

CREST RESOURCES INC.

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

For the year ended May 31, 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 year ended May 31, 2020 and should be read in conjunction with the accompanying audited financial statements and notes thereto for the year ended May 31, 2020. This MD&A is based on information available as at September 28, 2020.

The accompanying audited financial statements for the year ended May 31, 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs"). 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 and exploration of mineral property assets in Canada, Australia and Peru, and the investment in mineral exploration and mining technology companies of merit with potential for favourable return on investment.

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

The Company's mineral property assets are as follows:

- Chala Copper property in Peru (73.5% owned);

- Red Metal Ridge property on Vancouver Island, British Columbia (51% owned and 49% under further option);
- Dog Bay property in Newfoundland and Labrador (70% owned);
- Gazeebow North property in Newfoundland and Labrador (90% owned);
- Howells River property in Newfoundland and Quebec (80% owned);
- Lunar Frog property in British Columbia (100% owned).

At the Company's Annual General and Special Meeting held November 25, 2019, the Company's shareholders approved a resolution authorizing the Company to expand its corporate objectives including to become an investment issuer.

The Company holds significant interests in the following companies:

- 1251797 B.C. Ltd. (66.67% owned) – a private company that holds 100% interest in the Atlin-Rufner property in British Columbia.
- AusVan Battery Metals Pty Ltd (60% owned) – a private Australian company that has entered into a Property Purchase and Sale Agreement to acquire 100% interest in the Arizona Queensland Vanadium Shale project.
- Carbon Foundry Corp. (50% owned) – a private company formed for the purpose of the developing, building and operating a facility to refine graphite and other similar carbon elements.
- Core Asset Management Corp. (40% owned) – a private company duly incorporated in the jurisdiction of the Cayman Islands.
- Crest Canada GP Inc. (100% owned) – a private company that serves as General Partner to Crest SPV I Limited Partnership, a Limited Partnership created for the purpose of making and holding investments with a view to earning a profit.
- Crest Project Development Corp. (100% owned) – a private company that provides project engineering and development consulting services.
- Challa Cobre y Oro S.R.L. (73.5% owned) – a private mineral interest holding company in Peru.
- Exploits Discovery Corp. (formerly Mariner Resources Corp.) (35.14% owned) – a junior resource company trading on the Canadian Securities Exchange.
- Rain City Resources Inc. (20.6% owned) – a junior resource company trading on the Canadian Securities Exchange.
- Volatus Capital Corp. (24.05% owned) – a junior resource company trading on the Canadian Securities Exchange.

MAJOR OPERATING MILESTONES

Details of the Company's mineral property acquisition, exploration and evaluation activities are presented here:

	British Columbia, Canada		Ontario, Canada	Newfoundland and Labrador, Canada			Chala, Peru	Australia	Total	
	Red Metal Ridge	Split Dome Copper	Lion's Den	Cleghorn	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Chala Copper	Arizona Project	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2019	15,000	-	-	-	-	-	-	-	-	15,000
Acquisition	29,500	218,100	47,311	7,140	120,103	180,103	38,675	91,958	518,488	1,251,378
Sale of property	-	(218,100)	-	(7,140)	-	-	-	-	-	(225,240)
Balance, May 31, 2020	44,500	-	47,311	-	120,103	180,103	38,675	91,958	518,488	1,041,138
Exploration expenditures										
Balance, May 31, 2019	96,269	-	-	-	-	-	-	-	-	96,269
Additions	4,000	-	-	-	4,046	4,045	-	38,199	-	50,290
Balance, May 31, 2020	100,269	-	-	-	4,046	4,045	-	38,199	-	146,559
Total acquisition costs and exploration expenditures										
May 31, 2019	111,269	-	-	-	-	-	-	-	-	111,269
May 31, 2020	144,769	-	47,311	-	124,149	184,148	38,675	130,157	518,488	1,187,697

a) Red Metal Ridge Property (Sayward, British Columbia)

Pursuant to an option agreement dated January 5, 2018, and as amended on October 30, 2019 and November 28, 2019 for a total fee of \$10,000, 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 to the Optionors, making cash payments totaling \$140,000, 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 ¹	5,000 ²	-
On or before October 19, 2019 (amended)	-	-	100,000 ³
On or before February 29, 2020 (amended)	300,000 ⁴	-	-
On or before April 27, 2020 (amended)	-	5,000	-
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	800,000	140,000	500,000

1. Issued on October 22, 2018 with a fair value of \$10,000.
2. Paid.
3. Incurred.
4. Issued on February 28, 2020 with a fair value of \$19,500.

