CREST RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED NOVEMBER 30, 2019 AND 2018

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

CREST RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	November 30, 2019 (Unaudited)	May 31, 2019 (Audited)
ASSETS		
CURRENT		
Cash	$ 5,761	$ 162,686
Short-term investments (Note 5)	1,054,129	-
Accounts receivable (Note 6)	58,092	4,673
Prepaid expenses	25,157	-
Deposits (Note 7)	25,000	-
Note receivable (Note 8)	48,760	-
	1,216,899	167,359
NOTES RECEIVABLE (Note 8)	473,748	-
EXPLORATION AND EVALUATION ASSETS (Note 9)	321,327	111,269
	$ 2,011,974	$ 278,628
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 100,354	$ 37,335
Loan payable (Note 10)	100,361	-
	200,715	167,359
NOTES PAYABLE (Note 8)	475,715	-
	676,430	167,359
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 11)	1,811,042	406,458
CONTRIBUTED SURPLUS	95,274	93,313
DEFICIT	(570,772)	(258,478)
	1,335,544	241,293
	$ 2,011,974	$ 278,628

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 15)
SUBSEQUENT EVENTS (Note 17)

Approved and authorized for issue on behalf of the Board on January 29, 2020
"Michael Collins" Director *"Paul John"* Director

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

CRESTRESOURCES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars) (Unaudited)

	Three months ended November 30, 2019	Three months ended November 30, 2018	Six months ended November 30, 2019	Six months ended November 30, 2018
EXPENSES				
Advertising and promotion	$ -	$ 4,452	$ -	$ 5,469
Bank charges	2,998	42	3,392	107
Business development	7,844	-	10,344	-
Consulting fees	50,000	18,000	50,000	27,000
Management fees	72,500	-	92,500	-
Marketing fees	16,570	-	18,537	-
Office	8,146	1,016	8,348	4,766
Professional fees	19,030	2,400	24,971	21,203
Rent	3,207	3,649	3,207	8,333
Salaries	14,957	-	37,962	-
Share-based payments	980	-	1,961	34,486
Transfer agent and filing fees	8,414	962	16,569	9,806
Travel	9,176	-	9,176	-
OPERATING LOSS	(213,822)	(30,521)	(276,967)	(111,170)
LOSS BEFORE OTHER ITEMS	(213,822)	(30,521)	(276,967)	(111,170)
OTHER ITEMS				
Management fees	69,000	-	69,000	-
Interest income	822	-	901	-
Realized loss on sale of short-term investments	(27,706)	-	(27,706)	-
Unrealized loss on short-term investments	(104,856)	-	(60,606)	-
Share of loss from equity-accounted investment	(16,916)	-	(16,916)	-
	(79,656)	-	(35,327)	-
NET LOSS AND COMPREHENSIVE LOSS	$ (293,478)	$ (30,521)	$ (312,294)	$ (111,170)
LOSS PER COMMON SHARE (basic and diluted)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	31,592,865	10,470,664	24,498,245	9,615,034

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

CREST RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars) (Unaudited)

	Common Shares				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total
		$	$	$	$
Balance, May 31, 2018	8,750,001	217,001	30,000	(65,025)	181,976
Shares issued for Initial Public Offering	3,859,000	395,900			395,900
Shares issued to acquire properties	100,000	10,000			10,000
Share issuance costs	100,000	(215,958)			(215,958)
Share-based payments	-	-	65,290	-	65,290
Net loss for the period	-	-	-	(111,170)	(111,170)
Balance, November 30, 2018	12,809,001	406,943	95,290	(176,195)	326,038
Balance, May 31, 2019	12,809,001	406,458	93,313	(258,478)	241,293
Shares issued for cash	18,768,333	1,242,625	-	-	1,242,625
Shares issued to acquire properties	1,500,000	172,500	-	-	172,500
Share-based payments	-	-	1,961	-	1,961
Share issuance costs	-	(10,541)	-	-	(10,541)
Net loss for the period	-	-	-	(312,294)	(312,294)
Balance, November 30, 2019	33,077,334	1,811,042	95,274	(570,772)	1,335,544

