

CREST RESOURCES INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2022 AND 2021

Independent Auditor's Report

To the Shareholders of Crest Resources Inc.:

Opinion

We have audited the consolidated financial statements of Crest Resources Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at May 31, 2022, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at May 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Restated Comparative Information

We draw attention to Note 21 to the consolidated financial statements, which explains that certain comparative information as at May 31, 2021 and for the year then ended has been restated. Our opinion is not modified in respect of this matter.

The consolidated financial statements for the year ended May 31, 2021 excluding the adjustments that were applied to restate certain comparative information were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on September 28, 2021.

As part of our audit of the consolidated financial statements for the year ended May 31, 2022, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended May 31, 2021. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's net income is derived primarily from the non-cash transactions and the fact that 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. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adriel Fernandes.

Vancouver, British Columbia

December 21, 2022

MNP LLP
Chartered Professional Accountants

CREST RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT MAY 31,

	2022	2021 (as restated – Note 21)
ASSETS		
CURRENT		
Cash	\$ -	\$ 6,061
Restricted cash	5,063	5,025
Accounts receivable (Note 13)	35,528	234,282
Marketable securities (Note 5)	3,159,300	3,793,511
Investments (Note 6)	1,454,834	1,130,029
Prepaid expenses and advance	46,478	31,731
GST recoverable	221,199	39,366
Loans and notes receivable (Note 7)	801,951	424,546
	5,724,353	5,664,551
Equipment	32,422	3,160
Investment in associates (Note 8)	3,195,435	10,314,145
Investment in Leigh Creek (Note 19)	3,724,824	-
Exploration and evaluation assets (Note 9)	7,273,677	1,807,340
Reclamation deposit	30,000	-
	\$ 19,980,711	\$ 17,789,196
LIABILITIES		
CURRENT		
Bank indebtedness	\$ 21,082	\$ -
Accounts payable and accrued liabilities (Note 13)	1,380,528	1,541,837
Deferred revenue	-	176,250
Income tax payable	-	1,010,862
Bonus payable	-	5,038,582
Loans payable (Note 10)	562,649	622,518
	1,964,259	8,390,049
CEBA loan (Note 11)	40,000	40,000
	2,004,259	8,430,049
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	7,431,046	7,149,194
Reserves	307,639	330,594
Retained earnings	6,197,939	2,217,220
Total equity attributable to the Company's shareholders	13,936,624	9,697,008
Non-controlling interests	4,039,828	(337,861)
Total equity	17,976,452	9,359,147
	\$ 19,980,711	\$ 17,789,196

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 17)

SUBSEQUENT EVENTS (Note 23)

Approved and authorized for issue on behalf of the Board on December 21, 2022

"Jason Cubitt"

Director

"Garry Stock"

Director

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

CREST RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31,
(Expressed in Canadian dollars)

	2022	2021 (restated - Note 21)
REVENUE		
Management fees	\$ 320,780	\$ 928,242
Contractor fees	-	100,000
	320,780	1,028,242
EXPENSES		
Amortization	9,791	183
Bad debts	-	85,716
Bank charges	20,354	4,697
Bonus award (Note 21)	-	5,038,582
Consulting fees (Note 13)	507,510	384,001
Director fees	62,490	112,403
Exploration & evaluation preliminary expenditures	60,726	698,147
Insurance	3,087	2,975
Interest expense	15,068	35,937
Management fees (Note 13)	367,542	300,647
Marketing fees	63,610	23,821
Office	128,509	43,827
Professional fees (Note 13)	376,509	170,938
Property investigation	40,123	-
Rent	294,552	31,378
Salaries (Note 13)	50,403	37,043
Share-based payments (Notes 12, 13 and 21)	-	1,712,228
Transfer agent and filing fees	38,621	35,347
Travel	81,328	83,889
	(2,120,223)	(8,801,759)
LOSS BEFORE OTHER ITEMS	(1,799,443)	(7,773,517)
OTHER ITEMS		
Interest income from loans and notes receivables	137,471	24,203
Recovery of expenses	-	74,713
Gain (loss) on foreign exchange	(70,141)	46,170
Gain on disposals of mineral properties	-	5,906,698
Realized and unrealized gain on marketable securities and investments	4,821,895	1,993,994
Gain on deemed disposal of subsidiary (Note 22)	-	1,461,696
Gain on disposal of investment in associates	4,553,680	2,968,096
Write-off of investments	(1,078,551)	(360,000)
Share of loss from equity investments	(3,345,517)	(944,342)
Bonus recovery (Notes 14 and 21)	279,689	-
Write-off of accounts receivable	(121,829)	-
Write-off of property	(844,112)	-
Write-off of notes receivable (Note 7)	(33,875)	-
	4,298,710	11,171,228
INCOME AND COMPREHENSIVE INCOME	2,499,267	3,397,711
INCOME TAX Recovery (expense)	1,010,862	(1,010,862)
NET INCOME AND COMPREHENSIVE INCOME FOR THE YEAR	\$ 3,510,129	\$ 2,386,849
NET INCOME AND COMPREHENSIVE INCOME ATTRIBUTED TO:		
Shareholders of the Company	\$ 3,980,719	\$ 2,775,950
Non-controlling interests	(470,590)	(389,101)
	\$ 3,510,129	\$ 2,386,849
EARNINGS PER COMMON SHARE (basic)	\$0.05	\$0.05
EARNINGS PER COMMON SHARE (fully diluted)	\$0.04	\$0.03
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	76,754,321	53,755,526