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.

b) Split Dome Copper Property (Hazelton, British Columbia)

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.

Two of the vendors of Split Dome are directors of the Company. One director 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 another director 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 Capital Corp.

c) Lion’s Den Property (Toodoggone, British Columbia)

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 on February 28, 2020 with a fair value of \$19,500. An additional \$27,811 in acquisition costs was incurred on claims registration during the year ended May 31, 2020.

d) Chala Copper Property (Chala, Peru)

Pursuant to a staking syndicate agreement dated November 26, 2019, the Company has acquired ownership of a 68.5% interest in four mineral claims known as the Chala Copper Project located east of Chala, Peru for consideration of funding an exploration program with a value of USD \$50,000. The claims were acquired through a staking syndicate that includes the Company's President, CEO and director, who held 18% interest in the claims. The Company has expended \$21,958 in staking costs on the claims.

Pursuant to an agreement dated March 12, 2020, the Company agreed to acquire another 5% interest in the Chala Copper Project from the CEO of the Company, for consideration of 1,000,000 common shares of the Company issued on May 25, 2020 with a fair value of \$70,500. The Company currently holds a 73.5% interest in the Chala Project.

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.

The geology is dominated by a series of porphyritic monzodiorite 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.

e) Jonathan's Pond Property (Newfoundland and Labrador)

Pursuant to an agreement dated February 13, 2020, the Company's 58% 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 based on Exploits' most recent financing preceding the issuance) 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.

Subsequent to year end, the Company sold its interest in Exploits for consideration of 4,200,000 common shares of Origen Resources Inc., 5,000,000 common shares of Exploits Discovery Corp. (formerly Mariner Resources Corp.) and a \$350,000 note payable.

f) Mt. Peyton Property (Newfoundland and Labrador)

Pursuant to an agreement dated February 13, 2020, the Company's 58% 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 based on Exploits' most recent financing preceding the issuance) 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 a 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.

Subsequent to year end, the Company sold its interest in Exploits for consideration of 4,200,000 common shares of Origen Resources Inc., 5,000,000 common shares of Exploits Discovery Corp. (formerly Mariner Resources Corp.) and a \$350,000 note payable.

g) Cleghorn Property (Matachewan, Ontario)

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.

h) Arizona Project EPMs (Queensland, Australia)

On March 9, 2020, the Company entered into an assignment agreement with Aeternum Holdings Ltd. ("Aholdings"), a related party by reason of a common director. Aholdings was assigned a non-binding term sheet with Vecco Industrial Pty Ltd ("Vecco"), the owner of Arizona Queensland Vanadium Shale Project (the "Arizona Project") to acquire to Arizona Project. Pursuant to the assignment agreement, Aholdings assigns and transfers to the Company all of its right, title and interest in the term sheet and the Arizona Project to the Company for a consideration of \$450,000, which is included in accounts payable and accrued liabilities as at May 31, 2020. The Arizona Project is a resource stage Vanadium and High Purity Alumina ("HPA") deposit located in central Queensland, Australia.

On April 20, 2020, AusVan Battery Metals Pty Ltd ("AusVan"), the Company's Australian subsidiary, entered into a sales and purchase agreement with Vecco to acquire a 100% interest in the Arizona Project for the following consideration: (i) \$37,091 (AUD \$32,000, paid) as reimbursement for EMP rents (ii) \$50,000 cash within 45 days after the Completion Date (10 business days after the final condition precedent has been satisfied or waived, or such other date as agreed to in writing by the parties) (iii) \$100,000 cash by the earlier of the date AusVan is publicly listed on a Relevant Stock Exchange and October 20, 2020 (iv) \$350,000 within 10 business of completing certain millstone to be achieved within 18 months of the Completion Date; and (v) share consideration equal to 40% of AusVan's issued capital on a fully diluted basis. In addition AusVan must meet a minimum project expenditure of: (i) \$75,000 within 8 months of the Completion Date (incurred \$31,397) (ii) \$500,000 during the period commencing on the Completion Date and ending on the day that is 12 months after the Completion Date; and (iii) another \$500,000 during the following 12 months.

Covering 810 km², 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% V2 O5 *
- With an exploration target of 880 - 1,100 Mt at 0.45% V2 O5 within a range of 0.36-0.50% V2 O5
 - *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.

