



CREST RESOURCES INC.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020

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)

	November 30, 2021	May 31, 2021 (Audited)
ASSETS		
CURRENT		
Cash	\$ 524,545	\$ 6,061
Restricted cash	5,063	5,025
Accounts receivable	238,658	234,282
Marketable securities (Note 5)	10,251,190	4,553,408
Investment (Note 6)	3,862,992	3,149,109
Prepaid expenses and advance (Note 7)	46,777	31,731
GST recoverable	31,196	39,366
Loans and notes receivable (Note 8)	649,185	424,546
	15,609,606	8,443,528
Equipment	2,470	3,160
Investment in associates (Note 9)	3,993,311	7,485,364
Exploration and evaluation assets (Note 10)	2,195,402	1,807,340
	\$ 21,800,789	\$ 7,739,392
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 452,203	\$ 1,541,837
Deferred revenue	-	226,250
Tax payable	-	1,010,862
Loans payable (Note 11)	512,649	622,518
	964,852	3,401,467
CEBA loan (Note 12)	40,000	40,000
	1,004,852	3,441,467
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	6,670,716	5,695,325
Reserves	235,594	235,594
Retained earnings (deficit)	14,213,894	8,704,867
Total equity attributable to the Company's shareholders	21,120,204	14,635,786
Non-controlling interests	(324,267)	(337,861)
Total equity	20,795,937	14,297,925
	\$ 21,800,789	\$ 17,739,392

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 18)
SUBSEQUENT EVENTS (Note 20)

Approved and authorized for issue on behalf of the Board on January 28, 2022

Director

Director

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

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

	Three months ended November 30,		Six months ended November 30,	
	2021	2020	2021	2020
REVENUE				
Management fees	\$ 68,880	\$ 42,750	\$ 175,108	\$ 452,250
Contractor fees	32,500	-	62,500	-
	101,380	42,750	237,608	452,250
EXPENSES				
Amortization	163	-	276	-
Bank charges	9,111	1,066	12,080	1,987
Consulting fees	77,512	103,291	137,584	189,638
Director fees	19,591	-	33,156	-
Exploration & evaluation expenditure	138,341	-	181,411	-
Insurance	745	-	1,252	-
Interest expense	5,694	14,245	8,806	20,018
Management fees (Note 14)	97,405	58,000	167,905	177,222
Marketing fees	35,424	3,552	37,645	7,356
Office	33,306	(27,758)	76,574	10,143
Professional fees	103,279	50,511	122,661	84,039
Rent	90,794	(17,500)	179,854	-
Salaries (Note 14)	828	6,417	828	16,043
Share-based payments (Note 15)	(851,822)	-	5,638,950	98,819
Transfer agent and filing fees	9,823	8,037	12,604	24,467
Travel	17,270	-	27,733	41
	212,536	(199,831)	(6,639,319)	(629,773)
INCOME (LOSS) BEFORE OTHER ITEMS	313,918	(57,111)	(6,401,711)	(177,523)
OTHER ITEMS				
Interest income	11,771	8,368	17,382	10,552
Recovery of expenses	-	(30,287)	-	74,713
Miscellaneous income	81,091	-	81,091	-
Gain (loss) on foreign exchange	(20,318)	-	82,493	-
Gain on disposals of mineral properties	236,334	5,140,852	236,334	5,140,852
Realized gain on disposals of marketable securities (Note 5)	(7,763)	(1,826,140)	7,081,553	181,180
Unrealized gain on marketable securities (Note 5)	723,327	(2,408,270)	2,173,014	655,665
Gain on deemed disposal of subsidiary	-	1,461,645	-	1,461,645
Gain on disposal of investment in associates	-	2,886,190	-	2,886,190
Share of loss from equity	(42,259)	(97,449)	(71,621)	(97,449)
Derecognized share of loss from equity-accounted investment (Note 9)	-	-	1,258,724	-
	982,183	5,134,909	10,858,970	10,313,825
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	1,296,101	5,077,798	4,457,259	10,135,825
INCOME TAX	(1,010,862)	-	(1,010,862)	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 2,306,963	\$ 5,077,798	\$ 5,468,121	\$ 10,135,825
NET INCOME AND COMPREHENSIVE INCOME ATTRIBUTED TO:				
Shareholders of the Company	2,355,763	\$ 5,155,116	\$ 5,509,027	\$ 10,135,604
Non-controlling interests	(48,800)	(77,318)	(40,906)	221
	2,306,963	5,077,798	\$ 5,468,121	\$ 10,135,825
EARNINGS PER COMMON SHARE (basic and diluted)	\$ 0.02	\$ 0.11	\$ 0.08	\$ 0.22
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	79,546,022	47,788,705	68,323,196	24,498,245

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

CREST RESOURCES INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars) (Unaudited)

	Common Shares		Reserves	Deficit	Non-controlling Interests	Total Equity
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
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	689,500	-	-	-	689,500
Shares issued to acquire properties	1,000,000	100,000	-	-	-	100,000
Shares issued by subsidiary to acquire properties	-	-	-	-	60,000	60,000
Warrant exercises	615,500	67,176	-	-	-	67,176
Shares issued by subsidiary for cash	-	-	-	-	376,850	376,850
Share-based payments	-	-	98,819	-	-	98,819
Deemed disposal of subsidiary	-	-	(162,172)	-	(497,378)	(659,550)
Net income for the period	-	-	-	10,135,604	221	10,135,825
Balance, November 30, 2020	43,687,834	2,811,718	171,054	9,576,874	51,461	12,611,107
Balance, November 30, 2020	43,687,834	2,811,718	171,054	9,576,874	51,461	12,611,107
Shares issued to acquire properties	25,995,673	2,886,752	-	-	-	2,886,752
Share issuance costs	-	(3,145)	-	-	-	(3,145)
Share-based payments	-	-	64,540	-	-	64,540
Net income for the period	-	-	-	(872,007)	(389,322)	(1,261,329)
Balance, May 31, 2021	69,683,507	5,695,325	235,594	8,704,867	(337,861)	14,297,925
Balance, May 31, 2021	69,683,507	5,695,325	235,594	8,704,867	(337,861)	14,297,925
Shares issued for bonus	9,515,514	951,551	-	-	-	951,551
Warrant exercises	350,000	24,750	-	-	-	24,750
Shares issued by subsidiary for cash	-	-	-	-	54,500	54,500
Share issuance costs	-	(910)	-	-	-	(910)
Net income for the period	-	-	-	5,509,027	(40,906)	5,468,121
Balance, November 30, 2021	79,549,021	6,670,716	235,594	14,213,894	(324,267)	20,795,937