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

CREST RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2022 AND 2021
(Expressed in Canadian dollars)

	Common Shares			Retained earnings (Deficit)	Non-controlling Interests	Total Equity
	Number of Shares	Amount	Reserves			
		\$	\$	\$	\$	\$
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	26,995,673	2,992,378	-	-	-	2,992,378
Shares issued by subsidiary to acquire properties	-	-	-	-	60,000	60,000
Warrant exercises	615,500	61,550	-	-	-	61,550
Shares issued by subsidiary for cash	-	-	-	-	376,850	376,850
Share-based payments (as restated Note 21)	-	1,453,869	258,359	-	-	1,712,228
Share issuance costs	-	(3,145)	-	-	-	(3,145)
Deemed disposal of subsidiary	-	-	(162,172)	-	(497,378)	(659,550)
Net income for the year (as restated Note 21)	-	-	-	2,775,950	(389,101)	2,386,849
Balance, May 31, 2021 (as restated Note 21)	69,683,507	7,149,194	330,594	2,217,220	(337,861)	9,359,147
Shares issued for cash (Note 14)	14,700,000	735,000	-	-	-	735,000
Shares issued for bonus	14,538,689	-	-	-	-	-
Shares returned	(5,023,174)	(502,318)	-	-	-	(502,318)
Option exercises	375,000	27,125	-	-	-	27,125
Fair value – options exercised	-	22,955	(22,955)	-	-	-
Warrant exercises	200,000	15,000	-	-	-	15,000
Shares issued by subsidiary for cash	-	-	-	-	94,749	94,749
Acquisition of Volatus Capital Corp.	-	-	-	-	4,753,530	4,753,530
Share issuance costs	-	(15,910)	-	-	-	(15,910)
Net Income for the year	-	-	-	3,980,719	(470,590)	3,510,129
Balance, May 31, 2022	94,474,022	7,431,046	307,639	6,197,939	4,039,828	17,976,452

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

CREST RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31,
(Expressed in Canadian dollars)

