Wigwam Property (the "Property") located in the Revelstoke Mining Division in British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling $155,000, and incurring a total of $500,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	#	$	$
Upon execution of the Agreement (paid)	-	5,000	-
Upon listing of the Company's common shares on the Canadian Securities Exchange (the "Listing") (issued)	100,000	-	-
On or before the first anniversary of the Listing(issued)	100,000	-	-
On or before the second anniversary of the Listing	100,000	20,000	100,000
On or before the third anniversary of the Listing	100,000	30,000	100,000
On or before the fourth anniversary of the Listing	200,000	100,000	300,000
Total	600,000	155,000	500,000

The Optionors will retain a 3% Net Smelter Returns ("NSR") royalty on the Property. The Company has the right to purchase the first 1% of the royalty for $750,000 and the remaining 2% for $1,000,000 at any time prior to the commencement of commercial production.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSET (continued)

As of November 30, 2019, the Company has paid $ 5,000 and issued 200,000 common shares with a fair value of $13,500 to the Optionor.

Uravan Property

Pursuant to an option agreement (the "Agreement") dated January 11, 2019, the Company was granted an option to acquire a 100% interest in the Uravan Property (the "Uravan Property") located in the La Sal area, San Juan County, Utah, USA.

In accordance with the Agreement, the Company has the option to acquire a 100% interest in the Uravan Property by issuing a total of 3,500,000 common shares of the Company to the Optionors and making cash payments totaling US$310,000 as follows:

	Common Shares	Cash
	#	US $
Within 5 days of the filing of the Option Agreement with the CSE (the "Filing Date") (paid and issued)	500,000	35,000
On or before that date that is 12 months from the Filing Date	500,000	50,000
On or before that date that is 24 months from the Filing Date	500,000	75,000
On or before that date that is 36 months from the Filing Date	1,000,000	150,000
On or before that date that is 48 months from the Filing Date	1,000,000	-
Total	3,500,000	310,000

An additional payment of US $1,000,000 either in cash or common shares of the Company will be made on or before the date of commencement of commercial production.

The Optionor will retain a 2% NRS royalty on the New Vanadium property. The Company has the right to purchase the 75% of the NSR royalty for $500,000 per each 25% of NSR at any time prior to the commencement of commercial production and the Optionor will retain the remaining 0.5%.

As of November 30, 2019, the Company has paid $ 46,618 (US$ 35,000) and issued 500,000 common shares with a fair value of $47,500 to the Optionor.

During the year ended November 30, 2019, the Company informed the Optionor that it would not be proceeding with its option on the Uravan Property and wrote off costs incurred on the Uravan Property from exploration and evaluation assets totalling $115,778.

(Expressed in Canadian dollars)

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. As at November 30, 2019, the Company has 2,580,000 common shares held in escrow.

c) Issued:

During the year ended November 30, 2019:

(i) The Company issued 500,000 common shares with a fair value of $ 47,500 as a payment on the Uravan Property as described in Note 5.

(ii) The Company issued 1,350,000 units at a price of $0.06 per unit for gross proceeds of $81,000 pursuant to a private placement. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at $0.10 per common share for one year until April 10, 2020. Gross proceeds of $81,000 was allocated to common shares and $Nil to the warrants based on the residual method.

(iii) The Company issued 100,000 common shares with a fair value of $ 3,500 as a payment on the Standfast Wigwam Property as described in Note 5.

During the year ended November 30, 2018:

(i) The Company completed an IPO and issued 3,500,000 common shares at $0.10 per share for gross proceeds of $350,000. The Company paid $35,000 as cash commission and issued 350,000 agent warrants with fair value of $24,375 as finder's fees to the agent. The Company also paid the agent a corporate finance fee of $20,000 and the agent's reasonable expenses associated with the IPO in the amount of $22,089.

The fair value of the agent warrants was estimated using Black-Scholes option pricing model with the following assumptions:

Share price	$0.10
Risk free interest rate	2.10%
Expected life	5 years
Expected volatility	143%
Expected dividends	0%
Expected forfeiture rate	Nil

(ii) The Company issued 100,000 common shares with a fair value of $ 10,000 as a payment on the Standfast Wigwam Property as described in Note 5.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

d) Stock options

The Company adopted a Stock Option Plan ('Plan') for directors, officers and employees, consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan can not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

A summary of the Company's outstanding stock options at November 30, 2019 and 2018, and the changes for the periods then ended is presented below:

	Number of options	**Weighted average exercise price**
		$
Exercisable and outstanding, incorporation date and November 30, 2017	-	-
Granted	930,000	0.10
Exercisable and outstanding, November 30, 2018	930,000	0.10
Granted	374,000	0.10
Exercisable and outstanding, November 30, 2019	1,304,000	0.10

Stock option granted during the year ended November 30, 2019:

(i) On January 10, 2019, the Company granted 224,000 stock options with estimated fair value of $15,714 to a director of the Company. The options vested on grant date and are exercisable at $0.10 per share until 5 years from the date of grant.