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

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

	Six months period ended November 30,	
	2021	2020
OPERATING ACTIVITIES		
Net income for the period	\$ 5,468,121	\$ 5,070,527
Items not involving cash:		
Accrued interest	11,690	-
Amortization	276	-
Share-based payments	5,638,950	98,819
Gain on foreign exchange	(82,494)	-
Realized gain on disposals of marketable securities	(7,081,553)	(2,007,320)
Unrealized gain on marketable securities	(1,778,813)	(3,063,935)
Share of loss from equity-accounted investment	(1,187,103)	-
Changes in non-cash working capital balances:		
Accounts receivable	(4,378)	(326,526)
Prepaid expenses and advance	(15,046)	126,009
GST recoverable	8,169	1,323
Deferred revenue	(226,250)	12,500
Accounts payable and accrued liabilities	(943,115)	115,191
Tax payable	(1,010,862)	-
Restricted cash	(37)	(25)
Cash provided by (used in) operating activities	(1,202,447)	26,563
INVESTING ACTIVITIES		
Notes advanced	(236,326)	(60,426)
Repayment of notes receivable	-	-
Proceeds from disposal of plant and equipment	414	-
Exploration and evaluation assets	(452,087)	(489,760)
Purchase of marketable securities	(3,950,737)	(148,393)
Proceeds from sales of marketable securities	8,297,080	-
Investment in associates	(1,948,884)	(368,818)
Cash provided by (used in) investing activities	1,709,460	(1,067,397)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	24,750	1,242,625
Proceeds from issuance of subsidiary shares	97,500	200
Share issuance costs	(910)	(10,541)
Loans payable	(109,869)	140,000
Cash provided by financing activities	11,471	1,372,284
INCREASE (DECREASE) IN CASH	518,484	(136,135)
CASH, BEGINNING OF PERIOD	6,061	162,686
CASH, END OF PERIOD	\$ 524,545	\$ 26,551

SUPPLEMENT CASH FLOW INFORMATION (Note 20)

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

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

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 3043 – 595 Burrard 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 November 30, 2021, 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 net income of \$5,468,121 for the period ended November 30, 2021, and, as of November 30, 2021, the Company had retained earnings of \$14,213,894. However, the net income is derived primarily from the noncash transactions of the Company. 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 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 financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and related IFRS Interpretations Committee (“IFRICs”) as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on January 28, 2022.

b) Basis of presentation

The condensed consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

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

c) Basis of consolidation

The condensed consolidated 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 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 November 30, 2021
Crest GP Canada Inc.	British Columbia, Canada	100%
Crest Project Development Corp.	British Columbia, Canada	100%
Crest SPV Limited Partnership	British Columbia, Canada	100%
1251797 B.C. Ltd	British Columbia, Canada	66.7%
AusVan Battery Metals Pty Ltd	Australia	60%
Carbon Foundry Corp.	British Columbia, Canada	50%
1255929 B.C. Ltd	British Columbia, Canada	63.3%
Chala Cobre y Oro S.R.L.	Peru	73.5%

d) Investments in associates

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.

e) Functional and presentation currency

The condensed consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

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

f) Revenue recognition

The Company applies IFRS 15 *Revenue from Contracts with Customers*. Accordingly, revenue is recognized when a company obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue is measured based on the consideration specified in the contract with a client and excludes amounts collected on behalf of third parties.

The Company generates revenue from providing management consulting and contractor services. Management and contractor fees are recognized as the services are provided to customers on a monthly basis. Deferred revenues represent amounts invoiced in excess of revenues recognized. For contracts with multiple performance obligations, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative stand-alone selling price basis. If the transaction price contains discounts or the Company expects to provide a future price concession, these elements are considered when determining the transaction price prior to allocation.

g) Cash and cash equivalents

Cash and cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

h) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavorable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

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

i) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

j) 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 statement of financial position date are recognized in the condensed consolidated statement of comprehensive loss.

k) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

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

k) Decommissioning, restoration and similar liabilities (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

m) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

n) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the Company's business model for managing the financial assets and terms of the related cashflow. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. The Company's cash, restricted cash and marketable securities are classified as FVTPL.

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company does not have any financial assets classified as FVTOCI.

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Transaction costs are netted against financial assets and are accounted for using the effective interest method. They are classified as current assets or non-current assets based on their maturity date. The Company's notes receivable are carried at amortized cost.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

o) Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows: FVTPL – this category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss. Amortized cost – the Company's accounts payables, deferred revenue and loans payable are recognized at amortized cost.

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

p) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

q) Leases

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company's creditworthiness, the original term of the lease, the quality of the underlying leased asset, and the economic environment where the leased asset is located. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Lease payments for short-term leases with a term of 12 months or less and leases of low-value assets are treated as operating leases, with rent expense recognized in cost of sales or selling, general and administrative expenses on a straight-line or other systematic basis.

Lease liabilities are measured at the present value of future lease payments, discounted using the Company's incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, a change in lease term, a change in the assessment of an option to purchase the underlying asset, a change in expected residual value guarantee, or a change in future lease payments due to a change in index or rate tied to the payment.

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right-of-use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any remeasurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets' useful lives or the end of the lease terms.

During the period ended November 30, 2021, all of the Company's leases are short-term leases with a term of 12 months or less and recorded as operating leases

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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

Significant accounting estimates:

- i. The inputs used in accounting for share-based payments and investments in warrants

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

Significant accounting judgments:

- i. Impairment of mineral properties

The assessment of indications of impairment of the mineral properties and related determination of the net realizable value and write-down of the mineral property requires a significant amount of management judgment.

- ii. Impairment of notes receivable

Application of the factors of impairment to the facts and circumstances pertaining to the notes receivable requires a significant amount of management judgement.

- iii. The measurement of deferred income tax assets and liabilities

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

- iv. The evaluation of the Company's ability to continue as a going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated financial statements for the period ended November 30, 2021. Management prepares the condensed consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded that the Company has adequate ability to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern

4. NEW ACCOUNTING STANDARDS

New accounting standards issued and effective

Accounting standards and amendments issued but not yet adopted

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after June 1, 2021, or later periods. The Company has not early adopted these new standards in preparing these condensed consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated financial statements

5. MARKETABLE SECURITIES

The Company holds common shares and common share purchase 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 November 30, 2021 and are therefore classified as Level 1 within the fair value hierarchy.

