CREST RESOURCES INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the three and nine months ended February 29, 2020

This Management's Discussion and Analysis of Crest Resources Inc. ("Crest" or the "Company") ("MD&A") provides analysis of the Company's financial results for the three and nine months ended February 29, 2020 and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and notes thereto for the three and nine months ended February 29, 2020 and with the audited financial statements and notes thereto for the year ended May 31, 2019, all of which are available at www.sedar.com. This MD&A is based on information available as at May 12, 2020.

The accompanying unaudited condensed consolidated interim financial statements for the three and nine months ended February 29, 2020 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"). All amounts are expressed in Canadian dollars, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

DESCRIPTION OF BUSINESS

Crest Resources Inc. 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 activity is the acquisition, exploration and evaluation of mineral property assets in Canada and Peru and the investment in mineral exploration and mining technology companies of merit with potential for favourable return on investment.

The Company's shares began trading on the Canadian Securities Exchange on October 23, 2018, under the symbol CRES.

MAJOR OPERATING MILESTONES

The Company is in the mineral exploration stage and as such has no income other than management fees charged to certain companies in which the Company has invested or is advising, and sale proceeds from its investment activities. Mineral interests in the form of exploration and acquisition costs totaled $505,377 as at February 29, 2020 (May 31, 2019 - $111,269).

Red Metal Ridge Property

Pursuant to an option agreement (the "Agreement") dated January 5, 2018, as amended on October 30, 2019, November 28, 2019 and February 27, 2020, the Company was granted an option to acquire a 100% undivided interest in two stages in the Red Metal Ridge property ("Red Metal") located near Sayward in British Columbia.

Under the Agreement and its subsequent amendments, the Company has the option to acquire an initial 51% undivided interest (earned) in Red Metal by paying $5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in Red Metal by issuing a total of 800,000 common shares of the Company (400,000 issued with a fair value of $29,500) to the Optionors, making cash payments totaling $145,000 ($10,000 paid), and incurring a total of $500,000 in exploration expenditures ($96,269 incurred).

The Optionors will retain a 3% Net Smelter Returns royalty on Red Metal. 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.

As of February 29, 2020, the Company has incurred $140,769 in acquisition and exploration costs on the Red Metal property.

The Red Metal Ridge Property is located on Vancouver Island, British Columbia, Canada, approximately 74 km northwest of the City of Campbell River and 12 km southwest of the Village of Sayward.

In January 2020 the BC Geological Survey released the results of an airborne geophysical survey which cover the Red Metal Ridge Property and surrounding area. Crest has retained Precision GeoSurveys Inc to complete a detailed analysis of the underlying data and review several magnetic anomalies that show in the general model. Pending the relaxation of COVID-19 Travel and work restrictions, the Company's consultants will begin a ground reconnaissance survey to follow up on the results of the geophysical survey that will focus on structural and alteration mapping. The results of this work will drive decision making on the future direction of the work program at Red Metal Ridge.

For more information on the Red Metal Ridge Property, please see the NI 43-101 technical report on www.sedar.com.

Split Dome Property

Pursuant to an agreement dated September 9, 2019, the Company agreed to acquire up to a 100% interest in the Split Dome copper property ("Split Dome") located near Hazelton, British Columbia for consideration of $10,600 and the issuance of 2,000,000 common shares of the Company. On September 12, 2019, the Company completed the acquisition of an initial 75% interest, subject to a 0.25% net smelter return royalty, in Split Dome with the payment of $10,600 and issuance of 1,500,000 common shares with a fair value of $187,500. On January 2, 2020, the Company acquired the final 25% interest to bring its ownership interest to 100% through the issuance of 500,000 common shares with a fair value of $35,000.

Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split dome to Volatus Capital Corp. ("Volatus"), a junior exploration company listed on the Canadian Securities Exchange in which the Company owns a 47.3% interest and shares a common President, CEO and director) for consideration of 3,000,000 common shares of Volatus and 1,500,000 common share purchase warrants exercisable at a price of $0.10 per share for a period of 36 months. The total fair value of the consideration was $270,000. This transaction was completed on February 5, 2020 and a gain on disposal of exploration and evaluation assets of $51,900 was recorded during the period ended February 29, 2020.

Lion's Den Property

Pursuant to an agreement dated February 19, 2020, the Company agreed to acquire a 100% interest in 11 mineral claims known as the Lion's Den property, located in the Toodoggone region of north-central British Columbia, for consideration of 300,000 common shares of the Company (issued February 28, 2020 with a fair value of $19,500). An additional $27,811 in acquisition costs was incurred on claims registration during the period ended February 29, 2020.

The Property is located in the Toodoggone region of north-central British Columbia, north of the Kemess mine and Lawyers (Cheni mine) project and directly adjacent to Evergolds Golden Lion property. The Property exhibits gold, silver and copper in outcrop and high values in soils, multiple targets and large district scale potential. Mineralization styles encompass high-grade vein-hosted epithermal gold-silver, copper-gold-silver replacement/skarn, and potential bulk tonnage copper-gold porphyry.

Chala Copper Property

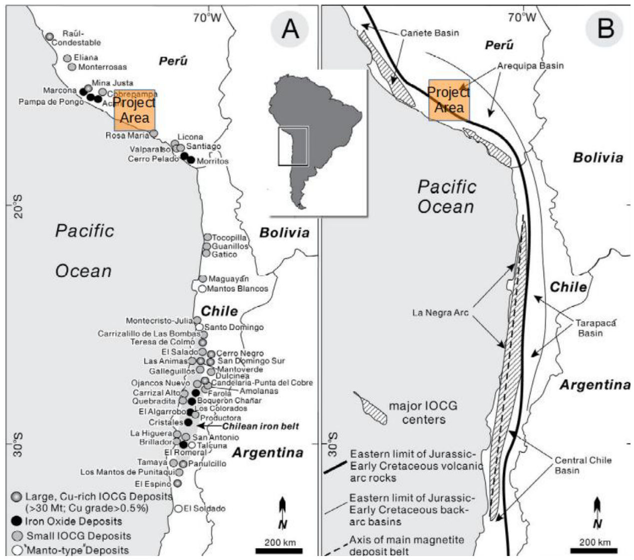
Pursuant to a staking syndicate agreement dated November 28, 2019, the Company acquired ownership of a 68.5% interest in five mineral claims known as the Chala Copper Project located east of Chala, Peru for consideration of funding an exploration program to the value of USD $50,000. The claims were acquired through a staking syndicate that includes Michael Collins, the Company's President, CEO and director, who holds 18% interest in the claims. The Company has expended $21,958 in staking costs on the claims.

