CREST RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED AUGUST 31, 2020 AND 2019

Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

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

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

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

		August 31, 2020	May 31, 2020 (Audited)
ASSETS			
CURRENT			
		$	$
Cash		**110,290**	26,551
Restricted cash		**5,025**	5,000
Accounts receivable		**329,400**	2,874
Marketable securities (Note 4)		**6,053,979**	834,331
Prepaid expenses and advance (Note 5)		**4,000**	130,009
GST recoverable		**11,642**	12,966
Notes receivable (Note 6)		**85,328**	22,739
		6,599,664	1,034,470
Investment in associate (Note 8)		**874,126**	505,308
Exploration and evaluation assets (Note 9)		**1,777,457**	1,187,697
	$	**9,251,247**	$ 2,727,475
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	**$**	**806,456**	694,422
Deferred revenue		**150,000**	137,500
Notes payable		**8,685**	6,705
Loans payable (Note 10)		**199,700**	146,361
		1,164,841	984,988
SHAREHOLDERS' EQUITY			
Share capital (Note 11)		**2,752,765**	1,955,042
Reserves		**333,226**	234,407
Retained earnings (deficit)		**4,434,259**	(558,730)
Total equity attributable to shareholders of the company		**7,520,250**	1,630,719
Non-controlling interest		**566,156**	111,768
Total equity		**8,086,406**	1,742,487
	$	**9,251,247**	$ 2,727,475

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

Approved and authorized for issue on behalf of the Board on October 30, 2020

"Michael Collins" Director *"Garry Stock"* Director

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

CREST RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended August 31, 2020	Three months ended August 31, 2019
REVENUE		
Management fees	$ 322,000	$ -
EXPENSES		
Bank charges	921	394
Business development	-	2,500
Consulting fees	86,347	20,000
Interest expenses	5,773	-
Management fees (Note 12)	119,222	-
Marketing fees (Note 12)	3,804	1,967
Office	37,901	202
Professional fees	33,528	5,941
Rent	17,500	-
Salaries (Note 12)	9,626	23,005
Share-based payments (Note 11)	98,819	981
Transfer agent and filing fees	16,430	8,155
Travel	41	-
	(429,912)	(63,145)
LOSS BEFORE OTHER ITEMS	(107,912)	(63,145)
OTHER ITEMS		
Interest income	2,184	79
Recovery of expenses	105,000	-
Realized gain on sale of marketable securities (Note 4)	2,007,320	-
Unrealized gain on marketable securities (Note 4)	3,063,935	44,250
	5,178,439	44,329
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ 5,070,527	$ (18,816)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTED TO		
Shareholders of the Company	$ 4,992,989	$ (18,816)
Non-controlling interest	77,538	-
	$ 5,070,527	$ (18,816)
PROFIT (LOSS) PER COMMON SHARE (basic and diluted)	$ 0.15	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	34,409,940	15,879,381

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

CREST RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED AUGUST 31, 2020 AND 2019
(Expressed in Canadian dollars)
(Unaudited)

	Common Shares					
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Non-controlling Interests**	**Total Equity**
		$	$	$	$	$
Balance, May 31, 2019	12,809,001	406,458	93,313	(258,478)	-	241,293
Shares issued for cash	13,200,000	825,000	-	-	-	825,000
Share issuance costs	-	(7,935)	-	-	-	(7,935)
Share-based payments	-	-	981	-	-	981
Net loss for the period	-	-	-	(18,816)	-	(18,816)
Balance, August 31, 2019	26,009,001	1,223,523	94,294	(277,294)	-	1,040,523
Balance, August 31, 2019	26,009,001	1.223.523	94,294	(277,294)	-	1,040,523
Shares issued for cash	5,568,333	417,625	-	-	-	417,625
Shares issued to acquire properties	3,600,000	316,500	-	-	-	316,500
Share issuance costs	-	(2,606)	-	-	-	(2,606)
Subsidiary shares issued to acquire properties	-	-	162,082	-	120,418	282,500
Subsidiary shares issued for cash	-	-	90	-	10	100
Share-based payments	-	-	2,941	-	-	2,941
Acquisition of non-controlling interests	-	-	(25,000)	-	25,100	100
Net loss for the period	-	-	-	(281,436)	(33,760)	(315,196)
Balance, May 31, 2020	35,177,334	1,955,042	234,407	(558,730)	111,768	1,742,487
Balance, May 31, 2020	35,177,334	1,955,042	234,407	(558,730)	111,768	1,742,487
Shares issued for cash	6,895,000	579,500	-	-	376,850	956,350
Shares issued to acquire properties	1,000,000	100,000	-	-	-	100,000
Warrant exercises	375,000	41,004	-	-	-	41,004
Option exercises	200,980	77,219	-	-	-	77,219
Share-based payments	-	-	98,819	-	-	98,819
Net income (loss) for the period	-	-	-	4,992,989	77,538	5,070,527
Balance, August 31, 2020	43,648,314	2,752,765	333,226	4,434,259	566,156	8,086,406