(ii) On April 15, 2019, the Company granted 150,000 stock options with estimated fair value of $10,812 to a director of the Company. The options vested on grant date and are exercisable at $0.10 per share until 5 years from the date of grant.

The weighted average fair value of options granted during the 2019 year end was $0.07 per share which was estimated using the Black-Scholes pricing model with the following assumptions:

Weighted share price	$0.10
Weighted average risk free interest rate	1.80%
Weighted average expected life	5 years
Weighted average expected volatility	145%
expected dividends	0%
Weighted average expected forfeiture rate	Nil

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

d) Stock options (continued)

Stock option granted during the year ended November 30, 2018:

(i) On December 21, 2017 the Company granted 790,000 stock options with estimated fair value of $73,059 to the directors and officers of the Company. The options vested on grant date and are exercisable at $0.10 per share until 5 years from the Listing date (August 24, 2018).

(ii) On November 5, 2018, the Company granted 140,000 stock options to a consultant of the Company. The options vested on grant date and are exercisable at $0.10 per share until November 4, 2023. As the consultant is solely responsible for the Standfast Wigwam Property, the estimated fair value of $10,891 has been capitalized as exploration and evaluation asset.

The weighted average fair value of options granted during the 2018 year end was $0.09 per share which was estimated using the Black-Scholes pricing model with the following assumptions:

Weighted share price	$0.10
Weighted average risk free interest rate	1.95%
Weighted average expected life	5 years
Weighted average expected volatility	157%
expected dividends	0%
Weighted average expected forfeiture rate	Nil

The following table summarizes the outstanding and exercisable stock options as at November 30, 2019:

Exercise price	Number of options	Expiry date
$ 0.10	790,000	December 21, 2022
$ 0.10	140,000	November 5, 2023
$ 0.10	224,000	January 10, 2024
$ 0.10	150,000	April 15, 2024
	1,304,000	

The weighted average remaining useful life of outstanding options is 3.49 years as at November 30, 2019.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

e) Warrants

A summary of the Company's outstanding warrants at October 31, 2019 and 2018, and the changes for the periods then ended is presented below:

	Number of warrants	Weighted average exercise price
		$
Exercisable and outstanding, incorporation date and November 30, 2017	-	-
Granted	350,000	0.10
Exercisable and outstanding, November 30, 2018	350,000	0.10
Granted	1,350,000	0.10
Exercisable and outstanding, November 30, 2019	1,700,000	0.10

The following table summarizes the outstanding and exercisable warrants as at November 30, 2019:

Exercise price	Number of warrants	Expiry date
$ 0.10	350,000	August 23, 2020
$ 0.10	1,350,000	April 10, 2020
	1,700,000	

The weighted average remaining useful life of outstanding warrants is 0.44 years as at November 30, 2019.

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer.

As at November 30, 2019, included in accounts payable and accrued liabilities was $17,600 (2018 - $2,000) due to the directors and key officers of the Company. The amount is unsecured, non-interest bearing and due on demand.

(Expressed in Canadian dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

During the year ended November 30, 2019 and 2018, the Company had incurred the following key management personnel cost from related parties:

	November 30, 2019	**November 30, 2018**
	$	$
Management fees	91,350	10,500
Share-based payments	26,526	73,059
	117,876	83,559

During the year ended November 30, 2019, the Company recorded share-based payments of $26,526 for the 374,000 stock options granted to its officers and directors of the Company (see Note 6 (d)).

During the year ended November 30, 2018, the Company recorded share-based payments of $73,059 for the 790,000 stock options granted to its officers and directors of the Company (see Note 6 (d)).

(Expressed in Canadian dollars)

8. INCOME TAXES

The Company has losses carried forward of approximately $410,000 available to reduce income taxes in future years which begin to expire in 2039.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	November 30, 2019	November 30, 2018
Canadian statutory income tax rate	27%	27%
	$	$
Income tax recovery at statutory rate	(83,689)	(69,445)
Effect of income taxes of:		
Permanent differences	7,161	(930)
Income tax rate change	-	(274)
Change in deferred tax assets not recognized	76,528	70,649
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	November 30, 2019	November 30, 2018
	$	$
Non-capital loss carry forwards	110,719	61,288
Share issuance costs	12,488	16,651
Mineral properties	31,260	-
Deferred tax assets not recognized	(154,467)	(77,939)
	-	-

9. MANAGEMENT OF CAPITAL

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 sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. 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 or dispose of assets or adjust the amount of cash.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

a) Fair Values and Classification

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	November 30, 2019	November 30, 2018
Cash	FVTPL	$ 2,048	$ 170,721
Accounts payable	Amortized cost	19,515	28,914

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are 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).

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable approximate their respective carrying values because of their immediate or short-term nature.

b) Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

11. COMMITMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

12. SUBSEQUENT EVENT

On January 20, 2020, the Company issued 2,100,000 units at a price of $0.03 for gross proceeds of $63,000. Each unit was comprised of one common share and one non-transferrable common share purchase warrant. Each Warrant entitles the holder to purchase one common share at a price of $0.05 per common share until January 20, 2022.