On March 12, 2020, the Company entered into a property purchase and sale agreement with Mr. Collins to purchase a 5% interest in the Chala copper project from Mr. Collins for consideration of 1,000,000 common shares of the Company with a deemed price of $0.05 per share. When completed, the acquisition will increase the Company's total interest in the Chala project to 73.5%.

The concessions are located in what was reported to be a gap between the two main Peruvian IOCG Belts. Exploration results from this phase of work found that this gap does not actually exist, or at the very least is not continuous, and that IOCG type mineralization was found to be pervasive throughout the entire concession areas.

As all the known large IOCG deposits are found either 200 km to north or the south of the concession areas, this area has been generally ignored for exploration, and literally thousands of small mines exist in the Chaparra / Sifuentes / Caravalli area. All are associated with IOCG style environment and suggests that potential for significant IOCG type mineral deposits remain to be found.

Map showing IOCG Belts: Project Area as being in Gap.



The geology is dominated by a series of porphyritic monzodiroite intrusions into an equigranular granodiorite of the coastal batholith. A least four different phases of intrusions were identified, with all related to at least one of the major fault orientations. Cu +/- Au +/- Fe mineralization appears intimately related with the dolerite dikes common along inferred extensional fault orientations.

Remnant volcanic flows that once completely covered the area with 50m to 100m, has for the most part eroded off, leaving isolated caps on hilltops, except on the eastern side, where up to 40% of the ground remains covered.

Multi-phase injections, with up to four distinct events observed are found over the entire concession area, resulting in large zones of magmatic tectonic breccias.

Evidence from lithologies, structures, alteration and mineralization suggests the project area is heavily eroded, with possibly up to 4km removed, and the Cu / Au mineralization deposits are close to the core of the intrusives. Management postulates that due to the level of erosion, the area contained within the C1 to C4 concessions will not include extensive hydro-thermal breccias, typical ore / alteration zoning, or large areas of copper oxide mineralization.

Mineralization is dominated Au +/- Cu in relatively narrow veins, stockwork and fault associated structures trending 020, and broad 280 trending intensely altered hematitic zones inferred as being strongly albitized and often hosting Au mines, that are frequently reported as being “high” in Cu by miners who complain of penalties levied on their ore. The 020 and 280 structures found in C2 and C4 are extensively silicified and can be followed for hundreds of meters (thousands in some cases), and many have or are being worked for gold. Grades reported by small miners hand cobbing ore throughout the area are generally >50g/t Au and up to 2% Cu.

Alteration is dominated by Calc-silicate-albite- magnetite and biotite-magnetite-albite as alteration halos to veins and in local stockworks, that are frequently chloritic and often potassic. Pervasive and intense hematisation whereby mafic minerals in the protolith are altered to hematite. This is demonstrated in some areas as 60% of the rock mass is hematite, with the balance being quartz and relic feldspars usually converted to albite, that on hillsides, whereby the colluvial soil is estimated to be over 70% hematite with 10% quartz grains.

Jonathan's Pond Property

Pursuant to an agreement dated February 13, 2020, the Company's 60% owned subsidiary, Exploits Gold Corp. ("Exploits"), agreed to acquire a 100% interest in three mineral licences known as the Jonathan's Pond Property (the "JP Property") for the following consideration: (i) $15,000 cash (paid) and 2,000,000 common shares of Exploits (issued February 13, 2020 with a fair value of $100,000) upon signing the agreement; and (ii) $35,000 cash on or before June 13, 2020. One of the vendors of the JP Property is the Vice President of Business Development of the Company, who received 300,000 shares of Exploits as consideration. The JP Property is subject to a 3% net smelter returns royalty of which Exploits may repurchase 1.5% of the NSR for $1,000,000 at any time.

The JP Property consists of three mineral licences (14 claims) encompassing a land area of approximately 3.5 square kilometres. The JP Property is located 14 kilometres north of the town of Gander, Nfld. The JP Property is accessible by travelling north on Highway 330 (Gander Bay Road), where the JP Property transects the highway at kilometre 18. The JP Property has existing power lines running on its easternmost side.

Exploration efforts on the JP Property date back to the early 1970s when International Mogul Mines Ltd. flew an airborne magnetic and VLF (very low frequency) survey over the JP Property. In the late 1970s, the Newfoundland Geological Survey discovered a gold/arsenopyrite-bearing rock assaying 6.0 grams per tonne gold, later to be named the Westfield showing. In the early 1980s, Westfield Minerals Ltd. conducted prospecting and trenching that returned 8.9 g/t Au over two metres, including a grab sample of 12.8 g/t gold. From 2002 to 2004, Rubicon Minerals Corp. conducted a prospecting program consisting of soil, rock sampling and trenching uncovering soil samples of up to 698 parts per billion gold and a quartz-rich boulder that assayed 50 g/t gold. In 2014, trenching was completed on behalf of a local prospector as follow-up to the collection of elevated till samples that assayed up to 5.5 g/t gold in the northeasternmost part of the claims. Additionally, 11 trenches were dug and assayed, none of which proved the source of the elevated gold in till and float grab samples. In 2017, Newfound Gold conducted a prospecting program, which revealed elevated till samples of up to 9,217 ppb in the southern part of the JP Property.

The geology of the JP Property as mapped by the Newfoundland and Labrador Geologic Survey is late Cambrian to early Ordovician in age, and surficial exposure consists of fine- to medium-grained gabbro of the Gander River complex. A weak north-northeast penetrative fabric has been developed in the gabbros and is bounded by siliciclastic sediments of the Ten Mile Lake formation to the east and west. Serpentinized and talc-carbonate-altered ultramafic rocks are exposed in a trench to the north and are interpreted to be in fault contact with the gabbro. The JP Property is bounded to the east by a thrust fault that runs northeast from Gander Lake.