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

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

	Three months ended August 31, 2020	2019
OPERATING ACTIVITIES		
Net income (loss) for the period	$ 5,070,527	$ (18,816)
Item not involving cash:		
Share-based payments	98,819	981
Realized gain on sale of marketable securities	(2,007,320)	-
Unrealized gain on marketable securities	(3,063,935)	(44,250)
Changes in non-cash working capital balances:		
Accounts receivable	(326,526)	1,384
Prepaid expenses and advance	126,009	(37,140)
GST recovery	1,323	-
Deferred revenue	12,500	-
Accounts payable and accrued liabilities	115,191	43,270
Restricted cash	(25)	-
Cash provided by (used in) operating activities	26,563	(54,571)
INVESTING ACTIVITIES		
Purchase of term deposit	-	(5,000)
Notes receivable	(60,426)	-
Exploration and evaluation assets	(489,760)	(797,250)
Purchase of marketable securities	(148,393)	-
Investment in associates	(368,818)	-
Cash used in investing activities	(1,067,397)	(802,250)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,074,573	825,000
Share issuance costs	-	(7,935)
Demand loans received	300,000	-
Demand loans repaid	(250,000)	-
Cash provided by financing activities	1,124,573	817,065
INCREASE (DECREASE) IN CASH	83,739	(39,756)
CASH, BEGINNING OF PERIOD	26,551	162,686
CASH, END OF PERIOD	$ 110,290	$ 122,930

SUPPLEMENT CASH FLOW INFORMATION (Note 16)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

The Company's principal business activities include the acquisition and exploration of mineral property assets in Canada, Australia and Peru and the investment in mineral exploration and mining technology companies. As at August 31, 2020, the Company had not yet determined whether the Company's mineral property assets contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company has incurred net income of $5,070,257 for the three months ended August 31, 2020, and, as of August 31, 2020, the Company had retained earnings of $4,434,259. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company's ability to raise new capital. These factors indicate a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements for the three month period ended August 31, 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2020 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2020 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2020. Note 2d) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed interim financial statements were authorized for issue by the Board of Directors on October 28, 2020.

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

(Expressed in Canadian dollars) (Unaudited)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, income and expenses are eliminated on consolidation. The following is a list of the Company's operating subsidiaries:

Name of Entity	Jurisdiction of incorporation	Ownership interest as at August 31, 2020
Crest GP Canada Inc.	British Columbia, Canada	100%
Crest Project Development Corp.	British Columbia, Canada	100%
Crest SPV Limited Partnership	British Columbia, Canada	100%
Exploits Gold Corp.	British Columbia, Canada	47%
1251797 B.C. Ltd	British Columbia, Canada	100%
AusVan Battery Metals Pty Ltd	Australia	100%
Carbon Foundry Corp.	British Columbia, Canada	50%
Challa Cobre y Oro S.R.L.	Peru	73.5%

b) Investments in associate

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distributions of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

c) Foreign currency

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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

d) New Accounting Standards, Interpretations and Amendments to Existing Standards

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 condensed consolidated interim financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2020 annual financial statements.

4. MARKETABLE SECURITIES

The Company holds common shares and warrants in various public companies. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price as at August 31, 2020 and are therefore classified as Level 1 within the fair value hierarchy.

The warrants are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as Level 2 within the fair value hierarchy.

(Expressed in Canadian dollars) (Unaudited)

4. MARKETABLE SECURITIES (continued)

Continuity for the periods ended August 31, 2019:

	Balance, May 31, 2019	Additions	Disposals	Realized gain (loss) on disposals	Cost Balance, August 31, 2019	Unrealized gain (loss) on changes in fair value	FMV Balance, August 31, 2019
Common shares – Level 1	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Scottie Resources Corp	-	797,250	-	-	797,250	44,250	841,500
Total	-	797,250	-	-	797,250	44,250	841,500

Continuity for the periods ended August 31, 2020:

	Balance, May 31, 2020	Additions	Disposals	Realized gain (loss) on disposals	Cost Balance, August 31, 2020	Unrealized gain (loss) on changes in fair value	FMV Balance, August 31, 2020
Common shares – Level 1	**$**	**$**	**$**	**$**	**$**	**$**	**$**
International Prospect Ventures	168,000	-	(237,550)	77,550	8,000	(8,000)	-
Troubadour Resources Inc	80,000	-	(69,285)	(10,715)	-	-	-
International Samuel Exploration Corp	52,157	-	(41,525)	(10,632)	-	-	-
Cleghorn Minerals Ltd. (a) (b)	175,000	-	-	-	175,000	(75,000)	100,000
Essex Minerals Inc	250,000	121,877	-	-	371,877	903,873	1,275,750
Freeform Cap Partners Inc	-	1,000	(757)	257	500	1,800	2,300
Opawica Explorations Inc	-	60,000	-	-	60,000	170,000	230,000
Ecomine Technology Inc	-	238,550	-	-	238,550	-	238,550
Mariner Resources Corp	-	1,960,819	-	-	1,960,819	1,652,231	3,613,050
Rain City Resources Inc	-	66,084	-	-	66,084	302,916	369,000
Core Asset Management Corp	-	40	-	-	40	-	40
Spey Resources Corp	-	75,925	(84,398)	8,473	-	-	-
	725,157	2,524,295	(433,515)	64,933	2,880,870	2,947,820	5,888,690
							-
Warrants – Level 2							
Cleghorn Minerals Ltd. (a) (b)	58,206	-	-	-	58,206	17,463	75,669
Volatus Capital Corp. (c)	50,968	-	-	-	50,968	98,652	149,620
	109,174	-	-	-	109,174	116,115	225,289
Total	834,331	2,524,295	(433,515)	64,933	2,990,044	3,063,935	6,053,979

(Expressed in Canadian dollars) (Unaudited)

4. MARKETABLE SECURITIES (continued)

Fair market value for the periods ended August 31, 2020 and 2019 is as follows:

	Fair Market Value August 31, 2020	Fair Market Value May 31, 2020	Fair Market Value August 31, 2019
Common shares – Level 1	**$**	**$**	**$**
Scottie Resources Corp.	-	-	841,500
International Prospect Ventures	-	168,000	-
Troubadour Resources Inc	-	80,000	-
International Samuel Exploration Corp	-	52,157	-
Cleghorn Minerals Ltd. (a) (b)	100,000	175,000	-
Essex Minerals Inc	1,275,750	250,000	-
Freeform Cap Partners Inc	2,300	-	-
Opawica Explorations Inc	230,000	-	-
Ecomine Technology Inc	238,550	-	-
Mariner Resources Corp	3,613,050	-	-
Rain City Resources Inc	369,000	-	-
Core Asset Management Corp	40	-	-
	5,828,690	725,157	841,500
Warrants – Level 2			
Cleghorn Minerals Ltd. (a) (b)	75,669	58,206	-
Volatus Capital Corp. (c)	149,620	50,968	-
	225,289	109,174	-
Total	6,053,979	834,331	841,500

(a) The Company purchased 1,000,000 units of Cleghorn Minerals Ltd. (“Cleghorn”) at a price of $0.05 per unit for an aggregate price of $50,000. Each unit consists of one common share of Cleghorn and one non-transferable share purchase warrant exercisable at $0.10 per share for a period of 36 months. The fair value of the warrants was determined using the Black – Scholes option pricing model based on the following assumptions:

(Expressed in Canadian dollars) (Unaudited)

4. MARKETABLE SECURITIES (continued)

	Initial Measurement	August 31, 2020
Share price	$0.06	$0.10
Risk free interest rate	1.25%	0.29%
Expected life	3 years	2.49 years
Expected volatility	110.43%	95.92%
Expected dividend	Nil	Nil

(b) On March 7, 2020, the Company entered into a mineral claim purchase agreement with Cleghorn to sell a 100% undivided interest in the Cleghorn Property (Note 9) in consideration of 1,500,000 units. Each unit comprises one common share and one-half of common share purchase warrant of Cleghorn. Each common share purchase warrant entitles the holder to acquire one common share of Cleghorn at a price of $0.10 per common share for a period of 24 months. The fair value of the common shares was evaluated at $60,000. The fair value of the warrants was evaluated at $7,524 using the Black – Scholes option pricing model based on the following assumptions:

Share price	$0.04
Risk free interest rate	0.44%
Expected life	2 years
Expected volatility	90.16%
Expected dividend	Nil

This transaction was completed on April 8, 2020 and a gain on sale of mineral properties of $60,384 was recorded.

As at August 31, 2020, the fair value of the warrants was evaluated at $42,651 using the Black – Scholes option pricing model based on the following assumptions:

Share price	$0.07
Risk free interest rate	0.25%
Expected life	1.60 years
Expected volatility	105.46%
Expected dividend	Nil

(c) Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split Dome copper property (Note 9) to Volatus Capital Corp. (“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 fair value of the common shares was evaluated at $270,000. The fair value of the warrants was evaluated at $93,443 using the Black – Scholes option pricing model based on the following assumptions:

Share price	$0.09
Risk free interest rate	1.44%
Expected life	3 years
Expected volatility	120%
Expected dividend	Nil

(Expressed in Canadian dollars) (Unaudited)

4. MARKETABLE SECURITIES (continued)

This transaction was completed on February 5, 2020 and a gain on sale of mineral properties of $145,343 was recorded.

As at August 31, 2020, the fair value of the warrants was evaluated at $149,620 using the Black – Scholes option pricing model based on the following assumptions:

Share price	$0.14
Risk free interest rate	1.44%
Expected life	2.43 years
Expected volatility	120%
Expected dividend	Nil

5. PREPAID EXPENSES AND ADVANCE

	August 31, 2020	August 31, 2019	May 31, 2020
	$	$	$
Investment subscription (a)	-	-	126,800
Others	4,000	37,140	3,209
	4,000	37,140	130,009

(a) On October 29, 2019, the Company entered into an investment agreement with EcoMine Technologies Corporation ("EcoMine") to acquire or help place an aggregate 4,000,000 common shares at a price of $0.25 per share for a total investment of $1,000,000. The shares will be acquired or placed by way of private placement in four tranches. As at May 31, 2020, the Company advanced $126,800 to EcoMine for common shares subscriptions.

During the period ended August 31, 2020, the Company completed the acquisition of 1,000,000 common shares and helped place an additional 1,000,000 common shares.

6. NOTES RECEIVABLE

	Core Asset Management Corp.	Westminster Resources Ltd.	Opawica Explorations Inc.	Total
	$	$	$	$
Balance, August 31, 2019	-	-	-	-
Addition	24,924	109,000	38,060	171,984
Accrued interest	-	4,829	1,583	6,412
Repayment	-	-	(16,435)	(16,435)
Impairment	-	(76,633)	-	(76,633)
Balance, August 31, 2020	24,924	37,196	23,208	85,328

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 $75,000 note receivable and interest $1,633 from WMR was impaired.

6. NOTES RECEIVABLE (continued)

Pursuant to a loan agreement dated October 1, 2019, and 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.

7. ASSIGNMENT OF DEBT

On September 16, 2019, pursuant to a Debt Assignment Agreement with WMR, the Company assumed $473,748 in liabilities payable to certain creditors and in consideration for the assumption the Company issued a note receivable of the same amount. One of the creditors is a director of the Company who is owed $123,000 and he is also a director of another creditor who is owed $196,748. The Company issued promissory notes to evidence the assignment of liabilities, 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 which is payable to each creditor on or around December 25 of each year the liability is outstanding.