The common share purchase 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.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

Continuity for the period ended November 30, 2021 and 2020 is as follows:

	Balance, May 31, 2020	Additions	Disposals	Realized gain (loss) on disposals	Cost Balance, November 30, 2020	Unrealized gain (loss) on changes in fair value	FMV Balance, November 30, 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	-	(24,735)	8,068	158,333	(45,833)	112,500
Essex Minerals Inc	250,000	326,067	(285,303)	45,748	336,512	455,148	791,660
Freeform Cap Partners Inc	-	1,000	(757)	257	500	1,800	2,300
Opawica Explorations Inc	-	93,125	-	-	93,125	119,500	212,625
Exploits Discovery Corp	-	3,535,819	-	-	3,535,819	4,625,681	8,161,500
Rain City Resources Inc	-	66,084	-	-	66,084	179,916	246,000
Origen Resources Inc	-	840,000	-	-	840,000	(252,000)	588,000
Core Asset Management Corp	-	40	-	-	40	-	40
Spey Resources Corp	-	75,925	(84,398)	8,473	-	-	-
	725,157	4,938,060	(743,553)	118,749	5,038,413	5,076,212	10,114,625
Warrants – Level 2							
Cleghorn Minerals Ltd. (a) (b)	58,206	-	-	-	58,206	60,566	118,772
Volatus Capital Corp. (c)	50,968	-	-	-	50,968	164,483	215,451
	109,174	-	-	-	109,174	225,049	334,223
Total	834,331	4,938,060	(743,553)	118,749	5,147,587	5,301,261	10,448,848

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

	FMV Balance, May 31, 2021	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, November 30, 2021
	\$	\$	\$	\$	\$	\$
Common shares – Level 1						
Atacama Copper Corp	-	500	(505)	5	-	-
Atomic Minerals Corp	-	14,155	-	-	845	15,000
Cavu Mining Corp	-	202,015	-	-	10,485	212,500
Clarity Gold Corp.	-	141,612	(89,363)	(52,249)	-	-
Cleghorn Minerals Ltd. (a) (b)	276,000	185,952	-	-	200,028	661,980
Cognetivity Neurosciences Ltd	-	16,428	-	-	(2,428)	14,000
Core Assets Corp	-	601,857	(805,462)	321,083	74,522	192,000
Essex Minerals Inc.	39,599	142,371	(33,538)	(4,761)	(39,671)	104,000
Exploits Discovery Corp	-	6,628,040	(12,904,319)	6,208,682	1,147,596	1,079,999
Forty Pillars Mining Corp	-	90,000	(43,228)	43,228	126,000	216,000
Headwater Gold Inc	-	234,262	-	-	(3,524)	230,738
Inflection Res Ltd	-	165	-	-	(15)	150
Komo Plant Based Food Inc	-	10,095	(9,945)	(150)	-	-
Medallion Resource Ltd	-	33,090	(37,851)	4,761	-	-
Mountain Boy Minerals Ltd	-	133,060	(100,179)	(32,881)	-	-
Nevgold Corp	-	1,163,567	-	-	154,633	1,318,200
Opawica Explorations Inc	1,316,000	809,417	(899,400)	417,334	(140,164)	1,503,187
Origen Resources Inc	1,761,667	1,108,808	(709,886)	330,151	(350,526)	2,140,215
Playground Ventures Inc	-	133,410	-	-	(71,140)	62,270
Rain City Resources Inc	369,045	156,006	-	-	73,487	598,538
Ranchero Gold Corp	-	275	(143)	(132)	-	-
Ready Set Gold Corp	-	466,379	(240,115)	(226,264)	-	-
Sabre Gold Mines Corp	-	35,744	-	-	(3,244)	32,500
Solis Minerals Ltd	-	60,059	-	-	2,291	62,350
Troubadour Resources Inc	-	55,000	(101,612)	57,162	(3,693)	6,857
Val-D'or Mining Corp	-	307,592	-	-	66,358	373,950
Vertical Exploration Inc	31,200	119,094	(172,116)	15,435	6,387	-
Xrapplied Technologies Inc	-	148,043	-	-	(26,943)	121,100
Zimtu Capital Corp	-	177,212	-	-	1,538	178,750
	3,793,511	13,174,209	(16,147,662)	7,081,554	1,222,672	9,124,284

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

	FMV Balance, May 31, 2021	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, November 30, 2021
Warrants – Level 2						
Cleghorn Minerals Ltd. (a) (b)	8,090	-	-	-	5,920	14,010
Volatus Capital Corp. (c) (j) (k)	25,602	-	-	-	549,726	549,726
Troubadour Resources Inc. (d)	24,526	-	-	-	26,126	50,652
Origen Resources Inc. (e)	64,579	-	-	-	(24,638)	39,941
Opawica Explorations Inc.(f)	53,767	-	-	-	34,012	87,779
Core Assets Corp (g)	-	-	-	-	3,554	3,554
Forty Pillar Mining Corp (h)	-	-	-	-	54,990	54,990
Golcap Resources Corp (i)	-	-	-	-	300,652	300,652
	176,564	-	-	-	950,342	1,126,906
Total	3,970,075	13,174,209	(16,147,662)	7,081,554	2,173,014	10,251,190

(a) During the year 2020, 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:

	Initial Measurement	November 30, 2021
Share price	\$0.06	\$0.09
Risk free interest rate	1.25%	0.54%
Expected life	3 years	1.32 years
Expected volatility	110.43%	79.00%
Expected dividend	Nil	Nil

As at November 30, 2021, the warrants were remeasured at a fair value of \$13,695.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

- (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 in consideration for 1,500,000 units. Each unit comprises one common share and one-half of a 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 November 30, 2021, the fair value of the warrants was evaluated at \$316 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.09
Risk free interest rate	0.44%
Expected life	0.27 years
Expected volatility	79.00%
Expected dividend	Nil

- (c) Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split Dome copper property 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

This transaction was completed on February 5, 2020 and a gain on sale of mineral properties of \$145,343 was recorded. As at November 30, 2021, the warrants have expired.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

- (d) On October 7, 2019, the Company entered into a share subscription agreement for 2,000,000 Troubadour Resources Inc. shares at \$0.05. Each unit is comprised of one share and one common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional share at a price of \$0.10 for a period of 24 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$50,652 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.10
Risk free interest rate	0.32%
Expected life	0.50 years
Expected volatility	91%
Expected dividend	Nil

- (e) On January 12, 2021, the Company has entered into a share subscription agreement for 4,200,000 Origen Resources Inc. shares at \$0.23. The Company will be entitled to purchase 416,666 additional shares at a price of \$0.20 for a period of 12 months from the date of the issue of the warrants. As of November 30, 2021 the fair value of the warrants was evaluated at \$39,941 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.23
Risk free interest rate	0.19%
Expected life	0.12 years
Expected volatility	74%
Expected dividend	Nil

- (f) Pursuant to an agreement dated February 11, 2021, the Company sold its 100% interest in Lil D'Espoir Lake property, Chapel Island Property and Richard Copper Property to Opawica Explorations Inc. ("Opawica") for consideration of 2,000,000 common shares of Opawica and 1,000,000 common share purchase warrants exercisable at a price of \$0.31 per share for a period of 24 months. The fair value of the common shares was evaluated at \$600,000.