Crest's technical team has immediately begun compiling a geological database to create more layers to better delineate the next plans of action for the two projects. Crest plans to utilize a wide range of geological and geophysical methods, including more detailed ground surveys (induced polarization, soil, rock, geobotanical, trenching and channel sampling surveys) with intentions to initiate diamond drilling in midsummer 2020. Since there are so much historical data available on the two properties, Crest has also begun looking into the potential to utilize some more modern techniques used in exploration, including artificial intelligence and geostatistics, to locate additional unexplored targets on the properties.

The 2020 exploration program is predicted to start immediately following exploration approval.

The Company is investigating additional acquisition opportunities in the area.

Mt. Peyton Property

Pursuant to an agreement dated February 13, 2020, the Company's 60% owned subsidiary, Exploits, agreed to acquire a 100% interest in 15 mineral licences known as the Mt. Peyton Property (the "MP Property") for the following consideration: (i) $25,000 cash (paid) and 3,000,000 common shares of Exploits (issued February 13, 2020 with a fair value of $150,000) upon signing the agreement; and (ii) $50,000 cash on or before May 13, 2020. One of the vendors of the JP Property is the Vice President of Business Development of the Company, who received 450,000 shares of Exploits as consideration and will retain 0.45% NSR on the claims. The MP Property is subject to a 3% net smelter returns royalty of which Exploits may repurchase 1.5% of the NSR for $1,500,000 at any time.

The MP Property consists of 15 licences (94 claims), with a total land area of 23.5 square kilometres. The MP Property is located approximately 16 km west of the town of Glenwood, Nfld., and is accessible on the Trans Canada Highway and ATV trails.

There has been a long history of exploration on the MP Property, dating back to the late 1980s, including the 1990 drilling of the Hurricane prospect by a Noranda-Noront joint venture, where diamond drilling returned gold values of 7.9 g/t over one metre and 6.3 g/t over two metres at shallow depths (less than 20 metres). A geophysical survey was also conducted during this program. From 2001 to 2003, Rubicon Minerals Corp. conducted a general reconnaissance program that returned rock grab samples of up to 18.9 g/t gold from float boulders, the source of which was never located. In 2005, Rubicon Minerals conducted an induced polarization and resistivity survey on a portion of the property. In 2008, a 260-metre drilling program was conducted by Paragon Minerals Corp. returning 0.70 metre of 8.83 g/t gold and a geochemical sampling program that assayed float boulders with up to 30.0 g/t gold.

The Mount Peyton area has been mapped by the Newfoundland and Labrador Geologic Survey as being underlain by fine- to medium-grained rocks of the Mount Peyton intrusive suite that are Cambrian to Ordovician in age. The northernmost claims contain mafic plutonic rocks, which are gabbroic to dioritic in composition. The central part of the property consists of both mafic and felsic plutonic rocks. Most of the felsic rocks are granitic in composition, and there is a wide range of felsic plutonic rocks. Siliciclastic sediments of the Ten Mile Lake formation bound the property on the far northeastern margins.

Crest's technical team has immediately begun compiling a geological database to create more layers to better delineate the next plans of action for the two projects. Crest plans to utilize a wide range of geological and geophysical methods, including more detailed ground surveys (induced polarization, soil, rock, geobotanical, trenching and channel sampling surveys) with intentions to initiate diamond drilling in midsummer 2020. Since there are so much historical data available on the two properties, Crest has also begun looking into the potential to utilize some more modern techniques used in exploration, including artificial intelligence and geostatistics, to locate additional unexplored targets on the properties.

The 2020 exploration program is predicted to start immediately following exploration approval.

The Company is investigating additional acquisition opportunities in the area.

Cleghorn Property

In January 2020, the Company acquired 142 mineral claims known as the Sprague Cleghorn Prospect and the Odie Cleghorn Prospect through staking for a total cost of $7,140.

On March 7, 2020, the Company entered into an agreement to sell its Sprague Cleghorn and Odie Cleghorn Prospect to Cleghorn Minerals Ltd. (“Cleghorn”) for consideration of 1,500,000 units (“Payment Units”) of Cleghorn with a fair value of $90,000. Each Payment Unit consists of one common share of Cleghorn and one-half of one share purchase warrant, with each warrant exercisable into a further common share at a price of $0.10 for a period of two years. The transaction closed on April 8, 2020.

Arizona Queensland Vanadium Shale Project

On March 9, 2020, the Company entered into an Assignment Agreement to acquire a Term Sheet and the right to negotiate the acquisition of a 100% interest in the Arizona Queensland Vanadium Shale Project (the “Project”) from Vecco Industrial Pty Ltd (“Vecco”), the current owner of the Project and an arm’s length party, for consideration of $450,000 payable to Aeternum Holdings Ltd. (“Aeternum”), a private British Columbia company controlled by Emma Fairhurst, a former director of the Issuer and holder of 11.70% interest in the Company. The acquisition was formalized under a Property Purchase and Sale Agreement dated April 20, 2020 (the “Agreement”) under which the Issuer’s 60% owned Australian subsidiary, AusVan Battery Metals Pty Ltd (“AusVan”), would acquire a 100% interest in the Project and Vecco will retain a 40% interest in the Project through owning 40% of the issued and outstanding common shares of AusVan. To acquire the Project, AusVan must make cash payments totalling $150,000, a further $350,000 on meeting certain milestones and fund $1,000,000 in exploration and development work. AusVan is further obligated to reimburse approximately $36,000 (AUD $40,500) in tenement rents paid on the Project. The

Arizona Project is a resource stage Vanadium and High Purity Alumina deposit located in central Queensland, Australia.

Covering 810 km^2, the Arizona Vanadium Project is located 80 km north of Julia Creek in central Queensland, Australia. The base metals mining center of Mt. Isa and regional airport is located 230 km to the west. The Mt. Isa rail network passes through Julia Creek with connections to Charters Towers and Townsville and Port Abbot at Bowen. The area has a hot dry climate with flat lying topography used for cattle grazing and is easily accessible by road and near existing power.

Geology
Centered on the Euroka Ridge separating the Carpentaria and Eromanga Sedimentary Basin in North-west Queensland, the Arizona Project displays many similar characteristics to the nearby advanced Debella Vanadium + HPA Project; a near surface, flat lying and locally oxidized vanadium enriched shale. The Arizona Project is hosted by Cretaceous sedimentary rocks of the Toolebuc Formation. The Toolebuc Formation is composed primarily of banded limestone and shales, is widely distributed and laterally stable across the Project. The Vanadium mineralization is concentrated in the Toolebuc B and D beds. The Toolebuc B bed ranges in thickness from 0.3m to 3.0m in thickness, averaging 2.8m, and the Toolebuc D bed ranges in thickness from 1.3m to 4.1m in thickness, averaging 2.8m.