During the period, by a letter agreement dated August 11, 2020 (the "Termination Letter"), the parties agreed to terminate the Debt Assignment Agreement. Pursuant to the Termination Letter, the Company is released from all obligations in respect of the promissory notes and the creditors will look to WMR for repayment of the promissory notes. The Company has agreed to pay the annual interest of 2% on the promissory notes for 11 months. As a result of the Termination Letter, the Company offset the liabilities payable against the note receivable.

As at August 31, 2020, the accrued interest owing on the assignment of debt was $8,685 (2019 - $Nil), which was included in accounts payable and accrued liabilities in the condensed consolidated interim statements of financial position.

8. INVESTMENT IN ASSOCIATE

Volatus Capital Corp.

On September 25, 2019, 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.

On January 30, 2020 the Company obtained regulatory approval for the purchase of 900,000 common shares of Volatus held in escrow at a price of $0.01 per common share for total consideration of $9,000.

On February 5, 2020, the Company sold its 100% interest in Split Dome copper property (Note 9) to Volatus for consideration of 3,000,000 common shares of Volatus and 1,500,000 common share purchase warrants as described in Note 4 (c). On February 5, 2020, the Company acquired a further 500,000 common shares of Volatus through open market transactions at a price of $0.08 per share for a total cost of $40,420. Immediately following the acquisition of the shares, the Company owned and controlled a total of 8,000,000 common shares or approximately 47.3% of the issued and outstanding shares of Volatus.

Effective April 22, 2020, Volatus consolidated its common shares on a three old for one new basis.

(Expressed in Canadian dollars) (Unaudited)

8. INVESTMENT IN ASSOCIATE (continued)

On May 20, 2020, the Company participated in a non-brokered private placement indirectly through its wholly-owned subsidiary, Crest Project Development Corp., and purchased 2,000,000 common shares of Volatus at a price of $0.075 per share for total cost of $150,000. As at August 31, 2020, the Company beneficially owns and controls, directly and indirectly, 20.84% of the issued and outstanding voting securities of Volatus.

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.

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.

Volatus is a mineral resource company focused on the exploration and development of mineral property assets. Management has determined that the Company has significant influence over Volatus and accordingly is using the equity method to account for this investment.

The following table summarizes the change in investment in associate for the period ended August 31, 2020:

	$
Balance, August 31, 2019	-
Consideration paid	733,808
Sale of Split Dome copper property	270,000
Equity loss on investment	(129,682)
Balance, August 31, 2020	**874,126**

(Expressed in Canadian dollars) (Unaudited)

9. EXPLORATION AND EVALUATION ASSETS

	Newfoundland and Labrador, Canada								
	Chapel Island	True Grit / Middle Ridge	Gazeebow North	Dog Bay	Enterprise	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Howell River
	$	$	$	$	$	$	$	$	$
Acquisition costs									
Balance, August 31, 2019	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	120,103	180,103	38,675	-
Sale of property	-	-	-	-	-	-	-	-	-
Balance, May 31, 2020	-	-	-	-	-	120,103	180,103	38,675	-
Acquisition	11,245	60,150	33,280	52,225	19,890	30,000	231,602	6,000	52,000
Sale of property	-	(60,150)	-	-	-	-	-	-	-
Balance, August 31, 2020	11,245	-	33,280	52,225	19,890	150,103	411,705	44,675	52,000
Exploration expenditures									
Balance, August 31, 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	4,045	4,045	-	-
Balance, May 31, 2020	-	-	-	-	-	4,045	4,045	-	-
Balance, August 31, 2020	-	-	-	-	-	4,045	4,045	-	-
Total acquisition costs and exploration expenditures									
August 31, 2019	-	-	-	-	-	-	-	-	-
August 31, 2020	11,245	-	33,280	52,225	19,890	154,148	415,750	44,675	52,000

(Expressed in Canadian dollars) (Unaudited)

9. EXPLORATION AND EVALUATION ASSETS (continued)

	British Columbia, Canada				Ontario, Canada	Chala. Peru	Australia	Total
	Red Metal Ridge	**Lion's Den**	**Split Dome Copper**	**Lunar Frog**	**Cleghorn**	**Chala Copper**	**Arizona Project**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Acquisition costs								
Balance, August 31, 2019	15,000	-	-	-	-	-	-	15,000
Acquisition	29,500	47,311	218,100	-	7,140	91,958	518,488	1,251,378
Sale of property	-	-	(218,100)	-	(7,140)	-	-	(225,240)
Balance, May 31, 2020	44,500	47,311	-	-	-	91,958	518,488	1,041,138
Acquisition	10,000	-	-	100,000	-	16,896	-	623,288
Sale of property	-	(47,311)	-		-	-	-	(107,461)
Balance, August 31, 2020	54,500	-	-	100,000	-	108,854	518,488	1,556,965
Exploration expenditures								
Balance, August 31, 2019	96,269	-	-	-	-	-	-	96,269
Additions	4,000	-	-	-	-	38,199	73,934	124,223
Balance, May 31, 2020	100,269	-	-	-	-	38,199	73,934	220,492
Balance, August 31, 2020	100,269	-	-	-	-	38,199	73,934	220,492
Total acquisition costs and exploration expenditures								
August 31, 2019	15,000	-	-	-	-	-	-	15,000
August 31, 2020	154,769	-	-	100,000	-	147,053	592,422	1,777,457

(Expressed in Canadian dollars) (Unaudited)

9. EXPLORATION AND EVALUATION ASSETS (continued)

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

Pursuant to an option agreement (the "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	-	-	100,000[3]
On or before February 29, 2020	300,000[4]	-	-
On or before April 27, 2020	-	5,000[5]	-
On or before October 19, 2020	100,000	30,000	100,000
On or before October 19, 2021	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 (Note 11 (c)).
5. Paid during the period end.