This transaction was completed on February 11, 2021 and a gain on sale of mineral properties of \$861,265 was recorded. As at November 30, 2021, the fair value of the warrants was evaluated at \$87,779 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.30
Risk free interest rate	0.32%
Expected life	1.20 years
Expected volatility	71%
Expected dividend	Nil

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

- (g) On August 25, 2021, the Company entered into a share subscription agreement for 800,000 Core Assets Corp. shares at \$0.055. Each unit is comprised of one common share and one-half common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional common share at a price of \$0.25 for a period of 24 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$3,554 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.06
Risk free interest rate	0.54%
Expected life	1.73 years
Expected volatility	102%
Expected dividend	Nil

- (h) On October 22, 2021, the Company entered into a share subscription agreement for 900,000 Forty Pillars Mining Corp. shares at \$0.10. Each unit is comprised of one common share and one common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional common share at a price of \$0.12 for a period of 36 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$54,990 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.10
Risk free interest rate	0.54%
Expected life	2.89 years
Expected volatility	108%
Expected dividend	Nil

- (i) On July 28, 2021, the Company entered into a share subscription agreement for 6,300,000 Golcap Resources Corp. shares at \$0.06. Each unit is comprised of one share and common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional common share at a price of \$0.075 for a period of 60 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$300,652 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.06
Risk free interest rate	0.54%
Expected life	4.66 years
Expected volatility	146%
Expected dividend	Nil

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

5. MARKETABLE SECURITIES (continued)

- (j) On September 22, 2021, the Company entered into a share subscription agreement for 3,400,000 Volatus Capital Corp. shares at \$0.0115. Each unit is comprised of one share and one common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional common share at a price of \$0.12 for a period of 60 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$271,683 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.12
Risk free interest rate	0.54%
Expected life	4.81 years
Expected volatility	94%
Expected dividend	Nil

- (k) On September 22, 2021, the Company entered into a share subscription agreement for 3,800,000 Volatus Capital Corp. shares at \$0.0115. Each unit is comprised of one share and one common share purchase warrant of the company. Each full warrant will entitle the company to purchase one additional common share at a price of \$0.12 for a period of 60 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$303,645 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.12
Risk free interest rate	0.54%
Expected life	4.81 years
Expected volatility	94%
Expected dividend	Nil

6. INVESTMENTS

The Company holds common shares in various private companies. At November 30, 2021, the Company had seven privately held investments with a total cost of \$3,862,992

	November 30, 2021	November 30, 2020
	\$	\$
Core Asset Management Corp	40	-
Cayenne Capital Corp	275,000	-
Ecomine Technology Inc	583,383	238,550
EResources Technologies LLC	360,000	-
OCP Holdings Ltd	2,143,977	-
Terra Balcanica Resources Corp	150,000	-
Viewmont Gold Pty Ltd	350,592	-
	3,862,992	238,550

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

7. PREPAID EXPENSES AND ADVANCE

	November 30, 2021	November 30, 2020
	\$	\$
Prepaid expenses	46,777	4,000
	46,777	4,000

8. LOANS AND NOTES RECEIVABLE

	Origenic Resources Inc	Core Management Corp.	Westminster Resources Ltd.	Opawica Explorations Inc.	Total
	\$	\$	\$	\$	\$
Balance, May 31, 2020	-	-	-	22,739	22,739
Addition	350,000	33,915	35,500	-	419,415
Accrued interest	5,236	-	4,793	469	40,498
Balance, November 30, 2020	355,236	33,915	40,293	23,208	85,328

	Auratus Resources Corp	Christopher Huggins	Core Management Corp.	Orogenic Regional Exploration	Opawica Explorations Inc.	Total
	\$	\$	\$	\$	\$	\$
Balance, May 31, 2021	-	-	33,875	365,736	24,935	424,546
Addition	50,000	14,100	-	236,113	-	300,213
Accrued interest	-	112	-	13,249	-	13,361
Repayments	-	(14,000)	-	-	(24,935)	(38,935)
Balance, November 30, 2021	50,000	212	33,875	615,098	-	699,185

On July 26, 2021, the Company loaned \$14,100 to Christopher Huggins, the President and COO of the Company on terms that the Loan plus accrued interest at 3.0% per annum shall be payable on demand. During the period ended November 30, 2021, the Company accrued interest income of \$112 and has received repayment of \$14,000.

During the year ended May 31, 2021, the Company advanced \$33,875 to Core Asset Management Corp. for working capital purposes. The amount is due on demand, unsecured and non-interest bearing.

Pursuant to a loan agreement dated October 1, 2019, and as amended on January 14, 2020, between the Company as lender and Opawica as borrower, the Company agreed to lend up to \$30,000 (the "Loan") to Opawica on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand. The loan has been fully settled during the period ended November 30, 2021.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

8. LOANS AND NOTES RECEIVABLE (continued)

On September 1, 2020, the Company completed the sale of 1,000,000 common shares of Exploits Gold Corp. ("Exploits Gold") to Orogenic Regional Exploration ("Orogenic") for consideration of a promissory note of \$350,000 bearing an interest at a rate of 6% per annum and payable on demand (Note 11). The shares are pledged as collateral for the promissory note. The Company accrued interest income of \$5,249 for the period ended November 30, 2021.

On September 7, 2021, the company has entered into an agreement to loan \$236,113 to Orogenic Regional Exploration Ltd on terms that the Loan plus accrued interest at 5.0% per annum plus a 10% bonus shall be payable on demand.

9. INVESTMENT IN ASSOCIATES

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 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 consideration 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.

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 consideration of \$150,000.

On June 3, 2020, the Company purchased 500,000 common shares of Volatus at a price of \$0.15 per share for total consideration of \$75,000, indirectly through its former subsidiary Exploits Gold. This was deemed to be disposed of when the Company lost control of Exploits Gold on July 7, 2020 (Note 11).

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. The loan has been settled on August 11, 2020. On August 18, 2020, the Company entered into another loan agreement with Volatus to borrow \$50,000 for the purpose of staking mineral claims in Newfoundland and Quebec. The loan bears interest at 2% per month, is payable on demand after March 10, 2021 and as further consideration for extending the loan, Volatus will receive a 5% ownership interest in the property to be staked (Note 11).

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

9. INVESTMENT IN ASSOCIATES (continued)

Volatus Capital Corp.

On June 3, 2020, the Company entered into a mineral property sale agreement with Volatus. Pursuant to the agreement, the Company sold 100% of its interests in the Lion's Den, Peak Gold Properties and its rights to acquire two additional mineral claims in the Toadoggone region of British Columbia for total cash consideration of \$35,000 and 3,500,000 common shares of Volatus with a total fair value of \$1,050,000 (Note 10).

