

# **CREST RESOURCES INC.**

## **Management's Discussion and Analysis of Financial Condition and Results of Operations For The Three Months Ended August 31, 2020 and 2019**

This Management's Discussion and Analysis of Crest Resources Inc. ("Crest" or the "Company") ("MD&A") provides analysis of the Company's financial results for the three month period ended August 31, 2020, and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and notes thereto for the for the three month period ended August 31, 2020. This MD&A is based on information available as at October 30, 2020.

The accompanying audited financial statements for the period ended August 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".

As of the date of this report, the Company's mineral property assets are as follows:

- Red Metal Ridge property on Vancouver Island, British Columbia (51% owned and 49% under further option);
- Gazeebow North property in Newfoundland and Labrador (90% owned);
- The Chapel Island property in Newfoundland and Labrador (100% 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:

- Chala Cobre y Oro SAC (73.5% owned) - a private company holding copper and gold assets in the Chala District, Peru and options on gold projects in La Libertad Peru;
- 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.
- Exploits Discovery Corp. (“NFLD”. formerly Mariner Resources Corp.) (25.4% 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. (23.96% owned) – a junior resource company trading on the Canadian Securities Exchange.
- Ecomine Technology Inc (4.9% owned) – a private company.

## MAJOR OPERATING MILESTONES

Details of the Company's mineral property acquisition, exploration and evaluation activities for the three months ended August 31, 2020 and 2019 are presented here:

Newfoundland and Labrador, Canada									
	Chapel Island	True Grit / Middle Ridge	Gazebow North	Dog Bay	Enterprise	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Howell River
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
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
<b>Exploration expenditures</b>									
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	-	-
<b>Total acquisition costs and exploration expenditures</b>									
August 31, 2019	-	-	-	-	-	-	-	-	-
August 31, 2020	11,245	-	33,280	52,225	19,890	154,148	415,750	44,675	52,000

	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	
	\$	\$	\$	\$	\$	\$	\$	
<b>Acquisition costs</b>								
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
<b>Exploration expenditures</b>								
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
<b>Total acquisition costs and exploration expenditures</b>								
August 31, 2019	15,000	-	-	-	-	-	-	15,000
August 31, 2020	154,769	-	-	100,000	-	147,053	592,422	1,777,457

The Company has participated in various mining projects, in various locations. In addition, the Company has divested of its interest other projects. Details of each project are presented here:

**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.

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.

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

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

**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.

No work was completed on the property during the period.

**c) 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 ownership of the claims was subsequently formalized through the establishment of Chala Cobre y Oro SAC, a Peruvian company. 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 12 (c)). The Company’s total interest in the property is 73.5%.

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

As all the known large IOCG deposits are found either 200 km to north or the south of the concession areas, this area has been generally ignored for exploration, and literally thousands of small mines exist in the Chaparra / Sifuentes / Caravalli

area. All are associated with IOCG style environment and suggests that potential for significant IOCG type mineral deposits remain to be found.

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 been 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 hematization 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.

#### **d) Jonathan’s Pond, Mt. Peyton and Mt. Peyton Extension Properties (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.

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.

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.

In September 2020, the Company sold its investment of 9,000,000 common shares in Exploits.

3,000,000 common shares of the Company's investment in Exploits was sold to Origen Resources Inc. ("Origen", CSE: ORGN) for 4,200,000 common shares of Origen valued at \$840,000 based on the closing market price of Origen's shares on the CSE of \$0.20 on August 31, 2020. Michael Collins ("Collins"), the President, Chief Executive Officer and a director of the Company, is also a director of Origen.

1,000,000 common shares of Exploits was sold to a private company of which Collins is a director for consideration of a note payable of \$350,000 that is payable on demand and accrues interest at a rate of 6% per annum. The shares are pledged as collateral for the promissory note.

5,000,000 common shares of Exploits was sold to Exploits Discovery Corp. ("NFLD", CSE: NFLD, formerly Mariner Resources Corp.) for 5,000,000 common shares of NFLD valued at \$1,575,000 based on the closing market price of NFLD's shares on the CSE of \$0.42 less a 25% market discount on August 31, 2020. Collins has been appointed the President, Chief Executive Officer and a director of NFLD.

**e) 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 NFLD for consideration of \$204,000, 1,530,000 common shares of NFLD with a fair value of \$82,554 and 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 NFLD for consideration of 5,822,500 common shares of NFLD 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 NFLD on July 31, 2020.

**f) 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.

No work was completed on the property during the period.

**g) 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.

No work was completed on the property during the period.

On October 5, 2020, the Company entered into agreements to sell 40.323% interest in 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 NFLD on a one-for-one basis.

**h) Gazebow 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.

No work was completed on the property during the period.

**i) Chapel Island (Newfoundland and Labrador)**

In August 2020, the Company spent \$11,245 staking mineral claims in Newfoundland and Labrador known as the Chapel Island property.