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) Lunar Frog Gold Property (Toodoggone, British Columbia)

Pursuant to an agreement dated July 13, 2020, the Company agreed 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 (issued on July 16, 2020 with a fair value of $100,000). The Property consists of six mineral claims located approximately 170 kilometres east-southeast of Dease Lake, British Columbia.

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) (Note 11 (c)). An additional $27,811 in acquisition costs was incurred on claims registration at the period ended August 31, 2020.

9. EXPLORATION AND EVALUATION ASSETS (continued)

c) Lion's Den Property (Toodoggone, British Columbia) (continued)

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.

d) Chala Copper Property (Chala, Peru)

Pursuant to a staking syndicate agreement dated November 26, 2019, the Company 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 acquired an additional 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) (Note 11 (c)). The Company's total interest in the property is 73.5%.

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

Pursuant to an agreement dated February 13, 2020, the Company's 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 (paid) 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.

f) Mt. Peyton Property (Newfoundland and Labrador)

Pursuant to an agreement dated February 13, 2020, the Company's 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 (paid) 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.

g) Mt. Peyton Extension Property (Newfoundland and Labrador)

Pursuant to an agreement dated May 11, 2020, the Company's subsidiary, Exploits, agreed to acquire a 100% interest in Mt. Peyton Extension Property (the "MPE Property") for the following consideration: (i) $6,175 cash (paid) and 650,000 common shares of Exploits (issued May 11, 2020 with a fair value of $32,500) upon signing the agreement; and (ii) $6,000 cash (paid) on or before June 11, 2020. The MPE Property is subject to a 2% net smelter returns royalty of which Exploits may repurchase 1% of the NSR for $1,000,000 at any time.

9. EXPLORATION AND EVALUATION ASSETS (continued)

h) True Grit and Middle Ridge (Newfoundland and Labrador)

Pursuant to a staking agreement dated June 16, 2020, the Company engaged the Vice President of Business Development of the Company to stake mineral claims (the "Property") in Newfoundland and Labrador by which ownership is held 85% by the Company, 10% by the Vice President and 5% by Volatus as a fee for extending a loan to the Company to stake the claims.

Pursuant to a property purchase and sale agreement dated July 8, 2020, the Company sold its 85% interest in a portion of the Property known as "Middle Ridge South" to Mariner Resources Corp. ("Mariner") for consideration of $204,000, 1,530,000 common shares of Mariner with a fair value of $82,554and a 1.7% retained net smelter return royalty. This transaction was completed on July 22, 2020 and a gain on disposal of exploration and evaluation assets of $204,000 was recorded.

Pursuant to a property purchase and sale agreement dated July 31, 2020, the Company sold its 85% interest in the remaining portion of the Property known as "Middle Ridge North and True Grit" to Mariner for consideration of 5,822,500 common shares of Mariner with a fair value of $1,810,819. This transaction was completed on August 5, 2020 and a gain on disposal of exploration and evaluation assets of $1,750,669 was recorded.

Pursuant to a property purchase and sale agreement (the "Agreement") dated June 10, 2020, the Company agreed to acquire 100% interest in 18 additional claims from two vendors for consideration of $20,000 and 150,000 common shares. The claims are subject to a 2% net smelter returns royalty with the right to purchase 1% of the NSR for $1,000,000 at any time. The Agreement was assigned to Mariner on July 31, 2020.

i) Howell's River (Newfoundland and Labrador)

Pursuant to a staking agreement dated August 24, 2020, the Company engaged three consultants including the Vice President of Business Development of the Company to stake mineral claims in Newfoundland and Labrador by which ownership is held 80% by the Company, 5% by the Vice President, 10% by the other consultants and 5% by Volatus as a fee for extending a loan to the Company to stake the claims.

j) Dog Bay (Newfoundland and Labrador)

Pursuant to a staking agreement dated June 23, 2020, the Company engaged three consultants including the Vice President of Business Development of the Company to stake mineral claims in Newfoundland and Labrador by which ownership is held 70% by the Company, 12.5% by the Vice President and 17.5% by the other consultants.

k) Gazeebow North (Newfoundland and Labrador)

Pursuant to a staking agreement dated July 7, 2020, the Company engaged two consultants including the Vice President of Business Development of the Company to stake mineral claims in Newfoundland and Labrador by which ownership is held 90% by the Company, 5% by the Vice President and 5% by the other consultant.

l) Enterprise (Newfoundland and Labrador)

The Company has staked 308 mineral claims in Newfoundland and Labrador known as the Enterprise property.

9. EXPLORATION AND EVALUATION ASSETS (continued)

m) 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.

Pursuant to a mineral claim purchase agreement dated March 7, 2020, the Company sold its 100% 100% undivided interest in 142 mineral claims to Cleghorn (Note 4)

n) 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 former 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 assigned and transferred to the Company all of its rights, title and interest in the term sheet and the Arizona Project to the Company for consideration of $450,000, which is included in accounts payable and accrued liabilities as at August 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); (ii) $100,000 cash by the earlier of the date AusVan is publicly listed on a Relevant Stock Exchange and October 20, 2020; (iii) $350,000 within 10 business of completing certain milestones 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.

10. LOANS PAYABLE

Loans payable consist of following:

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. The principal and interest amount of $108,525 were fully repaid in August 2020.