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

CREST RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars) (Unaudited)

	Three months ended November 30, 2019	Three months ended November 30, 2018	Six months ended November 30, 2019	Six months ended November 30, 2018
OPERATING ACTIVITIES				
Net loss for the period	$ (293,478)	$ (30,531)	$ (312,294)	$ (111,170)
Item not involving cash:				
Share-based payments	980	-	1,961	34,486
Realized loss on sale of short-term investments	27,706	-	27,706	-
Unrealized loss on short-term investments	104,856	-	60,606	-
Share of loss from equity-accounted investment	16,916	-	16,916	-
Changes in non-cash working capital balances:				
(Increase) decrease in amounts receivable	(54,803)	(7,980)	(53,419)	(4,242)
Increase in prepaid expenses	11,983	-	(25,157)	-
Increase in accounts payable	19,749	(17,845)	63,019	(1,150)
Increase in notes payable	1,967	-	1,967	-
Cash used in operating activities	(164,124)	(56,346)	(218,695)	(82,076)
INVESTING ACTIVITY				
Increase in deposits	(25,000)	-	(25,000)	-
Increase in notes receivable	(48,760)	-	(48,760)	-
Exploration and evaluation assets	(37,558)	-	(37,558)	-
Purchase of short-term investments	(357,107)	-	(1,159,357)	-
Cash used in investing activities	(468,425)	-	(1,270,675)	-
FINANCING ACTIVITIES				
Proceeds from issuance of shares	417,625	220,746	1,242,625	220,746
Share issuance costs	(2,606)	-	(10,541)	-
Increase in loans payable	100,361	-	100,361	-
Cash provided by financing activities	515,380	220,746	1,332,445	220,746
INCREASE IN CASH	(117,169)	164,402	(156,925)	138,670
CASH, BEGINNING OF PERIOD	122,930	42,473	162,686	68,205
CASH, END OF PERIOD	$ 5,761	$ 206,875	$ 5,761	$ 206,875

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Crest Resources Inc. (the "Company") was incorporated on November 23, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 1100 – 595 Howe Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada and Peru and the investment in mineral exploration and mining technology companies. As at November 30, 2019, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets 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 and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a loss of $312,294 for the period ended November 30, 2019, and, as of that date, the Company had an accumulated deficit of $570,772, which has been funded by the issuance of equity. 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 condensed interim 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. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of presentation and measurement

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – "*Interim Financial reporting*" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Therefore, these condensed interim financial statements do not include all information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended May 31, 2019.

The financial statements have been prepared on a historical cost basis except for certain financial instruments which have been measured at fair value.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on January 29, 2020.

The preparation of condensed interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

(Expressed in Canadian dollars) (Unaudited)

(ii) Significant accounting policies

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in Note 2 of the Company's audited financial statements for the year ended May 31, 2019.

(iii) Investment in associates

Associates are entities, including unincorporated entities such as partnerships, over which the Company has significant influence and that are neither subsidiaries nor interests in joint arrangements. Significant influence is the ability to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies. In general, significant influence is presumed to exist when the Company has between 20% and 50% of voting power. Significant influence may also be evidenced by factors such as the Company's representation on the board of directors, participation in policy-making of the investee, material transactions with the investee, interchange of managerial personnel, or the provision of essential technical information. Associates are equity accounted for from the effective date of commencement of significant influence to the date that the Company ceases to have significant influence.

Results of associates are equity accounted for using the results of their most recent annual financial statements or interim financial statements, as applicable. Losses from associates are recognized in the financial statements until the interest in the associate is written down to nil. Thereafter, losses are recognized only to the extent that the Company is committed to providing financial support to such associates.