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.

i) Marketable Securities

During the year ended May 31, 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 and 2018	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	Balance, May 31, 2020
	\$	\$	\$	\$	\$	\$
Common shares – Level 1						
International Prospect Ventures	-	163,341	(34,191)	6,022	32,828	168,000
Troubadour Resources Inc.	-	101,910	(1,485)	(425)	(20,000)	80,000
Apex Resources Inc.	-	21,982	(19,800)	(2,182)	-	-
International Samuel Exploration Corp.	-	40,940	-	-	11,217	52,157
Tarku Resources Ltd.	-	40,520	(27,258)	(13,262)	-	-
Westminster Resources Ltd.	-	34,733	(24,285)	(10,448)	-	-
Rockridge Resources Ltd.	-	38,874	(32,341)	(6,533)	-	-
Scottie Resources Corp.	-	797,250	(906,397)	109,147	-	-
Prime Mining Corp.	-	60,455	(48,124)	(12,331)	-	-
Three D Capital Inc.	-	40,559	(34,485)	(6,074)	-	-

Peruvian Metals Corp.	-	35,470	(39,380)	3,910	-	-
Cleghorn Minerals Ltd. (a) (b)	-	91,679	-	-	83,321	175,000
Essex Minerals Inc.	-	100,000	-	-	150,000	250,000
	-	1,567,713	(1,167,746)	67,824	257,366	725,157
						-
Warrants – Level 2						
Cleghorn Minerals Ltd. (a) (b)	-	25,846	-	-	32,360	58,206
Volatus Capital Corp. (c)	-	93,443	-	-	(42,475)	50,968
	-	119,289	-	-	(10,115)	109,174
Total	-	1,687,002	(1,167,746)	67,824	247,251	834,331

j) Volatus Capital Corp.

As at May 31, 2020, the Company owned 4,666,667 common shares of Volatus representing 20.85% of the outstanding share capital. The investment is accounted for as an “investment in associates” and has a carrying value of \$535,597 compared to a fair value of \$653,333 as indicated by the trading price of \$0.14 per share on May 31, 2020.

As of the date of this report, the Company owned and controlled 9,215,667 common shares of Volatus representing 24.05% of the then issued and outstanding common shares of Volatus based on a total of 38,318,517 common shares outstanding as of September 28, 2020; or 9,715,667 Common Shares of the Issuer representing 25.03% of the outstanding shares assuming exercise of the 500,000 warrants held by the Company.

k) Exploits Discovery Corp.

As of the date of this report, the Company owned and controlled 13,602,500 common shares of Exploits Discovery Corp. representing 31.26% of the then issued and outstanding common shares of Exploits Discovery Corp. based on a total of 43,511,302 common shares outstanding as of September 28, 2020.

l) 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.

m) EcoMine Technologies Corporation

On October 29, 2019, as amended on January 28, 2020, the Company entered into an agreement (the “Agreement”) to invest or help place \$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. On August 21, 2020, the Company completed the acquisition of 1,000,000 common shares of EcoMine. The Company currently holds a 5% interest in EcoMine and a 6.2% interest with the inclusion of joint actors. The Company will now work together with EcoMine to achieve a public stock exchange listing for EcoMine by way of IPO, RTO, statutory amalgamation, M&A transaction or similar transaction.

n) Rain City Resources Inc.

On August 21, 2020, the Company completed the acquisition of 4,100,501 common shares of Rain City Resources Inc. ("RAIN", a junior mineral exploration company listed on the CSE) for total consideration of \$74,000. 3,000,000 of the shares are subject to an escrow agreement dated January 24, 2019 among Rain City, National Securities Administrators Ltd. and the Vendors (among other shareholders). The Company now owns and controls a total of 4,100,501 common shares of RAIN representing approximately 20.60% of the issued and outstanding common shares based on a total of 19,909,001 common shares outstanding as of August 21, 2020. The Company together with its joint actor, Volatus, owns and control 7,100,501 common shares of RAIN representing 35.66% of the issued and outstanding common shares; or 10,100,501 common shares of RAIN representing 44.09% of the outstanding shares assuming exercise of the 3,000,000 warrants held by Volatus. The Company is entitled to nominate one representative for election as a director of RAIN at each annual shareholder's meeting of RAIN, for so long as the Company holds at least 5% of the outstanding shares of RAIN.

SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's annual financial statements for each of the two most recently completed financial years. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	Year ended May 31, 2020	Period ended May 31, 2019
	\$	\$
Revenue	90,000	-
Net comprehensive loss	(334,012)	(193,453)
Loss per share, basic and diluted	(0.01)	(0.02)
Total assets	2,727,475	278,628
Total long-term liabilities	-	-
Cash dividend declared per share	-	-

Various factors contribute to the year to year variations in financial position and financial performance. The \$334,012 comprehensive loss for the year ended May 31, 2020 increased as a result of costs in connection with trading on the Canadian Securities Exchange. The Company's professional fees and transfer agent and filing fees increased as a result of the listing.

OPERATIONS

Year ended May 31, 2020

During the year ended May 31, 2020, the Company reported a net loss of \$334,012 compared to a net loss of \$193,453 for the year ended May 31, 2019. Included in the determination of operating loss was \$140,000 (2019 - \$32,000) for consulting fees, \$217,900 (2019 - \$nil) for management fees, \$46,616 (2019 - \$5,469) marketing fees, \$72,452 (2019 - \$87,755) for professional fees, \$59,344 (2019 - \$nil) for salaries, \$25,737 (2019 - \$8,701) for transfer agent and filing fees and \$3,922 for share based payments (a non-cash expense) for the granting of stock options.

EXPENSES	Year ended May 31, 2020	Year ended May 31, 2019
Bank charges	2,563	190
Business development	48,265	-
Consulting fees	140,000	32,000
Insurance	738	-
Interest expenses	13,412	-
Management fees	217,900	-
Marketing fees	46,616	5,469
Office	37,172	4,240
Professional fees	72,452	87,755
Rent	5,207	8,333

Salaries	59,344	7,828
Share-based payments	3,922	38,937
Transfer agent and filing fees	25,737	8,701
Travel	34,139	-
	(707,467)	(193,453)

Total operating expenses for the year ended May 31, 2020

Total operating expenses for the year ended May 31, 2020 were \$707,467 compared to \$193,453 in operating expenses recorded for the year ended May 31, 2019.

Business development expenses were \$48,265 (2019 - \$nil). These were tied to the Company is actively seeking new business opportunities and ramped up its business development activities during the fiscal year.

Consulting fees were paid to various strategic business development consultants, geological and project management consultants service fees.

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 \$217,000 for the year ended May 31, 2020 compared to expenses of \$nil recorded for the 2019.

Marketing fees were \$46,616 for the year ended May 31, 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.

Professional fees were \$72,452 for the year ended May 31, 2020 and relate to the Company’s accounting and legal fees. Accounting fees totaled \$9,500 during the year and legal fees totaled \$62,952. Legal fees incurred relate to the Company’s various agreements and general matters.

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

Share-based payments (a non-cash expense) were \$3,922 (2019 - \$38,937) which includes the estimated fair value of stock options granted to CFO.

Transfer agent and filing fees were \$25,737 for the year ended May 31, 2020 (2019 - \$8,707).

Summary of Quarterly Results

	Q4 May 31, 2020 \$	Q3 Feb 28, 2020 \$	Q2 Nov 30, 2019 \$	Q1 Aug 31, 2019 \$
Total revenue	88,500	88,500	69,000	-
Net gain (loss) (\$)	(59,059)	37,341	(293,478)	(18,816)
Per Share (\$)	(0.02)	0.00	(0.01)	(0.00)

	Q4 May 31, 2019 \$	Q3 Feb 28, 2019 \$	Q2 Nov 30, 2019 \$	Q1 Aug 31, 2019 \$
Total revenue	-	-	-	-
Net loss (\$)	50,522	21,512	30,520	80,650
Per Share (\$)	0.00	0.00	0.00	0.00

	Q4 May 31, 2018 \$	Q3 Feb 28, 2018 \$	Incorporatio n to Nov 30, 2018 \$
Total revenue	-	-	-
Net loss (\$)	50,428	14,776	-
Per Share (\$)	0.00	0.00	0.00

OTHER ITEMS	Year ended May 31, 2020	Year ended May 31, 2019
Gain on sale of mineral properties	205,727	-
Interest income	4,351	-
Loss on foreign exchange	(953)	-
Notes receivable write off	(76,633)	-
Realized gain on sale of marketable securities	67,824	-
Unrealized gain on marketable securities	247,251	-
Share of loss from equity-accounted investment	(164,112)	-
	283,455	-

Gains on sale of mineral properties was \$205,727 for the year ended May 31, 2020 compared to \$nil for the 2019 comparative period. The gains were realized from the sale of the Split Dome and Cleghorn properties.

Notes receivable write off from Westminster Resources Ltd.