	2022	2021 (as restated – Note 21)
OPERATING ACTIVITIES		
Net income for the year	\$ 3,510,129	\$ 2,386,849
Items not involving cash:		
Accrued interest	(56,601)	35
Amortization	9,791	-
Share-based payments	-	1,712,228
Write-off of investment	1,078,551	360,000
Fair value gain on step acquisition of Volatus	(126,586)	-
Write-off of notes receivable	33,875	-
Write-off of accounts receivable	121,829	-
Write-off of mineral properties	925,642	-
Gain on disposal of mineral properties	-	(5,906,698)
Realized gain on disposals of marketable securities	-	(289,820)
Unrealized loss (gain) on marketable securities and investments	(3,956,729)	(1,704,173)
Share of loss (gain) from equity-accounted investment	3,345,517	944,342
Gain on deemed disposal of subsidiary	-	(1,461,696)
Gain on disposal of investment in associate	(4,553,680)	(2,968,096)
Changes in non-cash working capital balances:		
Accounts receivable	76,925	(231,443)
Prepaid expenses and advance	6,753	98,278
GST recoverable	(28,801)	(31,650)
Deferred revenue	(176,250)	38,750
Accounts payable and accrued liabilities	(791,634)	1,124,191
Income tax payable	(1,010,862)	1,010,862
Bonus payable	(5,038,582)	5,038,582
Restricted cash	(38)	(25)
Cash (used in) provided by operating activities	(6,630,751)	120,516
INVESTING ACTIVITIES		
Notes advanced	(544,114)	(51,807)
Proceeds from notes receivable	189,435	-
Purchase of plant and equipment	(39,467)	(3,160)
Proceeds from disposal of plant and equipment	414	-
Exploration and evaluation assets	(334,681)	1,848,280
Proceeds from sales of mineral properties	-	601,000
Purchase of marketable securities	(7,966,093)	-
Purchase of investment	(701,303)	-
Proceeds from sales of marketable securities	12,626,138	1,430,141
Investment in associates	3,095,048	(5,136,503)
Cash disposed upon deemed disposal of subsidiary	-	(253,320)
Cash provided by (used in) investing activities	6,325,377	(1,565,369)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	232,682	911,351
Proceeds from issuance of subsidiary shares	94,749	-
Share issuance costs	(15,910)	(3,145)
Options and warrants exercised	42,125	-
Cash received from acquisition of Volatus Capital Corp.	14,455	-
Loans payable	(89,870)	516,157
Cash provided by financing activities	278,231	1,424,363
DECREASE IN CASH	(27,143)	(20,490)
CASH, BEGINNING OF YEAR	6,061	26,551
CASH (BANK INDEBTNESS), END OF YEAR	\$ (21,082)	\$ 6,061
SUPPLEMENT CASH FLOW INFORMATION (Note 18)		

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

CREST RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2022 AND 2021
(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 records office is Suite 2900 – 733 Seymour 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 May 31, 2022, 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 Company has net loss of \$3,980,719 for the year ended May 31, 2022, and, as of May 31, 2022, the Company had retained earnings of \$6,197,939. However, the Company used cash from operating activities and the net income is derived primarily from the non-cash 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.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

These 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 consolidated financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These 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 consolidated financial statements were authorized for issue in accordance with a resolution from the Board of Directors on December 21, 2022.

CREST RESOURCES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2022 AND 2021
(Expressed in Canadian dollars)

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

b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments and provisions which are measured at fair value, as explained in the accounting policies set out below. In addition, these 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.

c) Basis of consolidation

The 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 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 May 31, 2022	Ownership interest as at May 31, 2021
Crest GP Canada Inc.	British Columbia, Canada	100%	100%
Crest Project Development Corp.	British Columbia, Canada	100%	100%
Crest SPV Limited Partnership	British Columbia, Canada	100%	100%
1251797 B.C. Ltd	British Columbia, Canada	66.7%	66.7%
AusVan Battery Metals Pty Ltd	Australia	60%	60%
Carbon Foundry Corp.*	British Columbia, Canada	50%	50%
Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd)	British Columbia, Canada	63.3%	56.3%
Chala Cobre y Oro S.R.L.	Peru	73.5%	78.5%
Volatus Capital Corp.**	British Columbia, Canada	51.44%	25%

*Dissolved subsequent to May 31, 2022

**The consolidated financial statements include the financial statements of Volatus Capital Corp. ("Volatus") from its date of acquisition on March 9, 2022.

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

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 consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries, except for AusVan Battery Metals Pty Ltd, which has Australian dollars as its functional currency.

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.

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

h) Exploration and evaluation assets (continued)

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.

Costs related to preliminary investigation or preliminary assessments of properties prior to acquisition are expensed through operating expenses.

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.

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

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

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.

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) Earnings per share

The Company presents basic and diluted income 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 income 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.

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

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.

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.

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

n) Financial assets (continued)

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.

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.