The carrying value of the investment in an associate represents the cost of the investment, including goodwill, a share of the post-acquisition retained earnings and losses, accumulated other comprehensive income ("AOCI") and any impairment losses. At the end of each reporting period, the Company assesses whether there is any objective evidence that its investment in associate is impaired. No impairment was required for the three and six months ended November 30, 2019.

The investment in associates of the Company is listed below. Principal activities of the entity, which is incorporated in Canada, in mineral exploration and acquisition of royalties:

Percentage ownership	**November 30, 2019**	**May 31, 2019**
Investment in associates (equity method)		
Volatus Capital Corp.	25.9%	-%

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

i. Impairment of mineral properties
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
Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the reporting period of the financial information. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that result from the manner in which the Company expects, at the end of the reporting period of the financial information, to recover or settle the carrying amount of its assets and liabilities

iii. The inputs used in accounting for share-based payments
The fair value of share based compensation expenses are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return and the estimated rate of forfeiture of options granted

iv. The evaluation of the Company's ability to continue as a going concern
Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the period ended November 30, 2019. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded that the Company has adequate ability to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern

4. NEW ACCOUNTING STANDARDS

The following new standards have been adopted effective June 1, 2019:

IFRS 16 *Leases* *("IFRS 16")*

IFRS 16 replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset 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 is not substantially changed. The standard is effective for annual periods beginning on or after June 1, 2019.

In line with the option under IFRS 16, the accounting standard is being applied using the modified retrospective method. Applying this method, the comparative information for the 2018 fiscal year has not been reinstated. The previous determination pursuant to IAS 17 and IFRIC 4 of whether a contract is a lease has been maintained for the existing contracts. In the context of initial application, the Company has exercised the option not to apply the new recognition requirements to short term leases and to leases of low-value assets. There were no new leases agreements entered into during the period being reported.

The Company adopted all the requirements of IFRS 16, Leases as of June 1, 2019. Management's assessment is that there will not be a change in the valuation of prior period balances nor impact the current disclosure and accounting of such items under this accounting policy.

IFRIC 23 *Uncertainty over Income Tax Treatments* *("IFRIC 23")*

In 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments ("IFRIC 23" or "the Interpretation"). The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation requires:

- an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- if it is not probable the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The Interpretation is effective for annual periods beginning on or after January 1, 2019. The Company has retrospectively adopted the new interpretations with no impact on the condensed interim financial statements.

(Expressed in Canadian dollars) (Unaudited)

5. SHORT-TERM INVESTMENTS

Short-term investments consist of term deposits and marketable securities. As at November 30, 2019 and May 31, 2019, the fair values of the short-term investments are as follows:

	November 30, 2019	May 31, 2019
	$	$
Term deposits	5,000	-
Marketable securities	854,820	-
Investment in associates	194,309	-
Total	1,054,129	-

a) Term deposits

A restricted term deposit of $5,000 is held with the Royal Bank of Canada as security against the Company's corporate credit card account.

b) Marketable securities

During the period ended November 30, 2019, the Company acquired common shares of four publicly traded mining exploration companies for investment purposes. A summary table of the Company's investments in marketable securities is as follows:

Scottie Resources Corp.	**Number of shares**	**Fair value $**
Balance, May 31, 2019	-	-
Purchase of securities	5,100,000	797,250
Sale of securities	(1,000,000)	(135,896)
Realized losses	-	(29,104)
Unrealized losses	-	(37,750)
Balance, November 30, 2019	4,100,000	594,500

Prime Mining Corp.	**Number of shares**	**Fair value $**
Balance, May 31, 2019	-	-
Purchase of securities	150,000	60,455
Sale of securities	(25,000)	(8,580)
Realized losses	-	(1,496)
Unrealized losses	-	(10,379)
Balance, November 30, 2019	125,000	40,000

(Expressed in Canadian dollars) (Unaudited)