On June 19, 2020, the Company purchased an additional 799,000 common shares of Volatus at a price of \$0.35 for total consideration of \$282,369.

On November 6, 2020, the Company sold its 100% interest in the Lunar Frog property to Volatus for 1,500,000 common shares of Volatus with a total fair value of \$330,000 (Note 10).

Volatus is a mineral resource company focused on the exploration and development of mineral property assets. As at November 30, 2021, the Company had a 25% of equity interest in Volatus. Management has determined that the Company has significant influence over Volatus and accordingly is using the equity method to account for this investment.

On August 25, 2021, the Company acquired 6,250,000 common shares of Volatus Capital Corp. in a private placement at a deemed price of \$0.12 per share or \$750,000. Subsequent to this transaction the Company controlled 33.5% of the issued and outstanding shares of Volatus Capital Corp.

On July 20, 2021, the Company entered into a subscription agreement to purchase of 6,250,000 flow-through shares of Volatus at \$0.12 per share for total consideration of \$750,000.

On September 22, 2021, the Company acquired 3,400,000 units of Volatus Capital Corp. by way of a private placement at \$0.10 per unit. Each unit consists of one common share and one common share warrant of the issuer. Subsequent to this transaction the Company controlled 20,365,667 common shares, representing 37.27% of the issued and outstanding common shares of the issuer.

On October 12, 2021, the Company acquired 3,800,000 units of Volatus Capital Corp. by way of a private placement at \$0.10 per unit. Each unit consists of one common share and one common share warrant of the issuer. Subsequent to this transaction the Company controlled 48.64% of the issued and outstanding common shares of the issuer.

On October 21, 2021, the Company acquired 800,000 common shares of Volatus through open market transactions at a price of \$0.106 per share for a total cost of \$84,683.

The following table summarizes the change in investment in Volatus for the period ended November 30, 2021:

	\$
Balance, November 30, 2019	-
Consideration paid	731,808
Sale of Split Dome Copper property	272,000
Equity loss on investment	(129,682)
Balance, November 30, 2020	874,126

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

9. INVESTMENT IN ASSOCIATES (continued)

Volatus Capital Corp.

	\$
Balance, November 30, 2020	874,126
Consideration paid	22,584
Sales of mineral properties	1,380,000
Disposal	(75,000)
Equity loss on investment	(85,661)
Balance, May 31, 2021	2,116,049
	\$
Balance, May 31, 2021	2,116,049
Consideration paid	1,554,683
Equity loss on investment	(31,345)
Balance, November 30, 2021	3,639,387

Golcap Resources Corp.

On July 23, 2021, the Company acquired 6,300,000 units of Golcap Resources Corp.. by way of a private placement at \$0.06 per unit. Each unit consists of one common share and one common share purchase warrant of the issuer.

On September 1, 2021, the Company acquired an additional 300,000 units of Golcap Resources Corp..at \$0.005 per unit.

On September 1, 2021, the Company acquired an additional 870,000 units of Golcap Resources Corp..at \$0.01 per unit.

On September 1, 2021, the Company acquired an additional 825,000 units of Golcap Resources Corp..at \$0.005 per unit.

On September 1, 2021, the Company acquired an additional 375,000 units of Golcap Resources Corp..at \$0.05 per unit. Subsequent to this transaction the Company controlled 20,365,667 common shares, representing 31% of the issued and outstanding common shares of the issuer.

	\$
Balance, May 31, 2021	-
Consideration paid	394,200
Equity loss on investment	(40,276)
Balance, November 30, 2021	353,924

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

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, November 30, 2019	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	120,103	180,103	38,675	-
Sale of property	-	-	-	-	-	-	-	-	-
Balance, May 31, 2020	-	-	-	-	-	120,103	180,103	38,675	-
Acquisition	22,490	60,150	35,905	52,225	19,890	30,000	231,602	6,000	52,000
Sale of property	-	(60,150)	-	(52,225)	(19,890)	(150,103)	(411,705)	(44,675)	-
Balance, November 30, 2020	22,490	-	35,905	-	-	-	-	-	52,000
Exploration expenditures									
Balance, November 30, 2019	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	4,045	4,045	-	-
Balance, May 31, 2020	-	-	-	-	-	4,045	4,045	-	-
Sale of property	-	-	-	-	-	(4,045)	(4,045)	-	-
Balance, November 30, 2020	-	-	-	-	-	-	-	-	-
Total acquisition costs and exploration expenditures									
November 30, 2019	-	-	-	-	-	-	-	-	-
November 30, 2020	22,490	-	35,905	-	-	-	-	-	52,000

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS (continued)

	British Columbia, Canada				Ontario, Canada	Chala. Peru	Australia	Total	
	Atlan- Ruffner	Red Metal Ridge	Lion's Den	Split Dome Copper	Lunar Frog	Cleghorn	Chala Copper	Arizona Project	
	\$	\$	\$	\$	\$	\$	\$	\$	
Acquisition costs									
Balance, November 30, 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	60,000	10,000	-	-	100,000	-	51,966	-	732,228
Sale of property	-	-	(47,311)	-	(100,000)	-	-	-	(886,059)
Balance, November 30, 2020	60,000	54,500	-	-	-	-	143,924	518,488	887,307
Exploration expenditures									
Balance, November 30, 2019	-	96,269	-	-	-	-	-	-	96,269
Additions	-	4,000	-	-	-	-	38,199	-	50,289
Balance, May 31, 2020	-	100,269	-	-	-	-	38,199	-	146,558
Addition	-	-	-	-	-	-	-	305,057	305,057
Sale of property	-	-	-	-	-	-	-	-	(8,090)
Balance, November 30, 2020	-	100,269	-	-	-	-	38,199	305,057	443,525
Total acquisition costs and exploration expenditures									
November 30, 2019	-	15,000	-	-	-	-	-	-	15,000
November 30, 2020	60,000	154,769	-	-	-	-	182,123	823,545	1,330,832

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS (continued)

	Newfoundland and Labrador, Canada								
	Chapel Island / Lil D'Espoir Lake	Gazeebow North	Dog Bay	Enterprise	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Howell River	Newfoundl and Syndicate
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs									
Balance, November 30, 2020	11,245	33,280	52,225	19,890	150,103	411,705	44,675	52,000	-
Acquisition	22,490	3,000	23,612	-	-	-	-	-	412,815
Sale of property	(33,735)	-	(75,837)	(19,890)	(150,103)	(411,705)	(44,675)	-	-
Balance, May 31, 2021	-	36,280	-	-	-	-	-	52,000	412,815
Acquisition	-	51,200	-	81,090	-	-	-	8,726	-
Sale of property	-	-	-	-	-	-	-	(60,726)	-
Balance, November 30, 2021	-	87,480	-	81,090	-	-	-	-	412,815
Exploration expenditures									
Balance, November 30, 2020	-	-	-	-	4,045	4,045	-	-	-
Sale of property	-	-	-	-	(4,045)	(4,045)	-	-	-
Balance, May 31, 2021	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-
Balance, November 30, 2021	-	-	-	-	-	-	-	-	-
Total acquisition costs and exploration expenditures									
November 30, 2020	11,245	33,280	52,225	19,890	154,148	415,750	44,675	52,000	-
November 30, 2021	-	87,480	-	81,090	-	-	-	-	412,815