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

q) Leases (continued)

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 year ended May 31, 2022, all of the Company's leases are short-term leases with a term of 12 months or less and recorded as operating leases

r) Business combination

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

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

s) Property, plant and equipment

Property, plant and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Costs associated with the commissioning of new assets, in the period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues. Where an item of property, plant and equipment or mine properties comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Amortization is determined at rates which will reduce original cost to estimated residual value over the expected useful life of each asset.

t) Impairment of non-financial assets

At each reporting date the carrying amounts of the Company's property, plant and equipment and exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of operations for the period.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets. This generally results in the Company evaluating its non-financial assets on a geographical or license basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGUs) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGUs) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

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

u) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues, incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company operates in one business segment, acquisition and exploration of mineral property assets and two geographical segments, Australia and Canada, during the year ended May 31, 2022 and 2021.

v) Related party transactions

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. Parties are also considered to be related if they are subject to common control or common significant influence, 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Company's 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

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.

- ii. Valuation of company investments

The fair value of the Company's investments is determined as follows:

Listed securities

The fair value of securities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The fair value of securities that are subject to trading restrictions are recorded at a value which takes into account the length and nature of the restrictions, if needed.

Unlisted securities

For investments that are not publicly traded, subsequent to initial recognition, the fair value of these investments is determined by the Company using the most appropriate valuation methodology in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio and are valued as follows:

- Investments are valued at cost for a limited period after the date of acquisition, if the purchase price remains representative of the fair value at the reporting date; otherwise, investments are valued using one of the other methodologies detailed below.
- Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate.
- Investments in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by a sophisticated, arm's-length investor are valued at the price of the recent trade.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

ii. Valuation of company investments (continued)

Unlisted securities (continued)

- Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.
- For public company warrants, options and conversion features on debt (i.e., the underlying security of which is traded on a recognized stock exchange), valuation models such as Black-Scholes Option Pricing Model are used when there are sufficient and reliable observable market inputs. These market inputs include risk-free interest rate, exercise price, market price at date of valuation, expected dividend yield, expected life of the instrument and expected volatility of the underlying security based on historical volatility. For private company warrants, the underlying security is not traded on a recognized stock exchange, therefore fair value is determined consistent with other investments that do not have an active market, as described above.
- Loans, debentures and promissory notes issued by investees are generally valued at the price at which the instrument was issued. The Company regularly considers whether any indications of deterioration in the value of the underlying business exist, which suggest that the debt instrument will not be fully recovered. The fair value of convertible debentures receivable is measured using valuation techniques including discounted cash flow models and modified Black Scholes Option Pricing Models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment and assumptions provided by Management is required in establishing fair values. Judgments include consideration of inputs such as credit risk, discount rates, volatility, probability of certain triggering events and IPO events, and share prices of private company borrowers. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments.

The Company may apply a further illiquidity discount to the fair value of an investment if conditions exist that could make it challenging to monetize the investment in the near term at a price indicated by the valuation models. The amount of illiquidity discount applied requires considerable judgment and is based on the facts and circumstances of each investment. The process of valuing investments for which no active market exists is inevitably based on inherent uncertainties, and the resulting values may differ significantly from values that would have been used had a ready market existed for the investments. These differences could be material to the fair value of investments in the portfolio.

iii. Marketable securities

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

iv. Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition.

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values, including the total consideration paid by the Company. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities including assessing the fair value of any favourable or unfavorable lease terms. For any intangible asset identified or form of consideration paid by the Company, depending on the type of intangible asset or consideration paid and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Additionally, as part of a business combination, all forms of consideration paid (on the date of acquisition or contingent upon achieving certain milestones) are recorded at their fair values, which is a significant estimate. For any form of consideration paid by the Company, depending on the type of consideration paid and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the asset concerned and any changes in the discount rate applied. In the event that there is contingent consideration in an acquisition management makes assumptions as to the probability of the consideration being paid.

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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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 consolidated financial statements for the year ended May 31, 2022. Management prepares the 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.

v. Acquisitions

Management uses judgment in determining if an acquisition is a business combination or an asset acquisition

vi. Investments

Management uses judgment in whether investments are held with significant influence and the application of the equity method.

Management exercises judgment in applying criteria in IFRS 10 - Financial Statements, which determines the Company's status as an investment entity.

4. NEW ACCOUNTING STANDARDS

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

5. MARKETABLE SECURITIES

The Company holds common shares in various public companies. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price as at May 31, 2022 and are therefore classified as Level 1 within the fair value hierarchy.