5. SHORT-TERM INVESTMENTS

International Prospect Ventures Ltd.	Number of shares	Fair value $
Balance, May 31, 2019	-	-
Purchase of securities	1,704,000	138,726
Sale of securities	(75,000)	(8,823)
Realized gains	-	2,894
Unrealized losses	-	(2,477)
Balance, November 30, 2019	1,629,000	130,320

Troubadour Resources Inc.	Number of shares	Fair value $
Balance, May 31, 2019	-	-
Purchase of securities	2,000,000	100,000
Unrealized losses	-	(10,000)
Balance, November 30, 2019	2,000,000	90,000

c) Investment in associates

The investments in associates relate to the Company's investments in Volatus Capital Corp. ("Volatus"). As at November 30, 2019, the Company has 3,600,000 common shares or 25.9%. The shares of Volatus were trading at $0.10 per share on that date.

The Company has no contingent liabilities relating to its interest in the associates.

		Volatus
As at May 31, 2019	$	-
Investment		209,000
Capitalized legal fees		2,225
Share of loss from equity-accounted investment		(16,916)
As at November 30, 2019	$	194,309

For the three and six months ended November 30, 2019, the Company recognized a loss of $16,916 (May 31, 2019 - $nil) from its share of loss from equity-accounted investment.

As at November 30, 2019, the Company compared the carrying value of investment in Volatus to the fair value less costs to sell of the common shares as indicated by the trading price on the Canadian Securities Exchange and determined no impairment loss is to be recognized.

(Expressed in Canadian dollars) (Unaudited)

6. ACCOUNTS RECEIVABLE

	November 30, 2019	**May 31, 2019**
	$	$
Trade receivables	52,500	-
Accrued interest receivable	822	-
GST recoverable	4,770	4,673
	58,092	4,673

7. DEPOSITS

On October 29, 2019, the Company entered into an agreement (the "Agreement") to invest $1,000,000 in EcoMine Technologies Corporation ("EcoMine"), a private British Columbia company that produces bespoke bio-chemical reagents for recovery of metals in the mineral industry. The Company, together with such parties agreeable to EcoMine, will purchase an aggregate 4,000,000 common shares of EcoMine at a price of $0.25 per share (each, a "Share") for total investment of $1,000,000. The Shares will be acquired by way of private placement in four tranches of 1,000,000 Shares each as follows: the First Tranche shall close on or before January 29, 2020 (the "First Closing"), with each Subsequent Investment to close on or before the six, twelve and eighteen month anniversary of the First Closing. The closing dates of the Subsequent Investments may be subject to Revised Tranche Dates as agreed by the parties, depending on the cash needs of EcoMine. A non-refundable deposit of $25,000 was paid by the Company upon signing the Agreement and the Company agreed to advance $250,000 towards the First Tranche as an interest free unsecured loan until completion of the First Closing.

8. NOTES RECEIVABLE

Pursuant to a Loan Agreement dated September 12, 2019, as amended November 28, 2019, between the Company as Lender and Westminster Resources Ltd. ("WMR") as Borrower, the Company agreed to lend up to $50,000 (the "Loan") to WMR on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand after December 31, 2019 and the Loan shall be secured by WMR's interest in its Peruvian subsidiary as collateral. During the period ended November 30, 2019, the Company advanced $38,100 to WMR.

Pursuant to a Loan Agreement dated October 1, 2019 between the Company as Lender and Opawica Explorations Inc. ("OPW") as Borrower, the Company agreed to lend up to $11,000 (the "Loan") to OPW on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand after December 31, 2019. During the period ended November 30, 2019, the Company advanced $10,660 to OPW. OPW is a related party by virtue of a common director and corporate secretary.

	Westminster Resources Ltd.	**Opawica Explorations Inc.**	**Total**
Principal	$	$	$
Balance, May 31, 2019	-	-	-
Principal	38,100	10,660	48,760
Accrued interest	649	173	822
Balance, November 30, 2019	38,749	10,833	49,582

(Expressed in Canadian dollars) (Unaudited)

8. NOTES RECEIVABLE (continued)

Assignment of debt

On September 16, 2019, the Company acquired $473,748 in receivables from Westminster Resources Ltd. and assumed $473,748 in corresponding liabilities payable to certain creditors. The liabilities are payable at face value in cash or in kind on or before three years, accrue interest at a rate of 2.0% per annum and a good faith payment of $150 is payable to each creditor on or around December 25 of each year the liability is outstanding. One of the creditors is a related party by reason of a common director. The amount owing to the related party creditor is $196,748.