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

10. EXPLORATION AND EVALUATION ASSETS (continued)

	British Columbia				Peru	Quebec			Australia	Total
	Atlin- Ruffner	Red Metal Ridge	Whymper	Lunar Frog	Chala Copper	Richard Copper	Stargold Properties	Tan Nickel Property	Allaru Project	
	\$	\$		\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, November 30, 2020	-	54,500	-	100,000	108,854	-	-	-	518,488	1,556,965
Acquisition	60,000	14,616	76,210	-	40,192	5,000	69,000	3,197	-	680,132
Sale of property	-	-	-	(100,000)	-	(5,000)	(69,000)	-	-	(909,945)
Balance, May 31, 2021	60,000	69,116	76,210	-	149,046	-	-	3,197	518,488	1,327,152
Acquisition	-	-	265,904	-	79,826	-	-	-	-	486,744
Sale of property	-	-	(27,889)	-	-	-	-	-	-	(88,615)
Balance, November 30, 2021	60,000	69,116	314,225	-	228,872	-	-	3,197	518,488	1,775,283
Exploration expenditures										
Balance, November 30, 2020	-	100,269	-	-	38,199	-	-	-	73,934	220,492
Addition	-	-	-	-	23,096	-	-	-	207,190	230,286
Write-off	-	-	-	-	(12,500)	-	-	-	-	(20,590)
Balance, May 31, 2021	-	100,269	-	-	48,795	-	-	-	281,124	430,188
Acquisition	-	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	(10,069)	-	-	-	-	(10,069)
Balance, November 30, 2021	-	100,269	-	-	38,726	-	-	-	281,124	420,119
Total acquisition costs and exploration expenditures										
November 30, 2020	-	154,769	-	100,000	147,053	-	-	-	592,422	1,777,457
November 30, 2021	60,000	169,385	314,225	-	267,598	-	-	3,197	799,612	2,195,402

10. 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.

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 second option was refused on November 27, 2020. The underlying vendor has the right to repurchase the 51% interest for \$5,000.

b) 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 former President, CEO and director, who held an 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 former CEO of the Company, for consideration of 1,000,000 common shares of the Company (issued on May 25, 2020 with a fair value of \$70,500). The Company's total interest in the property is now 73.5%.

The Company entered into an option agreement on the Sauco I and Sauco II claims in the Department of La Libertad Peru on September 20, 2020 with a payment of USD \$6,600. The option agreement envisions payments of USD \$450,000 over 3 years with a 2% royalty that can be bought for USD \$2,000,000. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID-19 pandemic.

The Company entered into an agreement on the Sausal Cooper claim in the Department of La Libertad Peru on September 20, 2020 with a payment of USD \$4,800. The option agreement envisions payments of USD \$1,000,000 over 3 years with a 2% royalty that can be bought for USD \$2,000,000. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID 19 pandemic.

The Company entered into a due diligence agreement on the Surupampa III 2009 claim in the Department of La Libertad Peru on September 19, 2020 with a payment of USD \$4,800. The option agreement envisions payments of USD \$1,000,000 over 3 years with a 2% royalty. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID 19 pandemic.

10. EXPLORATION AND EVALUATION ASSETS (continued)

c) 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.

d) 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.

e) Allaru Project (formerly known as Arizona Project) (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 "Allaru Project") to acquire the Allaru 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 Allaru Project to the Company for consideration of \$450,000, which is included in accounts payable and accrued liabilities as at November 30, 2021. The Allaru 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 Allaru Project for the following consideration: (i) \$37,091 (AUD \$32,000) 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 days 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.

f) Whymper Project

On November 30, 2020 the Company staked gold claims near Lake Cowichan on Vancouver Island, British Columbia. During the period ended November 30, 2021, 51% of the rights, title and interest in the Whymper Property was sold to 1255929 B.C. Ltd on June 14, 2021 for \$15,000 and 2,000,000 shares of the purchaser.

10. EXPLORATION AND EVALUATION ASSETS (continued)

g) Tan Nickel Property (Quebec)

Pursuant to a staking agreement dated May 3, 2021, the Company engaged the former Vice President of Business Development of the Company to stake mineral claims in Quebec by which ownership is held 90% by the Company and 10% by the Vice President.

h) Newfoundland Gold District

In June 2021, the Company entered into 50/50 staking syndicate with Exploits Discovery Corp. and through the staking syndicate acquired through staking a 100% interest in PB Hill property at a cost of \$412,815. Pursuant to the terms of the staking agreement, Crest is contributing geological intellectual property for the staking thesis and the Company will finance the staking costs. The Company will receive the first 1.2 times cost return on the funds financed and further benefit will be split 50/50.

i) Atlin-Ruffner (British Columbia)

The Company owns 66.7 % of 1251797 BC Ltd, which owns 100% of 28 claims covering the historic Atlin-Ruffner mine. The mine is about 23 kilometres northeast of Atlin. The occurrence has been an intermittent producer of silver and lead from 1916 to 1981, being operated by numerous companies.

Historic and unclassified reserves from the two zones from which underground development and production has taken place are reported to be 113,638 tonnes grading 600 grams per tonne silver and 5.0 per cent lead.

The reserves noted here are historic in nature and 1251767 BC Ltd has not done sufficient work to verify that an NI 43-101 resource exists on the property. This historic reserve should not be relied upon.

j) Enterprise (Newfoundland and Labrador)

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

The Enterprise property was optioned to Opawica Resources Inc. on October 26, 2020. Opawica may earn an initial 80% interest in the property by paying an aggregate of \$1.45 million cash and incurring \$5 million in work expenditures over a four-year period as follows:

\$250,000 cash due upon signing the agreement, (paid);

Second anniversary: \$450,000 cash payment and \$1 million in exploration expenditures. Third anniversary: \$250,000 cash payment and \$2 million in exploration expenditures. Fourth anniversary: \$500,000 cash payment and \$2 million in exploration expenditures.

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.

During the period, Opawica Resources Inc. has cancelled the option and returned the property to the Company.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

11. LOANS PAYABLE

On November 20, 2019, the Company entered into a loan agreement to borrow \$100,000 from Volatus. The principal amount of the loan plus accrued interest at 12% per annum is payable on demand after November 20, 2020. The Company has pledged a portion of 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 November 30, 2021, the principal balance owing on the loan was \$8,525 (2020- \$Nil) and accrued interest payable was \$7,054 (2020 - \$Nil).