CREST RESOURCES INC.
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5. MARKETABLE SECURITIES

Continuity for the years ended May 31, 2022 and 2021 is as follows:

	Balance, May 31, 2020	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, May 31, 2021
	\$	\$	\$	\$	\$	\$
Common shares – Level 1						
International Prospect Ventures	168,000	-	(237,580)	102,408	(32,828)	-
Troubadour Resources Inc.	80,000	-	(69,285)	(30,715)	20,000	-
International Samuel Exploration Corp.	52,157	-	(41,525)	585	(11,217)	-
Spey Resources Corp.	-	75,925	(84,398)	8,473	-	-
Cleghorn Minerals Ltd.	175,000	30,313	(53,183)	26,516	97,354	276,000
Clarity Gold Corporation	-	228,015	(204,758)	(23,257)	-	-
Essex Minerals Inc.	250,000	266,066	(494,623)	137,379	(119,223)	39,599
Gold Mtn Mining	-	1,000	(7,419)	6,419	-	-
Opawica Explorations Inc.	-	788,582	(106,341)	80,226	553,533	1,316,000
Rain City Resources Inc.	-	66,084	-	-	302,961	369,045
Origen Resources Inc.	-	940,000	-	-	821,667	1,761,667
Solis Minerals Ltd. (formerly Westminster Resources Ltd.)	-	31,500	(56,698)	25,198	-	-
Copaur Minerals	-	78,733	(39,598)	(39,135)	-	-
Vertical Exploration Inc	-	76,598	(34,734)	(4,277)	(6,387)	31,200
Total	725,157	2,582,816	(1,430,142)	289,820	1,625,860	3,793,511

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5. MARKETABLE SECURITIES (continued)

	FMV Balance, May 31, 2021	Transfer from (to) Associates	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, May 31, 2022
	\$		\$	\$	\$	\$	\$
Common shares – Level 1							
Atacama Copper Corp	-	-	500	(505)	5	-	-
Atomic Minerals Corp	-	-	14,155	(13,845)	(310)	-	-
Cavu Mining Corp	-	-	247,321	(218,157)	(29,164)	-	-
Clarity Gold Corp.	-	-	141,612	(89,363)	(52,249)	-	-
Cleghorn Minerals Ltd.	276,000	-	185,952	-	-	(130,962)	330,990
Cognetivity Neurosciences Ltd	-	-	465,308	(363,265)	(102,043)	-	-
Core Assets Corp	-	-	621,777	(805,461)	321,083	329,680	467,079
Essex Minerals Inc.	39,599	-	156,526	(144,899)	(49,927)	(1,299)	-
Exploits Discovery Corp	-	2,075,570	159,040	(3,274,475)	1,039,865	-	-
Forty Pillars Mining Corp	-	-	90,000	(43,228)	43,228	(71,311)	18,689
Global Li-ion Graphite Corp	-	-	40,430	(34,620)	(5,810)	-	-
Go Metals Corp	-	-	65,013	(73,879)	8,866	-	-
Headwater Gold Inc	-	-	234,262	(194,030)	(40,232)	-	-
Inflection Res Ltd	-	-	165	(125)	(40)	-	-
Komo Plant Based Food Inc	-	-	10,095	(9,945)	(150)	-	-
Medallion Resource Ltd	-	-	33,092	(37,853)	4,761	-	-
Mountain Boy Minerals Ltd	-	-	133,060	(100,179)	(32,881)	-	-
Nevgold Corp	-	-	1,782,250	(591,541)	82,520	221,671	1,494,900
Opawica Explorations Inc	1,316,000	-	948,504	(989,893)	964	(690,617)	584,958
Origen Resources Inc	1,761,667	(1,592,695)	578,151	(709,886)	(1,780)	(35,457)	-
Penbar Capital Ltd	-	600	1,000	(1,848)	848	-	600
Playground Ventures Inc	-	-	149,711	-	-	(120,327)	29,384
Rain City Resources Inc	369,045	-	156,006	(70,035)	(152,055)	(302,961)	-
Ranchero Gold Corp	-	-	275	(142)	(133)	-	-
Ready Set Gold Corp	-	-	775,464	(256,260)	(229,922)	(56,582)	232,700
Sabre Gold Mines Corp	-	-	35,744	(32,160)	(3,584)	-	-
Solis Minerals Ltd. (formerly Westminster Resources Ltd.)	-	-	99,184	(82,214)	(16,970)	-	-
Troubadour Resources Inc	-	-	55,000	(108,894)	53,894	-	-
Val-D'or Mining Corp	-	-	307,592	(302,219)	(5,373)	-	-
Vertical Exploration Inc	31,200	-	119,094	(172,117)	15,436	6,387	-
Westbridge Energy Corp	-	-	55,854	(51,534)	(4,320)	-	-
Xrapplied Technologies Inc	-	-	148,043	(76,554)	(71,489)	-	-
Zimtu Capital Corp	-	-	177,212	(143,754)	(33,458)	-	-
Total	3,793,511	483,475	7,987,392	(8,992,880)	739,580	(851,778)	3,159,300