- Historical JORC Inferred Resource (2018) of 618 Mt at 0.45% V^2O^5*
- With an exploration target of 880 - 1,100 Mt at 0.45% V^2O^5 within a range of 0.36-0.50% V^2O^5
  *The JORC inferred resource completed for Vecco in 2018 by John T. Boyd Company is historic in nature and the inferred resource model was defined with stratigraphic surface defined in Vulkan 3-D software using the Delaunay triangulation algorithm. While nothing has come to the attention of AusVan that causes it to question the accuracy or reliability of the estimate, neither AusVan nor Crest has independently validated the estimate and therefore is not to be regarded as reporting, adopting or endorsing those estimates. Further review will be required to publish a current resource calculation. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and the Company is not treating the historical estimate as a current mineral resource.
- Standard Processing Flowsheet for Toolebuc Formation Vanadium shale returns up to 95% vanadium recovery with atmospheric leach technology
- Detailed processing flow sheet and processing IP that supports a clear pathway to V2O5 production.

The Company is focused on drilling the up dip extension of the know resource to identify Vanadium enriched shales at shallower depths and within an oxidized environment that will be amenable to atmospheric leach processes that are less expensive to build and operate than most sulphide, “fresh” Vanadium shale deposits.

The technical portion of this MD&A was reviewed and approved by Nicholas Rodway, PGeo, a qualified person as defined under definition of NI 43-101.

Investments in Mineral Exploration Companies

Part of the Company’s strategy to diversify its portfolio of mineral exploration assets and enhance company value to shareholders is to invest in securities of other mineral exploration companies that Management considers to be compelling opportunities that are liquid, carry higher risk than term deposits held at a financial institution but potentially yield a higher rate of return, and are less risky than investment in exploration and evaluation activities on the Company’s principal property. With that goal, the Company has acquired various equity securities and debt instruments during the period and to the date of this report, as follows.

a) Marketable Securities

During the period ended February 29, 2020, the Company acquired common shares of publicly traded mining exploration companies for investment purposes. A summary table of the Company's investments in marketable securities is as follows:

	Balance May 31, 2019 $	Purchase of securities $	Sale of securities $	Realized gains (losses) $	Unrealized gains (losses) $	Balance February 29, 2020 $
Scottie Resources Corp.	-	797,250	(788,661)	147,734	18,677	175,000
Prime Mining Corp.	-	60,455	(48,124)	(12,331)	-	-
International Prospect Ventures Ltd.	-	163,341	(20,224)	3,793	27,290	174,200
Troubadour Resources Inc.	-	101,910	-	-	(30,335)	71,575
Apex Resources Inc.	-	21,982	-	-	(4,132)	17,850
International Samuel Exploration Corp.	-	40,940	-	-	(17,385)	23,555
Tarku Resources Ltd.	-	40,520	-	-	(12,828)	27,692
Rockridge Resources Ltd.	-	38,874	(21,605)	(4,256)	(2,483)	10,530
Westminster Resources Ltd.	-	34,733	-	-	(11,933)	22,800
Three D Capital Inc.	-	40,559	(34,485)	(6,074)	-	-
Peruvian Metals Corp.	-	35,470	(39,380)	3,910	-	-
	-	1,376,034	(952,479)	132,776	(33,129)	523,202

Subsequent to period end, the Company participated in a non-brokered private placement of Essex Minerals Inc. ("Essex") that closed on April 6, 2020. The Company acquired 1,000,000 common shares of Essex at a price of $0.10 per share for total cost of $100,000.

Subsequent to period end, the Company participated in a non-brokered private placement of Cleghorn that closed on March 5, 2020. The Company acquired 1,000,000 units of Cleghorn at a price of $0.05 per unit for total cost of $50,000. Each unit consists of one common share of Cleghorn and one common share purchase warrant exercisable at a price of $0.10 per share for a period of three years.

b) Volatus Capital Corp.

As at February 29, 2020, the Company owned 8,000,000 (2,666,667 post-consolidation as at April 22, 2020) common shares of Volatus representing 47.3% of the outstanding share capital. The investment is accounted for as an "investment in associates" and has a carrying value of $459,105 compared to a fair value of $560,000 as indicated by the trading price of $0.07 per share on February 29, 2020.

Volatus Capital Corp. is a Vancouver BC based exploration company with two projects in British Columbia, the Sunset Copper Project and the Split Dome Project. These are early stage copper projects within known copper porphyry districts. Timing and scale of exploration in 2020 remains uncertain with travel and work restrictions in relation to COVID-19 control measures.

c) Carbon Foundry Corp.

On December 12, 2019, the Company entered into a shareholder's agreement (the "Shareholder's Agreement") with Lab 4 Inc. ("Lab 4") to form a joint venture entity known as Carbon Foundry Corp. ("Carbon Foundry") to develop, build and operate a facility to refine graphite and other similar carbon elements. Under the terms of the Shareholder's Agreement, the Company and Lab 4 will each own an initial 50% equity interest in Carbon Foundry, for which the Company will contribute $50,000 and Lab 4 will contribute intellectual property. The Company has the right to appoint two of four members of the board of directors and to appoint the Chair of the Management Committee.

Carbon Foundry has received and processed initial carbon samples from four sources and has accepted three of these for upgrading. The company is presently fund raising to construct a test circuit to confirm that the carbon from all three sources is amenable to upgrading as well as to produce material samples for prospective carbon buyers.

d) Receivables

The Company has extended loans and purchased receivables from certain mineral exploration companies with the commercial interest of potentially leveraging these receivables into equity.

On September 16, 2019, the Company acquired $473,748 in receivables from Westminster Resources Ltd. ("WMR") 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. The Company has accrued interest expense of $4,323 as at February 29, 2020. At September 16, 2019, the corporate secretary of one of the creditors was a director of the Company. The amount owing to the related party creditor is $196,748.