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 providing the loan, Volatus will receive a 5% interest in the True Grit and Middle Ridge claims. As at November 30, 2021, the principal balance owing on the loan was \$100,000 (2020- \$Nil) and accrued interest payable was \$22,933 (2020 - \$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 providing the loan, Volatus will receive a 5% interest in the Howell River claims. As at November 30, 2021, the principal balance owing on the loan was \$50,000 (2020- \$Nil) and accrued interest payable was \$9,467 (2020 - \$Nil).

On November 30, 2021, the Company entered into an agreement with Volatus to use the outstanding loans owing to offset accounts receivable due from Volatus to the Company. As at November 30, 2021, the total principal balance owing and interest on the loan has been paid off.

On May 7, 2021, the Company has received an advance of \$350,000 from Exploits Discovery Corp for the purpose of initiating and managing the staking syndicate for properties in Newfoundland.

On May 26, 2021 the Company entered into an agreement with Exploits Discovery Corp. to sell the Gazebo North property for consideration of \$200,000 and 1.8 million shares of Exploits. On May 31, 2021 by mutual agreement the sale was cancelled and the purchase price of \$200,000 is to be returned to Exploits Discovery Corp.

On July 23, 2021, the Company repaid \$100,000 to Exploits Discovery Corp.

On July 26, 2021, Exploits Discovery Corp. has repaid \$62,815 staking fees accrued on behalf of the Newfoundland Syndicate project to the Company.

12. CEBA LOAN

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 November 30, 2021, the principal balance owing on the loan was \$40,000 (November 30, 2020 - \$40,000).

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

13. 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 November 30, 2021, there were Nil (2020 – 750,000) escrow shares outstanding.

c) Issued and Outstanding as at November 30, 2021: 79,549,021 (2020 – 43,687,834) common shares.

The Company had the following share capital transactions during the period ended November 30, 2021:

- (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.
- (ii) On July 28, 2020, the Company completed a non-brokered private placement to raise gross proceeds of \$689,500 through the sale of 6,895,000 common shares priced at \$0.10 per common share.
- (iii) On December 15, 2020, the Company acquired a total of 10,566,667 common shares (36%) of the issued and outstanding share capital of OCP Holdings Ltd. (formerly Ore Capital Partners Ltd.), a private investment holding company from each of 1247814 B.C. Ltd., Garry Stock, and Jason Cubitt Holdings Inc., for consideration of 18,647,123 common shares of the Company at a deemed price of \$0.115 per share.
- (iv) On December 8, 2020, the Company acquired a total of 1,333,333 common shares (6.4%) of the issued and outstanding share capital of Ecomine Technologies Corp. ("Ecomine"), a private mining technology company, from each of the former CEO and Aeternum Asset Advisors Inc. ("AAA"), for consideration of 2,898,550 common shares of the Company at a price of \$0.115 per share.
- (v) On December 1, 2020, the Company entered into an agreement to purchase 100% interest in four claims known as the Richard Copper project, in consideration for 50,000 common shares of the Company at a price of \$0.10 per share.
- (vi) On January 22, 2021, the Company entered into a share purchase and sale agreement to acquire all of the issued and outstanding shares of EResource Technologies I, LLC, a Silicon Valley based company in consideration for 4,000,000 common shares of the Company at a deemed price of \$0.09 per share.
- (vii) On August 4, 2020, the Company issued 375,000 common shares upon the exercise of warrants at a price of \$0.075 per common share for gross proceeds of \$28,125.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

- (viii) On August 12, 2020, the Company issued 78,900 common shares upon the exercise of warrants at a price of \$0.10 per common share for gross proceeds of \$7,890.
- (ix) On August 26, 2020, the Company issued 122,190 common shares upon the exercise of warrants at a price of \$0.10 per common share for gross proceeds of \$12,219.
- (x) On October 21, 2020, the Company issued 39,520 common shares upon the exercise of warrants at a price of \$0.10 per common share for gross proceeds of \$3,952.
- (xi) On February 2, 2020, the Company entered into an option agreement to purchase 100% interest in the Stargold properties, in consideration for 400,000 common shares of the Company at a price of \$0.11 per share.
- (xii) On June 2, 2021, the Company issued to certain directors, officers, employees and consultants an aggregate of 14,538,689 common shares in the capital stock of the Company as bonuses in relation to the increase in value and significant performance of the Company's investments. The common shares issued were subject to a four month hold period expiring October 2, 2021.
- (xiii) On June 3, 2021, the Company issued 200,000 common shares upon the exercise of warrants at a price of \$0.075 per common share for gross proceeds of \$15,000.
- (xiv) On September 16, 2021, the former CEO returned 5,023,175 of the Company shares which were distributed on June 2, 2021.
- (xv) On October 21, 2021, the Company issued 150,000 common shares upon the exercise of warrants at a price of \$0.065 per common share for gross proceeds of \$9,750.

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

- (xvi) 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.
- (xvii) 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.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(xviii) 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. The securities issued were restricted from trading until January 13, 2020. Two directors of the Company each received 500,000 shares.

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 November 30, 2021 and November 30, 2020 and the changes for the periods then ended is presented below:

	November 30, 2021		November 30, 2020	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	3,275,000	\$0.068	525,000	0.10
Granted	875,000	0.12	2,975,000	0.08
Exercised	(150,000)	0.10	-	-
Cancelled	(2,050,000)	\$0.080	(225,000)	0.10
Ending balance	1,700,000	\$0.072	3,275,000	\$0.10

The Company had the following stock option transactions during the period ended November 30, 2021:

The weighted average fair value at grant date of 2,975,000 options granted during the period ended November 30, 2021 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	0.91%
Expected life	4 years
Expected volatility	12.6%
Expected forfeiture rate	Nil
Expected dividends	Nil

Details of stock options outstanding and exercisable as at November 30, 2021 are as follows:

Expiry Date	Exercise Price	Outstanding	Exercisable
June 1, 2025	\$0.065	1,450,000	1,450,000
October 5, 2025	\$0.12	250,000	250,000
		1,700,000	1,700,000

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

The weighted average remaining contractual life of stock options outstanding at November 30, 2021 was 3.57 years (November 30, 2020: 3.15 years).