**j) Enterprise (Newfoundland and Labrador)**

In July 2020, the Company staked 308 mineral claims in Newfoundland and Labrador known as the Enterprise property.

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 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.

**k) 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); (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 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.

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

## Geology

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

- Historical JORC Inferred Resource (2018) of 618 Mt at 0.45% V<sub>2</sub>O<sub>5</sub> \*
- With an exploration target of 880 - 1,100 Mt at 0.45% V<sub>2</sub>O<sub>5</sub> within a range of 0.36-0.50% V<sub>2</sub>O<sub>5</sub>
  - \*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 V<sub>2</sub>O<sub>5</sub> 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.

During the period ended August 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	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
<b>Common shares – Level 1</b>	\$	\$	\$	\$	\$	\$	\$
Scottie Resources Corp	-	797,250	-	-	797,250	44,250	841,500
<b>Total</b>	-	797,250	-	-	797,250	44,250	841,500

	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
<b>Common shares – Level 1</b>	\$	\$	\$	\$	\$	\$	\$
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
							-
<b>Warrants – Level 2</b>							
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
<b>Total</b>	834,331	2,524,295	(433,515)	64,933	2,990,044	3,063,935	6,053,979

**a) Volatus Capital Corp.**

As at August 31, 2020, the Company owned 9,715,667 common shares of Volatus representing 25.71% of the outstanding share capital. The investment is accounted for as an “investment in associates” and has a carrying value of \$874,126 compared to a fair value of \$3,670,066 as indicated by the trading price of \$0.40 per share on August 31, 2020.

As of the date of this report, the Company owned and controlled 9,215,667 common shares of Volatus representing 23.96% of the then issued and outstanding common shares of Volatus based on a total of 38,469,407 common shares outstanding as of October 30, 2020; or 9,715,667 Common Shares of Volatus representing 24.93% of the outstanding shares assuming exercise of the 500,000 warrants held by the Company.

**b) Exploits Discovery Corp.**

As of the date of this report, the Company owned and controlled 15,442,500 common shares of Exploits Discovery Corp. representing 25.86% of the then issued and outstanding common shares of Exploits Discovery Corp. based on a total of 59,711,302 common shares outstanding as of October 30, 2020.

**c) Carbon Foundry Corp.**

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

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

**d) 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.

**e) 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.

**Restricted Share Unit Plan**

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

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

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

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

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

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

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

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

## SELECTED QUARTERLY INFORMATION

The table below presents selected financial data for the Company's financial statements for the three months ended August 31, 2020 and 2019. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	<u>Three months ended August 31, 2020</u>	<u>Three months ended August 31, 2019</u>
	\$	\$
Revenue	322,000	-
Net comprehensive income (loss)	5,070,527	(18,816)
Income (loss) per share, basic and diluted	0.15	(0.01)
Total assets	9,251,247	1,121,128
Total long-term liabilities	-	-
Cash dividend declared per share	-	-

Various factors contribute to the period to period variations in financial position and financial performance. The \$5,070,527 comprehensive income for the three months ended August 31, 2020 is mainly attributed to the unrealized gain on the changes in fair value of the marketable securities and the realized gain on the disposal of mineral properties.

## OPERATIONS

### Three months ended August 31, 2020 and 2019

<b>EXPENSES</b>	<b>Three months ended August 31, 2020</b>	<b>Three months ended August 31, 2019</b>
Bank charges	921	394
Business development	-	2,500
Consulting fees	86,347	20,000
Interest expenses	5,773	-
Management fees	119,222	-
Marketing fees	3,804	1,967
Office	37,901	202
Professional fees	33,528	5,941
Rent	17,500	-
Salaries	9,626	23,005
Share-based payments	98,819	981
Transfer agent and filing fees	16,430	8,155
Travel	41	-
	(429,912)	(63,145)

### Total operating expenses for the three months ended August 31, 2020 and 2019

During the period ended August 31, 2020, the Company reported a comprehensive income of \$5,070,527 compared to a comprehensive loss of \$18,816 for the period ended August 31, 2019. Included in the determination of operating loss was \$86,347 (2019 - \$20,000) for consulting fees, \$119,222 (2019 - \$nil) for management fees, \$3,804 (2019 - \$1,967) marketing fees, \$33,528 (2019 - \$5,941) for professional fees, \$9,626 (2019 - \$23,005) for salaries and \$16,430 (2019 - \$8,155) for transfer agent and filing.

Total operating expenses for the period ended August 31, 2020 were \$429,912 compared to \$63,145 in operating expenses recorded for the period ended August 31, 2019.

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, Chief Financial Officer (“CFO”) and a company controlled by CFO for the services provided by the CFO, and the VP Business Development of the Company. Management fees were \$119,222 for the period ended August 31, 2020 compared to expenses of \$nil recorded for the 2019.