Realized gains on sale of marketable securities were \$67,824 for the year ended May 31, 2020 compared to \$nil for the 2019 comparative year. The gains 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 \$247,251 for the year ended May 31, 2020 compared to \$nil for the 2019 comparative year. 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 May 31, 2020.

For the year ended May 31, 2020, the Company recognized a loss of \$164,112 (2019 - \$nil) from its share of loss from an equity-accounted investment. As at May 31, 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

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 \$276,117 during the year ended May 31, 2020 compared to \$119,352 cash used in operating activities for the 2019 comparative year. The increase in cash used in operating activities was mainly from increase in business activity during the year.

Total cash used in investing activities was \$1,232,302 during the year ended May 31, 2020 compared to \$nil cash used in investing activities for the 2019 comparative year. It consists of \$111,560 notes advances to Opawica Exploration Inc and Volatus Capital Corp., incurred \$252,668 on the acquisition of exploration and evaluation assets, spent \$399,4420 in associate company and 1,167,745 on the purchase of marketable securities for investment purposes and \$126,800 from share subscription advanced.

Total cash provided by financing activities was \$1,372,284 during the year ended May 31, 2020 and consists of \$1,242,625 in proceeds from private placement, \$200 proceeds from issuance of subsidiary shares, less \$10,541 in share issuance costs and

\$140,000 in loans payable. Cash provided by financing activities was \$213,833 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 May 31, 2020 was \$26,551 compared to \$162,686 at May 31, 2019 and its short-term investments was \$834,331 compared to \$nil at May 31, 2019. The Company had a working capital surplus of \$49,482 at May 31, 2020. Based on the above financial condition at May 31, 2020, Management believes that the Company has the financial resources to meet its financial obligations as they become payable in the current fiscal year.

The Company does not have any commitments for capital expenditures.

LOANS PAYABLE

Loans payable consists of two loans.

- a) 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 May 31, 2020, the principal balance owing on the loan was \$100,000 (2019- \$Nil). During the year ended May 31, 2020 interest of \$6,361 (2019- \$Nil) has accrued on the loan. Subsequent to year end, the loan was fully paid off.
- b) 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 contingent on the business repaying \$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%. As at May 31, 2020, the principal balance owing on the loan was \$40,000 (2019- \$Nil).

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 Compensation

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:

Year ended May 31, 2020	Year ended May 31, 2019
------------------------------------	------------------------------------

	\$	\$
Salaries and benefits (i)	59,344	7,828
Management fees (ii)	217,900	-
Marketing fees	5,000	-
Consulting fees	-	15,000
Share-based payments (iii)	3,922	38,937
	308,166	61,765

- (i) 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 year ended May 31, 2020, the Company incurred \$13,192 (2019 - \$5,000) in salary and benefits to the former CEO. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the former CEO of \$Nil (2019 - \$5,000).

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 year ended May 31, 2020, the Company incurred \$46,152 (2019 - \$2,828) in salary and benefits to the Corporate Secretary. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the Corporate Secretary of \$Nil (2019 - \$2,828).

- (ii) 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 year ended May 31, 2020, the Company incurred \$93,500 (2019 - \$5,000) in management fees to the new CEO. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the new CEO of \$50,163 (2019 - \$Nil), which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Officer and Consulting Agreement with a company controlled by a former director and COO 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 year ended May 31, 2020, the Company paid \$56,400 in management fees (2019- \$Nil) to the Consultant. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the Consultant of \$54,300 (2019 - \$Nil), which are due on demand, unsecured and non-interest bearing.

The Company has entered into a Consulting Agreement with a company controlled by the former CFO of the Company effective April 1, 2019. As compensation for the services provided, the company controlled by the former CFO will receive a monthly fee of \$2,500. During the year ended May 31, 2020, the Company incurred \$32,000 (2019 - \$5,000) in fees to the company controlled by the former CFO. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the company controlled by the former CFO of \$653 (2019 - \$5,280), which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Officer and Consulting Agreement with the Vice President, Business Development ("VP") of the Company effective January 16, 2020 for a term to end on May 15, 2020 and subsequently extended to continue on a monthly basis. 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 year ended May 31, 2020, the Company incurred \$36,000 (2019- \$Nil) in management fees to the VP. As at May 31, 2020, accounts payable and accrued liabilities include amounts due to the VP of \$24,675 (2019 - \$Nil), which are due on demand, unsecured and non-interest bearing.

- (iii) 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. During the year ended May 31, 2020, 150,000 of the options have been cancelled, and the Company incurred \$Nil (2019 - \$35,950) in share-based payments related to these options.