   On June 5, 2020, the Company entered into a loan agreement to borrow $150,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after October 5, 2020. The loan was used to stake certain mineral claims in Newfoundland and is secured by the claims. The principal amount of $141,475 was repaid in August 2020. As at August 31, 2020, the principal balance owing on the loan was $8,525 (2019- $Nil) and accrued interest payable was $721 (2019 - $Nil).

10. LOANS PAYABLE (continued)

On June 23, 2020, the Company entered into a loan agreement to borrow $100,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after November 20, 2020. The loan was used to stake certain mineral claims in Newfoundland and as a fee for extending the loan, Volatus will receive a 5% interest in the True Grit and Middle Ridge claims. As at August 31, 2020, the principal balance owing on the loan was $100,000 (2019- $Nil) and accrued interest payable was $415 (2019 - $Nil).

On August 18, 2020, the Company entered into a loan agreement to borrow $50,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after February 18, 2021. The loan was used to stake certain mineral claims in Newfoundland and Quebec and as a fee for extending the loan, Volatus will receive a 5% interest in the Howells River claims. As at August 31, 2020, the principal balance owing on the loan was $50,000 (2019- $Nil) and accrued interest payable was $38 (2019 - $Nil).

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 August 31, 2020, the principal balance owing on the loan was $40,000 (2019- $Nil).

11. SHARE CAPITAL

a) Authorized

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

b) Escrow shares

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

As at August 31, 2020, there were 1,125,000 escrow shares outstanding.

c) Issued and Outstanding as at August 31, 2020: 43,648,314 common shares.

The Company had the following share capital transactions during the period ended August 31, 2020:

(i) On July 16, 2020, the Company issued 1,000,000 common shares for consideration of the acquisition of a 100% interest, subject to a 1% net smelter returns royalty, in the Lunar Frog gold property located approximately 170 kilometres east-southeast of Dease Lake in the Toodoggone district of northern British Columbia. The shares issued are restricted from trading until November 17, 2020.

(ii) On July 28, 2020, the Company completed the has closed a non-brokered private placement (the "Offering") to raise gross proceeds of $689,500 through the sale of 6,895,000 common shares priced at $0.10 per common share. The shares issued are restricted from trading until November 29, 2020.

11. SHARE CAPITAL (continued)

(iii) On August 4, 2020, the Company issued 375,000 common shares through the exercise of 375,000 share purchase warrants priced at $0.075 per share for gross proceeds of $28,125.

(iv) On August 10, 2020, the Company issued 78,790 common shares through the exercise of 78,790 broker warrants priced at $0.10 per share for gross proceeds of $7,879.

(v) On August 26, 2020, the Company issued 122,190 common shares through the exercise of 122,190 broker warrants priced at $0.10 per share for gross proceeds of $12,219

The Company had the following share capital transactions during the year ended May 31, 2020:

(vi) On July 25, 2019, the Company completed the first tranche of a non-brokered private placement and issued 10,400,000 units at a price of $0.06 per unit (the "Units") for gross proceeds of $660,000. On July 31, 2019, the Company completed the final tranche of the non-brokered private placement and issued 600,000 Units at a price of $0.06 per Unit for gross proceeds of $36,000. Each Unit consists of one common share and one common share purchase warrant exercisable into one further common share at a price of $0.075 for a period of five years from the date of issuance. The securities issued were restricted from trading until November 26, 2019. There was no value allocated to the warrants under the residual method.

(vii) On August 19, 2019, the Company completed the first tranche of a non-brokered private placement and issued 2,200,000 common shares at a price of $0.075 per common share for gross proceeds of $165,000. The securities issued were restricted from trading until December 20, 2019. On September 10, 2019, the Company completed the second tranche of the non-brokered private placement and issued 2,700,000 common shares at a price of $0.075 per common share for gross proceeds of $202,500. The securities issued were restricted from trading until January 11, 2020. On September 23, 2019, the Company completed the third tranche of the non-brokered private placement and issued 2,250,000 common shares at a price of $0.075 per common share for gross proceeds of $168,750. The securities issued were restricted from trading until January 24, 2020. On November 1, 2019, the Company completed the fourth tranche of the non-brokered private placement and issued 618,333 common shares at a price of $0.075 per common share for gross proceeds of $46,375. The securities issued were restricted from trading until March 2, 2020. A director of the Company purchased 1,250,000 shares.

(viii) On September 12, 2019, the Company issued 1,500,000 common shares with a fair value of $0.115 per common share for a total of $172,500 as partial consideration to acquire 75% interest in Split Dome as disclosed in Note 9. The securities issued were restricted from trading until January 13, 2020. Two directors of the Company each received 500,000 shares.

(ix) On January 2, 2020, the Company issued 500,000 common shares with a fair value of $0.07 per common share for a total of $35,000 as consideration to acquire an additional 25% interest in Split Dome as disclosed in Note 9. The securities issued were restricted from trading until May 3, 2020.

(x) On February 28, 2020, the Company issued 300,000 common shares with a fair value of $0.065 per common share for a total of $19,500 as consideration to acquire 100% interest in the Lion's Den property disclosed in Note 9. The securities issued were restricted from trading until June 29, 2020.

(xi) On February 28, 2020, the Company issued 300,000 common shares with a fair value of $0.065 per common share for a total of $19,500 pursuant to the Red Metal Ridge property option agreement disclosed in Note 9. The securities issued were restricted from trading until June 29, 2020.