Marketing fees were \$3,804 for the period ended August 31, 2020 compared to expenses of \$1,967 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 \$33,528 for the period ended August 31, 2020 and relate to the Company’s accounting and legal fees. Accounting fees totaled \$7,500 during the period professional fees totaled \$8,000 and legal fees totaled \$18,028. Legal fees incurred relate to the Company’s various agreements and general matters.

Salaries include amounts paid to the Corporate Secretary.

Share-based payments (a non-cash expense) were \$98,819 (2019 - \$981) which includes the estimated fair value of stock options granted during the period.

Transfer agent and filing fees were \$16,430 for the period ended August 31, 2020 (2019 - \$8,155).

	<u>3 months ended</u> <u>August 31, 2020</u>	<u>Year ended</u> <u>May 31, 2020</u> <u>(Audited)</u>	<u>3 months</u> <u>ended August</u> <u>31, 2019</u>
<b>OTHER ITEMS</b>			
Gain on sale of mineral properties	-	205,727	-
Interest income	2,184	4,351	79
Loss on foreign exchange	-	(953)	-
Recovery of expenses	105,000	-	-
Notes receivable write off	-	(76,633)	-
Realized gain on sale of marketable securities	1,987,430	67,824	-
Unrealized gain on marketable securities	3,063,935	247,251	44,250
Share of loss from equity-accounted investment	-	(164,112)	-

Realized gains on sale of marketable securities were \$1,987,430 for the three months period ended August 31, 2020 compared to \$nil for the 2019 comparative period. 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 \$3,063,935 for the three months period ended August 31, 2020 compared to \$44,250 for the comparative period. The amount represents unrealized losses from market price fluctuations of the common shares of publicly traded mining exploration companies held for investment recorded at fair value using quoted market prices as at August 31, 2020.

For the three months period ended August 31, 2020, the Company recognized a recovery of expenses of \$105,000 from Mariner Resources - reimbursement for staking expenses.

**SELECTED ANNUAL INFORMATION**

N/A

**SUMMARY OF QUARTERLY RESULTS**

N/A

## **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 provided by (used in) operating activities was \$26,563 during the three months ended August 31, 2020 compared to (\$54,571) cash used in operating activities for the 2019 comparative period. The increase in cash used in operating activities was mainly from increase in business activity during the period.

Total cash used in investing activities was \$1,067,397 during the three months ended August 31, 2020 compared to \$802,250 cash used in investing activities for the 2019 comparative period. It consists of \$60,426 notes advances to Opawica and Volatus, incurred \$489,760 exploration and evaluation assets, invested \$368,818 in an associate company and \$148,393 on the purchase of marketable securities for investment.

Total cash provided by financing activities was \$1,124,573 during the three months ended August 31, 2020 and consists of \$856,350 in proceeds from private placement, \$100,000 in shares issued to acquired properties, \$77,219 in proceeds from options exercised, \$41,004 from warrants exercised, \$300,000 demand loans received and \$250,000 in demand loans repaid. Cash provided by financing activities was \$1,124,573 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 August 31, 2020 was \$110,290 compared to \$122,930 at August 31, 2019 and its short-term investments was \$6,053,979 compared to \$841,500 at August 31, 2019. The Company had a working capital surplus of \$5,434,823 at August 31, 2020. (2019 - \$959,259) Based on the above financial condition at August 31, 2020, Management believes that the Company has the financial resources to meet its financial obligations as they become payable in the current fiscal period.

The Company does not have any commitments for capital expenditures.

## **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:

	Three months ended August 31, 2020	Three months 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.

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.

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.

The President, CEO and a Director of the Company was party to the Peruvian staking agreement.

The Vice President, Business Development of the Company was party to certain Newfoundland and Labrador staking agreements



## COMMITMENTS

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

### OUTSTANDING SECURITIES AS AT OCTOBER 30, 2020

• Issued and Outstanding Common Shares	43,687,834
• Outstanding Options	4,150,000
• Outstanding Warrants	<u>10,616,000</u>
Total diluted share capital as at October,30, 2020	58,452,834 =====

### 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 October 30, 2020, the Company has 43,648,314 common shares issued and outstanding (May 31, 2020 – 35,177,344).

As at October 30, 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) and 600,000 common share purchase warrants exercisable at \$0.075 per share until July 31, 2024 (May 31, 2020 – 600,000).

As at October 30, 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); 2,975,000 stock options exercisable at \$0.065 until June 1, 2025 (May 31, 2020 – nil); and 875,000 stock options exercisable at \$0.12 until October 5, 2025.

### 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**

Chief Executive Officer	: Michael Collins
Director	: Jason K. McLaughlin
Director	: Garry Stock
Director	: Jonas Lauren Norr
Chief Financial Officer	: Bryce Clark
Corporate Secretary	: Vacant
Vice President of Business Development	: Nicholas Rodway
Vice President of Capital Markets	: Christopher Huggins

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

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

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

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

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

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

## **CREST RESOURCES INC.**

Michael Collins

Chairman, President and Chief Executive Officer