On April 5, 2019, the Company granted 100,000 stock options to the former CFO 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. During the year ended May 31, 2020, the Company incurred \$3,922 (2019 - \$2,987) in share-based payments related to these options.

Other Related Party Transactions

- (i) On November 15, 2019, the Company entered into a management, operations and marketing support agreement with Volatus Capital Corp. (“Volatus”) whereby the Company provides management, operations and marketing support for a fee of \$9,500 per month plus GST effective October 1, 2019 for a three year term. During the year May 31, 2020, the Company recorded management fee revenue of \$76,000 (2019- \$Nil) pursuant to the agreement. As at May 31, 2020, total accounts receivable from Volatus was \$2,850 (2019 - \$Nil).
- (ii) On May 15, 2020, Crest Project Development Corp, the Company’s subsidiary, entered into a project engineering and development consulting service agreement with Volatus whereby the Company provides project engineering and development service for a fee of \$12,500 per month plus GST effective May 1, 2020 for a three year term. During the year May 31, 2020, the Company recorded contractor fee revenue of \$12,500 (2019- \$Nil) pursuant to the agreement. As at May 31, 2020, total deferred revenue from Volatus was \$137,500 (2019 - \$Nil).
- (iii) On November 20, 2019, the Company entered into a Loan Agreement to borrow 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 May 31, 2020, the principal balance owing on the loan was \$100,000 (2019- \$Nil). During the year ended May 31, 2020 interest of \$6,361 (2019- \$Nil) has accrued on the loan. Subsequent to year end, the loan was fully paid off.
- (iv) The Company acquired 2,000,000 common shares of Volatus from a single arm’s length vendor at a price of \$0.04 per share for total consideration of \$80,000. On October 7, 2019, the Company acquired another 1,600,000 common shares of Volatus from two arm’s length vendors at a price of \$0.075 per share for total consideration of \$120,000. Immediately following the acquisition of the common shares, the Company owned a total of 3,600,000 common shares or approximately 25.9% of the Issued and outstanding shares of Volatus.
- (v) On October 1, 2019, the Company entered into loan agreements with Opawica Explorations Inc., 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.
- (vi) On September 16, 2019, the Company acquired \$473,748 in notes receivable from Westminster Resources Ltd. and assumed \$473,748 in corresponding liabilities payable to certain creditors including a director and a related party creditor by reason of a common director.

Pursuant to a loan agreement dated September 12, 2019, and as amended on November 28, 2019 and March 20, 2020, between the Company as lender and Westminster Resources Ltd. (“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 shall be secured by WMR’s interest in its Peruvian subsidiary as collateral. During the year ended May 31, 2020, the Company determined that WMR does not have assets or sources of income that could generate sufficient cash flows to repay the Loan. As a result, the note receivable from WMR was fully impaired.

- (vii) During the year ended May 31, 2020, the Company entered into various Option Agreements with related parties and sold its 100% interest in Split Dome to Volatus.

- (viii) During the year ended May 31, 2020, the Company issued common shares and Units to various related parties as described as follows:

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 certain management contracts as described under transactions with related parties above.

NEW ACCOUNTING STANDARDS

New accounting standards issued and effective

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.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. The Company has elected not to recognize right - of- use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term. As at the date of transition, management has assessed that all leases that were previously expensed over the lease term were considered to be either short-term leases or leases of low value assets. The adoption of the new IFRS pronouncement has therefore not resulted in adjustments in previously reported figures and there have been no changes to the opening deficit balance as at June 1, 2019.

Other new standards or amendments are either not applicable or not expected to have a significant impact on the Company’s consolidated financial statements.

Accounting standards and amendments issued but not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after June 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company’s consolidated financial statements.