9. EXPLORATION AND EVALUATION ASSETS

	Red Metal Ridge	**Split Dome Copper**	**Chala Copper**	**Total**
	$	$	$	$
Acquisition costs				
Balance, May 31, 2018	5,000	-	-	5,000
Acquisition	10,000	-	-	10,000
Balance, May 31, 2019	15,000	-	-	15,000
Acquisition	5,000	183,100	21,958	210,058
Balance, November 30, 2019	20,000	183,100	21,958	225,058
Exploration expenditures				
Balance, May 31, 2018	96,269	-	-	96,269
Additions	-	-	-	-
Balance, May 31, 2019	96,269	-	-	96,269
Additions	-	-	-	-
Balance, November 30, 2019	96,269	-	-	96,269
Total acquisition costs and exploration expenditures				
May 31, 2018	101,269	-	-	101,269
May 31, 2019	111,269	-	-	111,269
November 30, 2019	116,269	183,100	21,958	321,327

Red Metal Ridge Property

Pursuant to an option agreement (the "Agreement") dated January 5, 2018 and amended on October 30, 2019 and November 28, 2019, the Company was granted an option to acquire a 100% undivided interest in two stages in the Red Metal Ridge Property (the "Property") located near Sayward in British Columbia.

(Expressed in Canadian dollars) (Unaudited)

9. EXPLORATION AND EVALUATION ASSETS (continued)

Pursuant to the Agreement, the Company has the option to acquire first 51% undivided interest (earned) in the Property by paying $5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling $160,000, and incurring a total of $500,000 in exploration expenditures as follows:

	Number of Common Shares	Cash	Exploration Expenditures
		$	$
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing")	100,000	5,000	-
On or before February 21, 2020 (amended)	100,000	25,000	100,000
On or before October 19, 2020 (the second anniversary of the Listing)	100,000	30,000	100,000
On or before October 19, 2021 (the third anniversary of the Listing)	300,000	100,000	300,000
Total	600,000	160,000	500,000

The Optionors will retain a 3% Net Smelter Returns 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.

Split Dome Copper Property

On September 9, 2019, the Company entered into a purchase and sale agreement to acquire up to 100% interest, subject only to a 0.25% net smelter return royalty, in the Split Dome copper project (the "Property") located near Hazelton, British Columbia. The Company may earn an initial 75% interest in the Property by paying $10,600 cash and issuing 1,500,000 common shares within ten business days of executing the Agreement. The Company may earn a further 25% interest to bring its ownership interest in the Property to 100% by issuing a further 500,000 common shares on or before January 2, 2020.

On September 12, 2019, the Company completed the acquisition of an initial 75% interest with the payment of $10,600 and issuance of 1,500,000 common shares. The securities issued are restricted from trading until January 13, 2020. Two of the vendors of the Property are directors of the Company. One director received cash payment of $10,600, 500,000 common shares of the Company and retained a 0.25% NSR royalty, and another director received 500,000 common shares of the Company.

Subsequent to November 30, 2019, the Company has acquired the final 25% interest to bring its ownership interest to 100% through the issuance of 500,000 common shares to the vendor.

Chala Copper Property

The Company has acquired ownership of a 65% interest in four mineral claims known as the Chala Copper Project located east of Chala, Peru. The claims were acquired through a staking syndicate that includes the Company's President, CEO and director, who holds 20% interest in the claims. The Company has expended $21,958 in taking costs on the claims.