Pursuant to a Loan Agreement dated September 12, 2019, as amended on November 28, 2019 and March 20, 2020, between the Company as Lender and WMR as Borrower, the Company agreed to lend up to $75,000 (the "Loan") to WMR on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand and the Loan shall be secured by WMR's interest in its Peruvian subsidiary as collateral. As at February 29, 2020, the principal amount of $48,600 and accrued interest of $1,651 was receivable from WMR.

Pursuant to a Loan Agreement dated October 1, 2019, as amended on January 14, 2020, between the Company as Lender and Opawica Explorations Inc. ("OPW") as Borrower, the Company agreed to lend up to $30,000 (the "Loan") to OPW on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand. OPW is a related party by virtue of a common director and corporate secretary. As at February 29, 2020, the principal amount of $22,000 and interest of $186 was receivable from OPW.

e) EcoMine Technologies Corporation

On October 29, 2019, as amended on January 28, 2020, 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 April 15, 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. The Company has advanced $140,000 to EcoMine as of the date of this report, and EcoMine has informally agreed to extend the First Closing date.

Restricted Share Unit Plan

The Company has adopted a Restricted Share Unit ("RSU") Plan (the "RSU Plan") by way of director's resolution effective February 28, 2020 as amended on April 20, 2020. In conjunction with the Company's medium term plans to become an Investment Issuer, the board of directors has approved this RSU Plan. The purpose of this RSU Plan is to allow for certain discretionary bonuses and similar awards to be granted as an incentive and reward for selected Eligible Persons related to the achievement of investment objectives of the Company and the resulting increases in the value of the Company's Investments. This RSU Plan is intended to promote a greater alignment of interests between the objectives of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company's Investments.

"Eligible Persons" means persons who are Directors, Employees, Executives, Consultants, or parties to an investment advisory agreement with the Company, and so are eligible to participate in this RSU Plan.

"RSU" means the right of a Holder to receive one (1) Share or a cash payment equivalent to one (1) Share, following the Vesting Period of an Award and satisfaction of any required Performance Conditions, subject to the terms and provisions set forth in the RSU Plan and the applicable Award Grant Agreement.

Awards are granted by the board of directors until such time as a Compensation Committee is formed. All awards granted under the RSU Plan are made as to: (i) 40% to Michael Collins in his role as the Company's Chief Executive Officer; (ii) 40% to Aeternum Holdings Ltd., a company controlled by Emma Fairhurst, the former Chief Operating Officer and a former director and a current owner of 11.70% interest of the Company, in its capacity as a consultant to the Company (for as long as it remains a consultant); and (iii) the balance as to all other Eligible Persons as defined in the Plan.

Each grant of an Award will be based on the Investment Value Increase of each particular Investment held by the Company, as follows:

(i) for an annual Investment Value Increase of 8.0% or less, no Award may be granted;
(ii) for an annual Investment Value Increase of greater than 8.0% but less than 50%, an Award may be granted of up to 20% of the Investment Value Increase applicable to that Investment;
(iii) for an annual Investment Value Increase of greater than or equal to 50% but less than 100%, an Award may be granted of up to 25% of the Investment Value Increase applicable to that Investment; and
(iv) for an annual Investment Value Increase of greater than or equal to 100%, an Award may be granted of up to 30% of the Investment Value Increase applicable to that Investment.

The value of each Award will be determined on the date of grant based on the Investment Value Increase(s) as applicable to the grant, on a pro-rata basis to the number of Awards granted to all Participants at the time of grant.

At a minimum, Awards will vest over 24 months, as to 25% every six months; however, the Board may determine or set longer vesting provisions in each instance. Once vested, and subject to the satisfaction of all applicable Performance Conditions, Awards shall be forthwith settled by the Company by a payment to the Participant in cash or in Shares at the election of the Company.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak and spread of a novel coronavirus, COVID-19, a global pandemic. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including implementing travel restrictions, border closures, non-essential business closures, quarantines, self-isolation and physical distancing.

The outbreak of COVID-19 may cause disruptions to the Company's business and operational plans, which may include: (i) restriction of international travel by management; (ii) unavailability of contractors and subcontractors; (iii) interruption of supplies from third parties upon which the Company relies; (iv) restrictions imposed by governments to address the COVID-19 pandemic; (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others; and (vi) upheaval of global financial conditions, including market reaction to COVID-19. It is not currently possible to predict the extent or duration of these potential disruptions, which may have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has implemented precautionary measures at its corporate office, including limiting visits to essential personnel and ensuring proper protocols are followed with respect to health, hygiene and physical distancing. The Company's exploration and operational activities planned for 2020 are expected to continue in an orderly fashion while ensuring the safety of employees.

SELECTED ANNUAL INFORMATION

N/A

FINANCIAL PERFORMANCE

Net loss and comprehensive loss for the nine months ended February 29, 2020

Net loss and comprehensive loss for the nine months ended February 29, 2020 was $274,953 or $0.01 per share, compared to a loss of $132,682 for the nine months ended February 28, 2019 or $0.01 per share.

Total expenses for the nine months ended February 29, 2020

	Nine months ended February 29, 2020 $	Nine months ended February 28, 2019 $
Bank charges	$ 1,550	$ 144
Business development	8,074	-
Consulting fees	84,000	27,000
Management fees	175,400	-
Marketing fees	40,576	5,469
Office	7,844	4,093
Professional fees	40,148	39,048
Rent	5,207	8,333
Salaries	49,718	-
Share-based payments	1,961	34,486
Transfer agent and filing fees	20,699	14,109
Travel	39,015	-
OPERATING LOSS	(474,192)	(132,682)

Business development expenses were $8,074 for the nine months ended February 29, 2020 compared to expenses of $nil recorded for the 2019 comparative. The Company is actively seeking new business opportunities and ramped up its business development activities during the current fiscal period.

Consulting fees were $84,000 for the nine months ended February 29, 2020 compared to expenses of $27,000 recorded for the 2019 comparative. Consulting fees are higher in the current fiscal period as the Company engaged more consultants to provide strategic business development, geological and project management and administrative service provider.

Management fees included amounts paid to the new Chief Executive Officer ("CEO") for the services provided by the CEO, a company controlled by the Chief Financial Officer ("CFO") for the services provided by the CFO, a company controlled by the COO of the Company and the VP Business Development of the Company. Management fees were $175,400 for the nine months ended February 29, 2020 compared to expenses of $nil recorded for the 2019.