SUBSEQUENT EVENTS

- a) On June 3, 2020, the Company purchased 500,000 common shares of Volatus at a price of \$0.15 per share for total cost of \$75,000, indirectly through its subsidiary Exploits Gold Corp.
- b) On June 4, 2020 the company entered into an agreement to sell its 100% interest in the Lion’s Den and Peak gold properties as well as its rights to acquire two additional mineral claims in the Toodoggone region of north-western British Columbia to Volatus for consideration of \$35,000 cash, 3,750,000 common shares of Volatus, and a 1.5% net smelter returns royalty of which Volatus may purchase 0.5% for \$1,000,000 at any time. The transaction was completed on June 5, 2020.
- c) On June 23, 2020, the company entered into a share purchase and sale agreement to acquire 4,100,000 common shares (the “Shares”) of Rain City Resources Inc. (“Rain City”, a junior mineral exploration company listed on the Canadian Securities Exchange (the “CSE”) at a price of \$0.018 per Share for total consideration of \$74,000. 3,000,000 of the Shares are subject to an escrow agreement dated January 24, 2019 between Rain City, National Securities Administrators Ltd. and the vendors (among other shareholders). The transaction was closed on August 21, 2020. Upon closing, the Company owns and controls a total of 4,100,000 common shares of Rain City representing approximately 20.59% of the issued and outstanding common shares.
- d) On June 5, 2020, the Company entered into a loan agreement to borrow \$150,000 from Volatus for the purpose of staking mineral claims in the province of Newfoundland and Labrador and other corporate purposes. The loan bears interest at 2% per month, is payable on demand after four months and is secured by the mineral claims to be staked. On August 18, 2020, the Company entered into another loan agreement with Volatus to borrow \$50,000 from Volatus for the purpose of staking mineral claims in Newfoundland and Quebec. The loan bears interest at 2% per month, is payable on demand after January 18, 2021 and as further consideration for extending the loan, Volatus will receive a 5% ownership interest in the property to be staked.
- e) On June 12, 2020, the Company entered into a share purchase agreement to acquire 40% interest in Core Asset Management Corp. (“Core”), a private company duly incorporated in the jurisdiction of the Cayman Islands. On July 16, 2020, the Company entered into a loan agreement to lend up to USD \$32,000 to Core to fund administrative costs. The principal amount of the loan plus interest accrued at a rate of 5.0% per annum shall be payable on demand on or after July 15, 2021. On July 16, 2020, the Company advanced USD \$12,544 to Core under this loan agreement.

- f) The Company participated in a non-brokered private placement of Opawica Explorations Inc. that closed on June 15, 2020. The Company has acquired 1,000,000 common shares of Opawica Explorations Inc. at a price of \$0.05 per share for total cost of \$50,000. The acquisition was made for investment purposes.
- g) The Company participated in a non-brokered private placement of Essex Minerals Inc. closed on June 25, 2020. The Company acquired 240,000 common shares of Essex Minerals Inc. at a price of \$0.225 per share for total cost of \$60,000. The acquisition was made for investment purposes.
- h) Only July 6, 2020, the Exploits Gold Corp., the Company's subsidiary, adopted a stock option plan so as to provide for the issuance, from time to time, of options to acquire common shares of the Company equal to 10% of the then issued and outstanding shares of the Company.
- i) On July 7, 2020, Exploits Gold Corp completed a non-brokered private placement to raise gross proceeds of \$376,850 through the issuance of 2,098,002 common shares priced at \$0.15 per share and 310,750 flow-through common shares priced at \$0.20 per share. The proceeds from the flow-through portion of the financing will be used on field work and reporting on Exploits' 100% owned Jonathan's Pond and Mt. Peyton gold properties located in Newfoundland and Labrador and the proceeds from the non flow-through portion will be used for exploration work, project acquisition and general working capital.
- j) 1251797 B.C. Ltd. ("1251797"), the Company's subsidiary, entered into an Asset Purchase Agreement with an arm's length party to acquire a 100% interest in 28 mineral claims known as the Atlin-Rufner project located in the Atlin Mining Division and Prince Rupert Land Title District in British Columbia for consideration of 3,000,000 common shares of 1251797 at a deemed price of \$0.02 per share for total consideration of \$60,000.
- k) The Company staked eight mineral licenses known as the Middle Ridge and True Grit property located in the Exploits Subzone of Central Newfoundland. The Company acquired an additional mineral license, subject to a 2% net smelter returns royalty of which the Company may purchase 1% for \$1,000,000 at any time, comprising 18 claims from arm's length vendors for consideration of \$20,000 payable over a six month period and 150,000 common shares of a public company into which the mineral license may be vended in the future, although there is currently no proposed transaction to do so. The ownership interest in the Middle Ridge and True Grit property is held 85% by the Company, 10% by the Vice President of Business Development who was engaged to stake the claims, and 5% by Volatus, as consideration for extending certain loans to the Company to complete the staking. The Company has further staked four mineral licenses known as the Dog Bay property located in the Exploits Subzone of Central Newfoundland. The ownership interest in the Dog Bay property is held 70% by the Company and 30% by three individuals engaged to stake the claims, including the Company's Vice President of Business Development who retains a 12.5% interest in the property.