(Expressed in Canadian dollars) (Unaudited)

11. SHARE CAPITAL (continued)

d) Stock Options

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company's stock options at August 31, 2020 and August 31, 2019 and the changes for the periods then ended is presented below:

	August 31, 2020		**August 31, 2019**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	525,000	$0.10	-	-
Granted	2,975,000	$0.10	525,000	$0.10
Cancelled	(225,000)	$0.10	-	-
Ending balance	3,275,000	$0.10	525,000	$0.10

The Company had the following stock option transactions during the period ended August 31, 2020:

I. On June 1, 2020, the Company granted 2,975,000 stock options to certain directors, officers, employees and consultants of the Company that are exercisable at a price of $0.065 per common share until June 1, 2025.

The Company had the following stock option transactions during the year ended May 31, 2020:

I. On June 1, 2019, 75,000 options exercisable at $0.10 per share were cancelled; on July 4, 2019, 75,000 options exercisable at $0.10 per share were cancelled; and on April 30, 2020, 75,000 options exercisable at $0.10 per share were cancelled.

II. 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. 225,000 of these stock options were forfeited.

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

The weighted average fair value at grant date of 2,975,000 options granted during the period ended August 31, 2020 was $0.0332 per option. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.10
Risk free interest rate	0.39%
Expected life	4.83 years
Expected volatility	76%
Expected forfeiture rate	Nil
Expected dividends	Nil

(Expressed in Canadian dollars) (Unaudited)

11. SHARE CAPITAL (continued)

d) Stock Options (continued)

The weighted average fair value at grant date of options granted during the year ended May 31, 2019 was $0.086 per option. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	$0.10
Risk free interest rate	1.96%
Expected life	4.81 years
Expected volatility	120%
Expected forfeiture rate	Nil
Expected dividends	Nil

Details of stock options outstanding and exercisable as at August 31, 2020 are as follows:

Expiry Date	Exercise Price	Outstanding	Exercisable
July 13, 2023	$0.10	200,000	200,000
April 4, 2023	$0.12	100,000	50,000
June 1, 2025	$0.065	2,975,000	193,375
		3,275,000	443,375

The weighted average remaining contractual life of stock options outstanding at August 31, 2020 was 2.79 years (August 31, 2019: 3.15 years).

During the period ended August 31, 2020, the Company recognized $98,819 (2019 - $981) in share-based compensation expense related to these stock options.

e) Warrants

A summary of the Company's share purchase warrants at August 31, 2020 and August 31, 2019 and the changes for the periods then ended is presented below:

	Warrants	
	Number	Weighted Average Exercise Price ($)
Outstanding, August 31, 2018	-	-
Issued, Agents' warrants	385,900	0.100
Outstanding, August 31, 2019	385,900	0.100
Issued	11,000,000	0.075
Exercised	(575,980)	0.088
Outstanding, August 31, 2020	10,809,920	0.076

(Expressed in Canadian dollars) (Unaudited)

11. SHARE CAPITAL (continued)

e) Warrants (continued)

As at August 31, 2020, the Company had outstanding and exercisable warrants as follows:

Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted Average Period
October 22, 2020	184,920	$ 0.100	0.06 years
July 25, 2024	10,025,000	$ 0.075	3.50 years
July 31, 2024	600,000	$ 0.075	3.52 years
	10,809,920	$ 0.076	2.36 years

12. RELATED PARTY TRANSACTIONS AND BALANCE

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:

	Period ended August 31, 2020	**Period ended August 31, 2019**
	$	$
Salaries and benefits (i)	13,500	20,972
Management fees (ii)	119,222	-
Consulting fees	-	16,500
Professional fee (ii)	7,500	-
Share-based payments (iii)	98,819	981
	239,041	38,453

The Company has entered into an Executive Management Agreement with the CEO of the Company effective May 15, 2020 for a five year term. As compensation for the services to be provided, the CEO will receive a monthly fee of $8,500. During the period ended August 31, 2020, the Company incurred $25,500 (2019 - $Nil) in management fees to the CEO. As at August 31, 2020, accounts payable and accrued liabilities include amounts due to the CEO of $3,000 (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 CFO of the Company. As compensation for the services provided, the company controlled by the CFO will receive a monthly fee of $2,500. During the period ended August 31, 2020, the Company incurred $7,500 (2019 - $Nil) in fees to the company controlled by the CFO. As at August 31, 2020, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of $2,625 (2019 - $Nil), which are due on demand, unsecured and non-interest bearing.

12. RELATED PARTY TRANSACTIONS AND BALANCE (continued)

The Company has entered into a Consulting Agreement with the CFO of the Company. As compensation for the services provided, the company controlled by the CFO will receive a monthly fee of $1,000. During the period ended August 31, 2020, the Company incurred $3,000 (2019 - $Nil) in fees to the CFO. As at August 31, 2020, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of $1,050 (2019 - $Nil), 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 period ended August 31, 2020, the Company incurred $24,000 (2019- $Nil) in management fees to the VP. As at August 31, 2020, accounts payable and accrued liabilities include amounts due to the VP of $3,000 (2019 - $Nil), which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Employment Agreement with the Corporate Secretary of the Company effective April 18, 2020 for no fixed term. As compensation for the services to be provided, the Corporate Secretary will receive a monthly fee of $4,500 of which $3,000 is to be paid in cash and $1,500 is to be accrued and applied towards the purchase of equity securities of the Company. During the period ended August 31, 2020, the Company incurred $13,500 (2019 - $13,472) in salary and benefits to the Corporate Secretary. As at August 31, 2020, accounts payable and accrued liabilities include $6,600 (2019 - $Nil) in amounts owing to the Corporate Secretary.