During the period ended November 30, 2021, the Company recognized \$nil (2020 - \$98,819) in share-based compensation expense related to these stock options.

e) Warrants

A summary of the Company's share purchase warrants at November 30, 2021 and the changes for the period then ended is presented below:

	Warrants	
	Number	Weighted Average Exercise Price (\$)
Outstanding, November 30, 2020	11,000,900	0.075
Exercised	(575,000)	0.075
Outstanding, November 30, 2021	10,425,000	0.075

As at November 30, 2021, the Company had outstanding and exercisable warrants as follows:

Expiry Date	Number of Shares	Weighted Average Exercise Price	Weighted Average Period
July 25, 2024	10,425,000	\$ 0.075	2.90 years
	10,425,000	\$ 0.075	2.90 years

14. 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 November 30, 2021	Period ended November 30, 2020
	\$	\$
Salaries and benefits	-	16,043
Management fees	167,905	177,222
Professional fee	122,661	17,500
Share-based payments	6,490,772	98,819
	6,781,338	309,584

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS AND BALANCE (continued)

The Company entered into an Executive Management Agreement with the former 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 November 30, 2021, the Company incurred \$20,000 (2020 - \$25,500) in management fees to the former CEO. As at November 30, 2021, accounts payable and accrued liabilities include amounts due to the former CEO of \$Nil (2020 - \$3,000), which are due on demand, unsecured and non-interest bearing.

The Company 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 November 30, 2021, the Company incurred \$15,000 (2020 - \$15,00) in fees to the company controlled by the CFO. During the period ended November 30, 2021, the Company granted 100,000 options to the company controlled by the CFO exercisable at a price of \$0.12 per share until April 4, 2023, with a fair value of \$981 and vesting over a period of four years as to 25% per year. As at November 30, 2021, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of \$Nil (2020 - \$7,875), which are due on demand, unsecured and non-interest bearing.

The Company entered into a Consulting Agreement with the CFO of the Company. As compensation for the services provided, the CFO will receive a monthly fee of \$1,000. During the period ended November 30, 2021, the Company incurred \$7,000 (2020 - \$6,000) in fees to the CFO. As at November 30, 2021, accounts payable and accrued liabilities include amounts due to the CFO of \$Nil (2020 - \$Nil), which are due on demand, unsecured and non-interest bearing.

The Company entered into an Officer and Consulting Agreement with the former 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 former 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 November 30, 2021, the Company incurred \$9,000 (2020 - \$Nil) in management fees to the former VP. As at November 30, 2021, accounts payable and accrued liabilities include amounts due to the former VP of \$Nil (2020 - \$27,295), which are due on demand, unsecured and non-interest bearing.

The Company entered into an Employment Agreement with the former 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 November 30, 2021, the Company incurred \$Nil (2020 - \$13,500) in salary and benefits 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, former CEO and a Director of the Company was party to the Peruvian staking agreement as described in Note 9.

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

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

14. RELATED PARTY TRANSACTIONS AND BALANCE (continued)

On June 2, 2021, the Company has issued to certain directors, officers, employees and consultants an aggregate of 14,538,689 common shares in the capital stock of the Company as bonuses in relation to the increase in value and significant performance of the Company's investments. The common shares issued are subject to a four month hold period expiring October 2, 2021. On September 16, 2021 5,023,175 of these shares were subsequently returned.

The Company has also transferred an aggregate of 2,473,024 common shares in the capital stock of Exploits Discovery Corp., 2,000,000 common shares in the capital stock of Opawica Explorations Inc. and 2,000,000 common shares of Origen Resources Inc., all held by the Company, to certain directors, officers, employees and consultants as bonuses. On September 16, 2021 1,000,000 Exploits Discovery Corp. shares were returned.

On July 26, 2021, the Company has loaned \$14,100 to Christopher Huggins, the President and COO of the Company on terms that the loan plus accrued interest at 3.0% per annum shall be payable on demand. During the period ended November 30, 2021, the Company accrued interest income of \$112 and \$14,000 of loan principal has been repaid.

15. SHARE BASED COMPENSATION

The Company has distributed performance bonus shares in lieu of the issuance of units under the Company's restricted share unit plan. The performance bonus shares are subject to escrow restrictions identical to the vesting provisions of the RSU Plan.

As a result, the performance shares of each company distributable to each recipient will be released from escrow over 24 months, as to 20% every six months, with the first 20% being released as of January 1, 2021 and the second released July 1, 2021 as outlined in the original RSU plan. The final release will be January 1, 2023.

On January 2, 2021, the Company allocated the following bonuses:

- an aggregate of 14,538,689 Crest Shares at a deemed price of \$0.10 per Crest Share to certain directors, officers, employees and consultants.
- transferred 2,473,024 Exploits Shares to those certain directors, officers, employees and consultants at a fair market value of \$3,437,503.
- transferred 2,000,000 Opawica Shares to certain directors a fair market value of \$900,000.
- transferred 2,000,000 Origen Shares to those certain directors a fair market value of \$700,000.

On August 13, 2021, the Company announced that it has chosen to terminate its RSU Plan. Other than these awards granted earlier in 2021, no further awards have been or will be granted under the RSU Plan.

During the period ended November 30, 2021, the former CEO has returned 5,023,175 of the Company shares as well as 1,000,000 Exploits Discovery Corp shares, which were distributed on June 2, 2021.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

16. 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.

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair Values and Classification of Financial Instruments

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

Financial Instrument	Category	November 30, 2021	November 30, 2020
Cash	Amortized costs	524,545	188,584
Restricted cash	Amortized costs	5,063	5,025
Marketable securities	FVTPL	10,251,190	2,549,522
Accounts receivable	Amortized cost	238,658	599,692
Loans and notes receivable	Amortized cost	649,185	453,112
Accounts payable	Amortized cost	452,203	918,248
Loans payable and CEBA loan	Amortized cost	552,649	222,075

IFRS 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).

Marketable securities 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 5.

The fair value of the Company's cash, restricted cash, accounts receivable, loans and notes receivable, accounts payable, loans payable and CEBA loan payable approximates their carrying value as at November 30, 2021 and November 30, 2020 because of the demand nature or short-term maturity.

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Financial risk management objectives and policies

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

(i) *Currency risk*

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

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

(ii) *Interest rate risk*

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

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

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high-quality financial institution. As at November 30, 2021, the Company's maximum credit risk is the carrying value of cash, accounts receivable and loans 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 November 30, 2021 are as follows:

	Less than 1 year \$	Between 1 – 5 years \$	More than 5 years \$	Total \$
Accounts payable and accrued liabilities	452,203	-	-	452,203
Loan Payable	512,469	-	-	512,469
CEBA loan		40,000	-	40,000
	964,672	40,000	-	1,004,672

CREST RESOURCES INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED NOVEMBER 30, 2021 AND 2020
(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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 an 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.

18. 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 10.

19. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended November 30, 2021, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	2021	2020
	\$	\$
Debt assignment	-	473,478
Shares issued for corporate finance service	-	10,000
Shares and subsidiary shares issued to acquire mineral properties	100,000	100,000
Investments in associate acquired through sale of mineral properties	-	1,810,819
Share issuance – Bonus	1,453,869	-

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