On July 9, 2020, the Company and its co-vendors (together, the "Vendors") entered into an agreement (the "Agreement") with Mariner Resources Corp. ("Mariner") to sell Mariner a 100% undivided interest, subject to retained royalty, in the Middle Ridge South gold property (the "Property") for consideration of \$240,000 cash and 1,800,000 common shares of Mariner. The shares are subject to a hold period expiring November 22, 2020. The Vendors will retain a 2.0% net smelter returns royalty on the Property of which Mariner can purchase 1.0% for \$1,000,000 at any time. The transaction was completed on July 22, 2020.

On July 31, 2020, the Vendors entered into another agreement with Mariner to sell Mariner a 100% undivided interest, subject to retained royalty, in the True Grit and Middle Ridge North gold properties (the "Properties") for consideration of 7,000,000 common shares of Mariner. The shares are subject to a hold period expiring December 5, 2020. The Vendors will retain a 2.0% net smelter returns royalty on the Property of which Mariner can purchase 1.0% for \$1,000,000 at any time. The transaction was completed on August 5, 2020.

- l) On July 13, 2020, the Company entered into an agreement to acquire a 100% interest, subject to a 1% net smelter returns royalty, in the Lunar Frog gold property (the "Property") for consideration of 1,000,000 common shares of the Company. The Property consists of six mineral claims comprising 10,211 hectares well within the Stikine Terrane and is located north of the Kerness-Toodoggone porphyry gold copper/epithermal gold district of British Columbia. The transaction was closed on July 16, 2020.
- m) The Company participated in a non-brokered private placement of Mariner that closed on July 27, 2020. The Company acquired 1,250,000 common shares of Mariner at a price of \$0.12 per share for total cost of \$150,000. The acquisition was made for investment purposes.

- n) The Company closed a non-brokered private placement to raise gross proceeds of \$689,500 through the sale of 6,895,000 common shares priced at \$0.10 per common share. All securities issued are subject to a four month hold period expiring November 29, 2020. Finder's fees of 6% cash (\$15,000) was paid to registered representatives on \$250,000 of the offering.
- o) On August 4, 2020, the Company entered into an agreement to acquire a 36% interest in OCP Holdings Ltd. (formerly Ore Capital Partners Ltd.) ("OCP"), a private investment company from a consortium of related parties for consideration of 18,647,122 common shares of the Company.
- p) On September 8, 2020, the Company completed the sale of 3,000,000 common shares of its investment in Exploits Gold Corp. to Origen Resources Inc. ("Origen") for 4,200,000 common shares of Origen. The Company also completed the sale of 1,000,000 common shares of Exploits to a private company of which the CEO of the Company is a director for consideration of a note payable of \$350,000 due on demand.
- q) Pursuant to a share exchange agreement dated September 1, 2020, the company exchanged its shares in Exploits Gold Corp for 5,000,000 common shares of Mariner on a one-for-one basis. The transaction was completed on September 18, 2020.

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 disclosed in this Report, the Company does not have any proposed transactions.

SIGNIFICANT CHANGES FROM PREVIOUS DISCLOSURE

N/A

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at September 28, 2020, the Company has 43,648,314 common shares issued and outstanding (May 31, 2020 – 35,177,344).

As at September 28, 2020, the Company has 10,025,000 common share purchase warrants exercisable at \$0.075 per share until July 25, 2024 (May 31, 2020 – 10,400,000); 600,000 common share purchase warrants exercisable at \$0.075 per share until July 31, 2024 (May 31, 2020 – 600,000) and 184,920 agent broker warrants exercisable at \$0.10 per share until October 22, 2020 (May 31, 2020 – 385,900).

As at September 28, 2020, the Company has 200,000 stock options exercisable at \$0.10 per share until July 13, 2023 (May 31, 2020 – 200,000); 100,000 stock options exercisable at \$0.12 per share until April 5, 2023 (May 31, 2020 – 100,000) and 2,975,000 stock options exercisable at \$0.065 until June 1, 2025 (May 31, 2020 – nil).

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.

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. On May 22, 2020, Bryce A. Clark was appointed as the Chief Financial Officer to replace Sean Ty who stepped down from that role. On July 13, 2020, Paul John resigned as a director. On August 5, 2020, Jonas Lauren Norr was appointed as a director.

The directors of the Company are John Michael William Collins (Chairman, President and Chief Executive Officer), Jason K. McLaughlin, Garry Stock and Jonas Lauren Norr. The Chief Financial Officer is Bryce A. Clark, the 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 and two of its members are independent directors. 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