Marketing fees were $40,576 for the nine months ended February 29, 2020 compared to expenses of $5,469 recorded for the 2019 comparative. The Company increased its marketing fees to effectively communicate the flow of information of its operations to the public and its shareholders.

Salaries include amounts paid to the former CEO and Corporate Secretary.

Share-based payments (a non-cash expense) were $1,961 (2019 - $34,486) which includes the estimated fair value of for the unvested options granted to the CFO.

Travel expenses were $39,015 for the nine months ended February 29, 2020 compared to expenses of $nil for the 2019 comparative period. The Company has acquired 68.5% ownership in the Chala Copper Property in Peru.

	Nine months ended February 29, 2020	**Nine months ended February 28, 2019**
OTHER ITEMS		
Management fees	157,500	-
Gain on sale of mineral properties	51,900	-
Interest income	2,120	-
Interest expense	(7,992)	-
Realized gains on sale of short-term investments	132,776	-
Unrealized losses on short-term investments	(33,129)	-
Share of loss from equity-accounted investment	(103,936)	-
	199,239	-

The Company has entered into a management, operations and geological consulting services agreement with Opawica Explorations Inc. ("Opawica") whereby the Company will provide management, operations and geological consulting services to Opawica for a fee of $10,000 per month plus GST effective October 1, 2019 for a three year term. The agreement was amended on May 1, 2020 to split the fee to $8,500 to provide management, operations and geological consulting services and $1,500 for office rent. Opawica is a related party by reason that Owen King, a former director of the Company, is also a director of Opawica, and Sandra Wong, the Corporate Secretary of the Company, is also the CFO and Corporate Secretary of Opawica.

The Company has entered into a management, operations and marketing support agreement with Volatus whereby the Company will provide management, operations and marketing support services to Volatus for a fee of $9,500 per month plus GST effective October 1, 2019 for a three year term. Volatus is a related party by reason that the Company owns and controls 47.3% of the issued and outstanding shares of Volatus and Michael Collins is the President, CEO and a director of both companies.

The Company has entered into a management, operations and geological consulting services agreement with Westminster Resources Ltd. whereby the Company will provide management, operations and geological consulting services to Westminster for a fee of $10,000 per month plus GST effective September 1, 2019 for a three year term. Westminster is an arm's length party.

Realized gains on sale of short-term investments were $132,776 for the nine months ended February 29, 2020 compared to $nil for the 2019 comparative period. The losses were realized from the sale of the common shares of several publicly traded mining exploration companies held for investment to fund the Company's operations.

Unrealized losses on short-term investments were $33,129 for the nine months ended February 29, 2020 compared to $nil for the 2019 comparative period. The amount represents unrealized losses from market price fluctuations of the common shares of publicly traded mining exploration companies held for investment recorded at fair value using quoted market prices as at February 29, 2020.

For the nine months ended February 29, 2020, the Company recognized a loss of $103,936 (May 31, 2019 - $nil) from its share of loss from an equity-accounted investment. As at February 29, 2020, the Company compared the carrying value of its 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 that no impairment loss is to be recognized.

Net loss and comprehensive loss for the three months ended February 29, 2020

Net income and comprehensive income for the three months ended February 29, 2020 was $37,341 or $0.00 per share, compared to a loss of $21,512 for the three months ended February 28, 2019 or $0.00 per share.

Total expenses for the three months ended February 29, 2020

The following is a breakdown of material components on the Company's expenses for the three months ended February 29, 2020 and February 28, 2019.

	Three months ended February 29, 2020 $	**Three months ended February 28, 2019 $**
Bank charges	$ 762	$ 37
Business development	(2,270)	-
Consulting fees	34,000	-
Management fees	82,900	-
Marketing fees	22,039	-
Office	(504)	(673)
Professional fees	15,177	17,845
Rent	2,000	-
Salaries	11,756	-
Share-based payments	-	-
Transfer agent and filing fees	4,130	4,303
Travel	29,839	-
OPERATING LOSS	(199,829)	(21,512)

Consulting fees were $34,000 for the three months ended February 29, 2020 compared to expenses of $nil recorded for the 2019 comparative period. Consulting fees are higher in the current fiscal period as the Company engaged more consultants to provide strategic business development, geological and project management and administrative services.

Management fees included amounts paid to the new Chief Executive Officer ("CEO") for the services provided by the CEO, a company controlled by the Chief Financial Officer ("CFO") for the services provided by the CFO, a company controlled by the COO of the Company and the VP Business Development of the Company. Management fees were $175,400 for the nine months ended February 29, 2020 compared to expenses of $nil recorded for the 2019.

Marketing fees were $22,039 for the three months ended February 29, 2020 compared to expenses of $nil recorded for the 2019 comparative period. The Company increased its marketing fees to effectively communicate the flow of information of its operations to the public.

Salaries include amounts paid to the former CEO and Corporate Secretary.

Travel expenses were $29,839 for the three months period ended February 29, 2020 compared to expenses of $nil for the 2019 comparative period. The increase in travel expenses were due to flights to Peru for the Chala Copper Property and the flights incurred for the attendance of the Prospectors & Developers Association of Canada in Toronto, Canada.

Summary of Quarterly Results

	Q3 February 29, 2020 $	**Q2 November 30, 2019 $**	**Q1 August 31, 2019 $**	**Q4 May 31, 2019 $**
Total revenue	-	-	-	-
Net income (loss)	37,341	(293,478)	(18,816)	(60,771)
Per Share	0.00	(0.01)	(0.00)	(0.01)

	Q3 February 28, 2019 $	**Q2 November 30, 2018 $**	**Q1 August 31, 2018 $**	**Q4 May 31, 2018 $**
Total revenue	-	-	-	-
Net income (loss)	(21,512)	(30,520)	(80,650)	(50,248)
Per Share	(0.00)	(0.00)	(0.00)	(0.00)

CASH FLOWS

The Company is still considered to be in the exploration and development stage and as such does not earn any significant revenue. Total cash used in operating activities was $322,230 during the nine months ended February 29, 2020 compared to $96,449 cash used in operating activities for the 2019 comparative period. The increase in cash used in operating activities was mainly from increase in business activity during the period.