10. LOAN PAYABLE

On November 20, 2019, the Company entered into a loan agreement to borrow $100,000 from Volatus. The principal amount of the loan plus accrued interest at 12% per annum is payable on demand after November 20, 2020. The Company has pledged its short-term investments in the value of $112,000 as collateral against repayment of the loan and accrued interest. As at November 30, 2019, interest of $351 has accrued on the loan.

11. SHARE CAPITAL

a) Authorized

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

b) Escrow Shares:

On July 30, 2018, the Company entered into an escrow agreement, whereby 2,500,000 common shares will be held in escrow and are scheduled for release in accordance with the terms of the escrow agreement. Pursuant to the escrow agreement, the shares will be released as follows: 10% on the Listing Date (October 22, 2018), and 15% will be released on 6, 12, 18, 24, 30 and 36 months thereafter.

As at November 30, 2019, there were 1,500,000 escrow shares outstanding.

c) Issued and Outstanding as at November 30, 2019: 33,077,334 common shares.

For the period ended November 30, 2019, the Company had the following share capital transactions:

(i) On July 25, 2019, the Company completed the first tranche of a non-brokered private placement and issued 10,400,000 units at a price of $0.06 per unit (the “Units”) for gross proceeds of $660,000. Each Unit consists of one common share and one common share purchase warrant, with each whole warrant exercisable into one further common share at a price of $0.075 for a period of five years from the date of issuance. The securities issued are restricted from trading until November 26, 2019. The Corporate Secretary of the Company purchased 250,000 Units.

11. SHARE CAPITAL (continued)

(ii) On July 31, 2019, the Company completed the final tranche of a non-brokered private placement and issued 600,000 units at a price of $0.06 per unit (the "Units") for gross proceeds of $36,000. Each Unit consists of one common share and one common share purchase warrant, with each whole warrant exercisable into one further common share at a price of $0.075 for a period of five years from the date of issuance. The securities issued are restricted from trading until December 1, 2019. A director of the Company purchased 200,000 Units.

(iii) On August 19, 2019, the Company completed the first tranche of a non-brokered private placement and issued 2,200,000 common shares at a price of $0.075 per common share for gross proceeds of $165,000. The securities issued are restricted from trading until December 20, 2019.

(iv) On September 10, 2019, the Company completed the second tranche of a non-brokered private placement and issued 2,700,000 common shares at a price of $0.075 per common share for gross proceeds of $202,500. The securities issued are restricted from trading until January 11, 2020.

(v) On September 12, 2019, the Company issued 1,500,000 common shares with a fair value of $0.115 per common share for a value of $172,500 as partial consideration to acquire 75% interest in the Split Dome Copper Property as disclosed in Note 9.

(vi) On September 23, 2019, the Company completed the third tranche of a non-brokered private placement and issued 2,250,000 common shares at a price of $0.075 per common share for gross proceeds of $168,750. The securities issued are restricted from trading until January 24, 2020. A director of the Company purchased 1,250,000 shares.

(vii) On November 1, 2019, the Company completed the fourth tranche of a non-brokered private placement and issued 618,333 common shares at a price of $0.075 per common share for gross proceeds of $46,375.

For the period ended May 31, 2019, the Company had the following share capital transactions:

(i) The Company completed an initial public offering ("IPO") of 3,859,000 shares at $0.10 for gross proceeds of $385,900 on October 22, 2018. Share issuance costs of $182,067 in cash were incurred with respect to this IPO along with the issuance of 385,900 Agent's Warrants exercisable at $0.10 per common share for a period of 24 months from closing. The total fair value of these Agent's Warrants of $24,376 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 2.26% and an expected volatility of 125%.

A further 100,000 common shares with a value of $10,000 were issued for corporate finance services provided.

(ii) The Company issued 100,000 common shares with a value of $10,000 towards consideration for the acquisition of exploration and evaluation assets (Note 5).