On June 1, 2020, the Company granted 2,975,000 stock options to certain directors, officers, employees and consultants of the Company that are exercisable at a price of $0.065 per common share until June 1, 2025.

The President, CEO and a Director of the Company was party to the Peruvian staking agreement as described in Note 9.

The Vice President, Business Development of the Company was party to certain Newfoundland and Labrador staking agreements as described in Note 9.

13. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

<u>Fair Values and Classification of Financial Instruments</u>

The Company's financial instruments consist of cash, restricted cash, marketable securities, accounts receivable, notes receivable, accounts payable, loans payable and notes payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOC, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial Instrument	Category		**August 31, 2020**	August 31, 2019
Cash	FVTPL	**$**	**110,290**	122,930
Restricted cash	FVTPL		**5,025**	-
Marketable securities	FVTPL		**6,053,979**	846,500
Accounts receivable	Amortized cost		**329,400**	3,289
Notes receivable	Amortized cost		**85,328**	–
Accounts payable	Amortized cost		**806,456**	80,605
Loans payable	Amortized cost		**199,700**	–

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash, restricted cash and investments in common shares are measured at fair value on a recurring basis using level 1 inputs. Investments in warrants are measured on a recurring basis using level 2 inputs. The continuity and valuation techniques that are used to determine the fair value of the investments in warrants are described in Note 4.

The fair value of the Company's accounts receivable, notes receivable, accounts payable and loans payable approximates their carrying value as at August 31, 2020 and August 31, 2019 because of the demand nature or short-term maturity.

<u>Financial risk management objectives and policies</u>

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

(i) *Currency risk*

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

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

(ii) *Interest rate risk*

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

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

(Expressed in Canadian dollars) (Unaudited)

14. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution. As at August 31, 2020, the Company's maximum credit risk is the carrying value of cash and notes receivable.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Factors that could impact on the company's liquidity are monitored regularly and include market changes, gold price changes, and economic downturns that affect the market price of the company's marketable 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.

Contractual undiscounted cash flow requirements of financial liabilities at August 31, 2020 are as follows:

	Less than 1 year $	Between 1 – 5 years $	More than 5 years $	Total $
Accounts payable and accrued liabilities	806.456	-	-	806,456
Loan payable	199,700	-	-	199,700
	1,006,156	-	-	1,006,156

(v) *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The COVID-19 pandemic and its economic consequences are on extenuating impact on the current volatility of financial markets. Market conditions will cause fluctuations in the fair value of the company's marketable securities. The Company's ability to raise capital to fund exploration, development or investing activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the company.

15. COMMITMENTS

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

(Expressed in Canadian dollars) (Unaudited)

16. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended August 31, 2020 and 2019, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	August 31, 2020	August 31, 2019
Debt assignment cancelled	$ 473,478	$ -
Shares and subsidiary shares issued to acquire mineral properties	$ 100,000	$ -
Short term investments in Mariner through sale of mineral properties	$ 1,810,819	$ -

There were no amounts of cash paid for income taxes for the periods presented.

17. SUBSEQUENT EVENTS

a) 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.

b) Pursuant to a share exchange agreement dated September 1, 2020, the company exchanged the remainder of its 5,000,000 shares in Exploits Gold Corp. for 5,000,000 common shares of Exploits Discovery Corp. (formerly Mariner Resources Corp.) on a one-for-one basis. The transaction was completed on September 18, 2020.

c) On October 5, 2020, the Company granted 875,000 incentive stock options exercisable at $0.12 per share until October 5, 2025 to officers and consultants of the Company.

d) On October 5, 2020, the Company entered into agreements to sell 40.323% interest in the Dog Bay gold property (the "Property") to four arm's length parties for gross proceeds of $112,000. On October 13, 2020, the Company vended its remaining 29.677% interest in the Property into a private company for 1,840,000 common shares of the private company. On October 14, 2020, the Company entered into an agreement to exchange its 1,840,000 common shares of the private company for 1,840,000 common shares of Exploits Discovery Corp. on a one-for-one basis.

e) On October 20, 2020, the Company issued 39,520 common shares through the exercise of 39,520 broker warrants priced at $0.10 per share for gross proceeds of $3,952.

f) On October 22, 2020, the remaining 145,400 broker warrants expired unexercised.

g) On October 23, 2020, the Company entered into an option agreement to sell up to 100% interest, subject to a 2.5% NSR, in the Enterprise property (the "Property") to Opawica Explorations Inc. ("Opawica"). Opawica may earn an initial 80% interest in the Property by paying an aggregate of $1,450,000 cash and incurring $5,000,000 in work expenditures over a four year period as follows: (i) $250,000 cash due upon signing the Agreement (the "Agreement Date"); thereafter, optional commitments of (ii) $450,000 cash and incurring $1,000,000 in exploration expenditures on or before the second anniversary of the Agreement Date; (iii) $250,000 cash and incurring a further $2,000,000 in exploration expenditures on or before the third anniversary of the Agreement Date; and (iv) $500,000 cash and incurring a further $2,000,000 in exploration expenditures on or before the fourth anniversary of the Agreement Date. Upon completing the above payments and expenditures, Opawica shall be deemed to have exercised the Option and shall be entitled to an undivided 80% right, title and interest in and to the Property, subject to the 2.5% NSR retained by the Company. Subsequent to the exercise date, Opawica may earn an additional 20% interest in the Property by paying market price in cash or in kind based on an independent valuation of the Property.