Total cash used in investing activities was $1,167,973 during the nine months ended February 29, 2020 compared to $nil cash used in investing activities for the 2019 comparative period. The Company purchased a $5,000 restricted term deposit held with the Royal Bank of Canada as security against the Company's corporate credit card account, incurred $115,708 on the acquisition of exploration and evaluation assets, spent $721,396 on the purchase of marketable securities for investment purposes and $8,604 on investment in joint venture, incurred $72,265 in notes receivable and placed a $100,000 deposit to Ecomine, $50,000 deposit to Cleghorn Minerals Ltd. and $100,000 deposit to Essex Minerals Inc.

Total cash provided by financing activities was $1,335,428 during the nine months ended February 29, 2020 and consists of $1,242,625 in proceeds from private placement, less $10,541 in share issuance costs and $103,344 in loans payable. Cash provided by financing activities was $220,746 for the comparative period and consists of proceeds from private placement.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes and economic downturns that affect the market price of the Company's trading securities for the purposes of raising financing. The current state of equity markets presents a challenge to raise financing and Management believes that this condition will continue over the next twelve months.

The Company's cash balance at February 29, 2020 was $7,911 compared to $162,686 at May 31, 2019 and its short-term investments was $987,307 compared to $nil at May 31, 2019. The Company had a working capital surplus of $1,187,427 at February 29, 2020. Based on the above financial condition at February 29, 2020, Management believes that the Company has the financial resources to meet its financial obligations as they become payable in the current fiscal year.

On April 23, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of $40,000. The CEBA is a government guaranteed loan of up to $40,000 that is interest-free until December 31, 2022. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount ($10,000) is eligible for forgiveness as long as the business pays back $30,000 on or before December 31, 2022. If the business cannot pay back the loan by December 31, 2022, it can be converted into a 3-year term loan at an interest rate of 5%.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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 February 29, 2020	**Period ended February 28, 2019**
	$	$
Salaries and benefits	37,962	-
Management fees	92,500	-
Share-based payments	1,961	34,486
	132,423	34,486

The Company has entered into an Officer and Consulting Agreement with Michael Collins, the current 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 nine months ended February 29, 2020, the Company paid $48,300 in consulting fees and signing bonus, recorded $31,200 in accruals for fees and $7,937 in accounts payable to the CEO of the Company, which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Officer and Consulting Agreement with Quaestus Strategies Corp., a company controlled by Emma Fairhurst, the former Chief Operating Officer and former 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 nine months ended February 29, 2020, the Company recorded $50,400 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 Ty Consulting Inc. ("Ty Consulting"), a company controlled by Sean Ty, the CFO of the Company effective April 1, 2019. As compensation for the services provided, Ty Consulting will receive a monthly fee of $2,500. During the nine months ended February 29, 2020, the Company paid $22,500 (2019 - $nil) in fees to Ty Consulting 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 February 29, 2020, the Company has recorded $2,653 in fees payable to Ty Consulting, which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Employment Agreement with Sandra Wong, 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 nine months ended February 29, 2020, the Company paid $36,018 (2019 - $nil) in salary to the Corporate Secretary. Subsequent to period end, on April 18, 2020, the Company entered into an Employment Agreement of no fixed term with the Corporate Secretary for consideration of $4,500 per month of which $3,000 is payable in cash and $1,500 is to be accrued and applied towards the purchase of equity securities of the Company.

The Company has entered into an Officer and Consulting Agreement with Nicholas Rodway, the Vice President, Business Development ("VP") of the Company effective January 16, 2020 for a term to end on May 15, 2020. As compensation for the services to be provided, the VP will receive a monthly fee of $8,000 plus applicable taxes, of which $5,000 is payable in cash and $3,000 is accrued and applied towards the purchase of equity securities of the Company. During the nine months ended February 29, 2020, the Company paid $7,500 in consulting fees, recorded $4,725 in accruals for fees and $1,255 in accounts payable to the VP of the Company, which are due on demand, unsecured and non-interest bearing.

The Company entered into an Employment Agreement with Owen King, 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 nine months ended February 29, 2020, the Company paid $13,700 (2019 - $nil) in salary to the former CEO.

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. 225,000 of the options have been cancelled.

On November 20, 2019, the Company entered into a loan agreement to borrow $100,000 from Volatus, a junior exploration company in which the Company owns a 47.3% interest and Michael Collins is the President, CEO and a director of both the Company and 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 February 29, 2020, interest of $951 has accrued on the loan.

The Company has entered into a Management, Operations and Marketing Support Agreement with Volatus, effective October 1, 2019 for a three year term. As compensation for the services provided, the Company will receive a monthly fee of $9,500. During the nine months ended February 29, 2020, the Company recorded $47,500 (2019 - $nil) in management fee income from Volatus.

On October 1, 2019, as amended on January 14, 2020, the Company entered into a loan agreement to lend up to $30,000 to Opawica Explorations Inc. ("Opawica"), a company with a common corporate secretary and formerly a common director. The principal amount of the loan plus accrued interest, being 10% per annum, is payable on demand after December 31, 2019. The Company has advanced a total of $22,000 under the loan agreement and has been paid interest of $375. The principal amount along with interest receivable of $186 are included in notes receivable as at February 29, 2020.

The Company has entered into a Management, Operations and Geological Consulting Services Agreement with Opawica, effective October 1, 2019 for a three year term. As compensation for the services provided, the Company will receive a monthly fee of $10,000. This agreement was amended on May 1, 2020 to reduce the fee to $8,500 and charge $1,500 for office rent. During the six months ended February 29, 2020, the Company recorded $50,000 (2019 - $nil) in fees receivable from Opawica.

The Company acquired 100% interest in the Split Dome property from four vendors including Michael Collins, the President and CEO who received a cash payment of $10,600, 500,000 common shares of the Company with a fair value of $57,500 and retained a 0.25% NSR royalty; and Owen King, a former director, who received 500,000 common shares of the Company with a fair value of $57,500. Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split dome to Volatus for consideration of 3,000,000 common shares of Volatus and 1,500,000 common share purchase warrants exercisable at a price of $0.10 per share for a period of 36 months. The total fair value of the consideration was $270,000. This transaction was completed on February 5, 2020 and a gain on disposal of exploration and evaluation assets of $51,900 was recorded during the period ended February 29, 2020.