(Expressed in Canadian dollars) (Unaudited)

11. SHARE CAPITAL (continued)

d) Stock Options

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and 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 purchase common shares of the Company at a price not less than the discounted market price on the date of the grant The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company's stock options at November 30, 2019 and May 31, 2019 and the changes for the periods then ended is presented below:

	November 30, 2019		**May 31, 2019**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	525,000	$0.10	-	-
Granted	-	-	525,000	$0.10
Cancelled	(150,000)	$0.10	-	-
Ending balance	375,000	$0.10	525,000	$0.10

On July 13, 2018, the Company granted 425,000 stock options to certain directors and officers of the Company at an exercise price of $0.10 for a period of five years from the date of grant.

On April 5, 2019, the Company granted 100,000 stock options to the Chief Financial Officer of the Company at an exercise price of $0.12 for a period of four years from the date of grant. The stock options entitle the holder thereof the right to vest 25% on the grant date and 25% at the end of each subsequent three years thereafter.

On June 1, 2019, 75,000 options exercisable at $0.10 per share were cancelled and on July 4, 2019, 75,000 options exercisable at $0.10 per share were cancelled.

Details of stock options outstanding and exercisable as at November 30, 2019 are as follows:

Expiry Date	**Exercise Price**	**Outstanding**	**Exercisable**
April 30, 2020	$0.10	75,000	75,000
July 13, 2023	$0.10	200,000	200,000
April 4, 2023	$0.12	100,000	25,000
		375,000	300,000

The weighted average remaining contractual life of stock options outstanding at November 30, 2019 was 2.91 years (May 31, 2019: 3.49 years).

(Expressed in Canadian dollars) (Unaudited)

11. SHARE CAPITAL (continued)

e) Warrants

A summary of the Company's share purchase warrants at November 30, 2019 and May 31, 2018 and the changes for the periods then ended is presented below:

	Warrants	
	Number	Weighted Average Exercise Price ($)
Outstanding, May 31, 2018	-	-
Issued, Agents' warrants	385,900	0.100
Outstanding, May 31, 2019	385,900	0.100
Issued	11,000,000	0.075
Outstanding, November 30, 2019	11,385,900	0.076

As at November 30, 2019, the Company had outstanding and exercisable warrants as follows:

	Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted Average Period
Warrants	October 22, 2020	385,900	$ 0.100	0.19 years
	July 25, 2024	10,400,000	$ 0.075	4.65 years
	July 31, 2024	600,000	$ 0.075	4.67 years
		11,385,900	$ 0.076	4.53 years

12. RELATED PARTY 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 personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer ("CEO") and chief financial officer ("CFO") of the Company. Key management personnel compensation is comprised of the following:

	Period ended November 30, 2019	**Period ended November 30, 2018**
	$	$
Salaries and benefits	37,962	-
Management fees	92,500	-
Share-based payments	1,961	35,950
	132,423	35,950

The Company entered into an Employment Agreement with the former CEO of the Company effective April 1, 2019 until his resignation on September 26, 2019. As compensation for the services provided, the former CEO received a monthly fee of $2,500. During the six months ended November 30, 2019, the Company paid $13,700 (2018 - $nil) in salary to the former CEO.

12. RELATED PARTY TRANSACTIONS (continued)

The Company has entered into an Officer and Consulting Agreement with the new CEO of the Company effective September 26, 2019. As compensation for the services to be provided, the CEO will receive a monthly fee of $8,000 and a signing bonus of $37,500. During the six months ended November 30, 2019, the Company paid $37,500 in signing bonus and recorded $16,800 in fees payable to the CEO of the Company, which are due on demand, unsecured and non-interest bearing.

The Company has entered into a Consulting Agreement with a company controlled by a director of the Company (the "Consultant") effective September 1, 2019. As compensation for the services to be provided, the Consultant will receive a monthly fee of $8,000. During the six months ended November 30, 2019, the Company recorded $24,000 in fees payable to the Consultant, which are due on demand, unsecured and non-interest bearing.