Pursuant to an agreement dated February 13, 2020, the Company's 60% owned subsidiary, Exploits Gold Corp., agreed to acquire a 100% interest in three mineral licences known as the Jonathan's Pond Property (the "JP Property") for the following consideration: (i) $15,000 cash (paid) and 2,000,000 common shares of Exploits (issued February 13, 2020 with a fair value of $100,000) upon signing the agreement; and (ii) $35,000 cash on or before June 13, 2020. One of the vendors of the JP Property is Nicholas Rodway, the Vice President of Business Development of the Company, who received 300,000 shares of Exploits as consideration. The JP Property is subject to a 3% net smelter returns royalty of which Exploits may repurchase 1.5% of the NSR for $1,000,000 at any time.

Pursuant to an agreement dated February 13, 2020, Exploits agreed to acquire a 100% interest in 15 mineral licences known as the Mt. Peyton Property (the "MP Property") for the following consideration: (i) $25,000 cash (paid) and 3,000,000 common shares of Exploits (issued February 13, 2020 with a fair value of $150,000) upon signing the agreement; and (ii) $50,000 cash on or before May 13, 2020. One of the vendors of the JP Property is Nicholas Rodway, the Vice President of Business Development of the Company, who received 450,000 shares of Exploits as consideration and will retain 0.45% NSR on the claims. The MP Property is subject to a 3% net smelter returns royalty of which Exploits may repurchase 1.5% of the NSR for $1,500,000 at any time.

On March 12, 2020, the Company entered into a property purchase and sale agreement with Mr. Collins to purchase a 5% interest in the Chala copper project from Mr. Collins for consideration of 1,000,000 common shares of the Company with a deemed price of $0.05 per share.

On March 9, 2020, the Company entered into an Assignment Agreement to acquire a Term Sheet and the right to negotiate the acquisition of a 100% interest in the Arizona Queensland Vanadium Shale Project from Vecco Industrial Pty Ltd, the current owner of the Project and an arm's length party, for consideration of $450,000 payable to Aeternum Holdings Ltd., a private British Columbia company controlled by Emma Fairhurst, a former director of the Issuer and holder of 11.70% interest in the Company.

On March 5, 2020, the Company acquired 1,000,000 units of Cleghorn Minerals Ltd. ("Cleghorn") by way of private placement at a price of $0.05 each for a total cost of $50,000. Each unit consists of one common share of Cleghorn and one share purchase warrant to acquire an additional share at a price of $0.10 for a period of three years. On April 8, 2020, the Company acquired 1,500,000 common shares of Cleghorn at a price of $0.06 per share and 750,000 share purchase warrants exercisable at price of $0.10 per share for a term of two years, for total consideration of $90,000, as proceeds from the sale of the Company's 100% interest in 142 mineral claims known as the Sprague Cleghorn Prospect and Odie Cleghorn Prospect, located in the Matachewan area of NE Ontario, to Cleghorn pursuant to a Mineral Claim Purchase Agreement dated March 7, 2020. Subsequent to the transactions, the Company owned and controlled 2,500,000 common shares of Cleghorn representing 8.80% of the then issued and outstanding common shares based on a total of 28,408,618 common shares outstanding as of April 8, 2020; or 4,250,000 common shares of Cleghorn representing 14.09% of the outstanding shares assuming exercise of the 1,750,000 warrants held by the Company.

COMMITMENTS

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

The Company is committed to payments pursuant to consulting, management and employee contracts.

The Company is committed to invest or organize the financing of up to $1,000,000 in the common shares of EcoMine Technologies Corporation, a private British Columbia company that produces bespoke bio-chemical reagents for recovery of metals in the mineral industry, over an eighteen month period pursuant to an agreement dated October 29, 2019 as amended January 28, 2020.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING 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.

FOURTH QUARTER

N/A

PROPOSED TRANSACTIONS

The Company is engaged in the search for potential joint venture partners, mineral property acquisitions and financings, but there are currently no proposed asset or business acquisitions or dispositions, other than as disclosed in this Report.

SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

RISKS AND UNCERTAINTIES

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has No History of Operations

The Company has no history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

Risk of Infectious Diseases

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, including the COVID-19 outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts, government or regulatory actions or inactions, changes in tax laws, payment deferrals, increased insurance premiums, declines in the price of precious metals, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergency measures in response to the threat or existence of an infectious disease. The full extent and impact of the COVID-19 pandemic is unknown and, to-date, has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including precious metals) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity. At this time, the Company cannot accurately predict what effects these conditions will have on mining operations or financial results, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. In addition, a significant outbreak of contagious diseases in the human population, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on commodity prices, demand for metals, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's common shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency, including COVID-19, could have a material adverse effect on the Company's business, financial condition and results of operations. As at the date hereof, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Company may be affected if a pandemic, such as the COVID-19 outbreak, persists for an extended period of time.

DISCLOSURE OF OUTSTANDING SHARE DATA

Equity Securities Issued and Outstanding

The Company had 34,177,334 shares issued and outstanding at May 12, 2020.

Share Purchase Options

The Company had 300,000 stock options outstanding at May 12, 2020.

Warrants

The Company had 11,385,900 share purchase warrants outstanding at May12, 2020.

Escrow Shares

The Company has 1,125,000 common shares held in escrow as at May 12, 2020.

BOARD OF DIRECTORS AND OFFICERS

On September 26, 2019, Michael Collins was appointed as Chairman, President and Chief Executive Officer of the Company, to replace Owen C. King who stepped down from that role. On October 18, 2019, Jason K. McLaughlin was appointed as a director. On March 10, 2020, Garry Stock was appointed as a director and Owen King resigned as a director. On April 20, 2020, Emma Fairhurst resigned as a director. The directors of the Company are John Michael William Collins (Chairman, President and Chief Executive Officer), Paul John, Jason K. McLaughlin and Garry Stock. The Chief Financial Officer is Sean Ty, Corporate Secretary is Sandra Wong, and Vice President of Business Development is Nicholas Rodway.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. That Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board. The Audit Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Audit Committee reports its finding to the Board for consideration when approving the financial statements for issuance to the shareholders, the engagement or reappointment of the external auditors.

CREST RESOURCES INC.

Michael Collins

Chairman, President and Chief Executive Officer