The Company has entered into a Consulting Agreement with a company controlled by the CFO of the Company effective April 1, 2019. As compensation for the services provided, the company controlled by the CFO will receive a monthly fee of $2,500. During the six months ended November 30, 2019, the Company paid $15,000 (2018 - $nil) in fees to the company controlled by the CFO and granted 100,000 stock options (2018 - nil) exercisable at a price of $0.12 per share until April 4, 2023. The options had a fair value of $981 and will vest over a period of four years as to 25% per year. As at November 30, 2019, the Company has recorded $2,640 in fees payable to the company controlled by the CFO, which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Employment Agreement with the Corporate Secretary of the Company effective April 18, 2019, as amended July 25, 2019. As compensation for the services to be provided, the Corporate Secretary will receive a signing bonus of $3,000 and a monthly fee of $3,000 for a one-year term. During the six months ended November 30, 2019, the Company paid $24,262 (2018 - $nil) in salary to the Corporate Secretary.

On July 13, 2018, the Company granted 425,000 stock options to certain directors and officers of the Company at an exercise price of $0.10 for a period of five years from the date of grant. These options had a fair value of $35,950. 150,000 of the options have been cancelled (Note 11(d)).

13. 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.

(Expressed in Canadian dollars) (Unaudited)

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair Values and Classification of Financial Instruments

The Company's financial instruments consist of cash, short-term investments, amounts receivable, notes receivable, accounts payable and accrued liabilities, loans payable and notes payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**November 30, 2019**	May 31, 2019
Cash	FVTPL	**$ 5,761**	$ 162,686
Short-term investments	FVTPL	**859,820**	–
Accounts receivable	Amortized cost	**52,270**	–
Notes receivable	Amortized cost	**49,582**	–
Long term notes receivable	Amortized cost	**473,748**	–
Accounts payable and accrued liabilities	Amortized cost	**100,354**	37,335
Loans payable	Amortized cost	**100,361**	–
Notes payable	Amortized cost	**475,715**	–

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	5,761	–	–	5,761
Short-term investments	859,820	–	–	859,820

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at May 31, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	162,686	–	–	162,686
Term deposits	5,000			5,000
Marketable securities	841,500			841,500

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2019 and May 31, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The risks associated with the Company's 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.

(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.

(Expressed in Canadian dollars) (Unaudited)

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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.

(v) *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no fluctuating interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

15. COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims as described in Note 9.

16. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and two geographic segments, with current exploration activities being conducted in Canada and Peru.

	November 30, 2019			**May 31, 2019**		
	Canada $	**Peru $**	**Total $**	**Canada $**	**Peru $**	**Total $**
Current assets	1,216,899	-	1,216,899	167,359	-	167,359
Notes receivable	473,748	-	473,748	-	-	-
Exploration and evaluation assets	299,369	21,958	321,327	111,269	-	111,269
Total assets	1,990,016	21,958	2,011,974	278,628	-	278,628

17. SUBSEQUENT EVENTS

a) Advisor Agreement

The Company has entered into a Scientific and Technical Advisor Agreement ("Advisor Agreement") with an arm's length consultant for consideration of a monthly fee of $5,000 commencing January 1, 2020, of which $2,500 is payable in cash and $2,500 is accrued and applied towards the purchase of stock options of the Company and additional consideration of the grant of 300,000 stock options of the Company exercisable at the fair market value on the date of grant for a five year term. The effective date of the Advisor Agreement is December 1, 2019 for a minimum term of seven months to June 30, 2020, after which the agreement will automatically renew for successive six month term unless notice is provided by either party.

b) Notes Receivable

On January 14, 2020, the Company and Opawica amended the Loan Agreement dated October 1, 2019 to increase the amount of loan to Opawica to up to $30,000. A further $5,400 was advanced to Opawica on January 14, 2020 pursuant to the Loan Agreement (Note 8).

c) Short-term Investment

Subsequent to November 30, 2019, the Company acquired 2,000,000 shares of ThreeD Capital Inc. at a cost of $40,000.