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6. INVESTMENTS

The Company holds common shares in various private companies. At May 31, 2022, the Company had privately held investments and warrants with a total fair value of \$1,454,834. The common shares of private companies are classified as FVTPL and are recorded at fair value using unobservable inputs and are therefore classified as level 3 within the fair value hierarchy.

	May 31, 2022	May 31, 2021 (as restated – Note 21)
	\$	\$
Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd.)	-	19,000
2311548 Alberta Ltd	-	500
Avalyn Beverage Company Ltd	150,000	-
Core Asset Management Corp	40	40
Ecomine Technology Inc.	-	583,333
Progenitor Metals Corp	75,000	-
Sustainable Capital Corp.	250,000	-
Terra Balcanica Resources Corp	135,000	-
Viewmont Gold Pty Ltd	-	350,592
	610,040	953,465

E-Resources Technologies LLC is restated and not included as at May 31, 2021 due to a restatement that corrects the expensing of the entire asset acquisition cost amount in the year ended May 31, 2021. OCP Holdings Ltd. and Cayenne Capital Corp. were originally categorized as investments at FVTPL, but were restated to be accounted for as significant influence investments under the equity method of accounting. Please refer to Note 21.

The Company also holds warrants in public companies which 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. The following warrants were held at May 31, 2022 and 2021.

	May 31, 2022	May 31, 2021
	\$	\$
Cleghorn Minerals Ltd. (a) (b)	27,891	8,090
Volatus Capital Corp. (c) (j) (k) (m)	-	25,602
Troubadour Resources Inc. (d)	-	24,526
Origen Resources Inc. (e)	-	64,579
Opawica Explorations Inc.(f)	98,503	53,767
Core Assets Corp (g)	216,929	-
Forty Pillar Mining Corp (h)	18,368	-
Golcap Resources Corp (i)	308,103	-
Devvesg Streaming Finco Ltd (l)	175,000	-
	844,794	176,564

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6. INVESTMENTS (continued)

- (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:

	May 31, 2022	May 31, 2021
Share price	\$0.09	\$0.09
Risk free interest rate	2.62%	0.54%
Expected life	0.76 years	1.69 years
Expected volatility	130.52%	50.00%
Expected dividend	Nil	Nil

As at May 31, 2022, the warrants were remeasured at a fair value of \$27,891 (2021 - \$8,090).

- (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:

	May 31, 2021
Share price	\$0.09
Risk free interest rate	0.32%
Expected life	0.77 years
Expected volatility	50.00%
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 May 31, 2022, the warrants have expired.

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6. INVESTMENTS (continued)

- (c) Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split Dome copper property to Volatus for consideration of 250,000 common shares of Volatus and 125,000 common share purchase warrants exercisable at a price of \$1.20 per share for a period of 36 months. The fair value of the common shares was evaluated at \$270,000. As at May 31, 2021, the fair value of the warrants was evaluated at \$25,602 using the Black – Scholes option pricing model based on the following assumptions:

	May 31, 2021
Share price	\$0.09
Risk free interest rate	0.54%
Expected life	1.67 years
Expected volatility	77%
Expected dividend	Nil

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

- (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.

As at May 31, 2021, the fair value of the warrants was evaluated at \$24,526 using the Black – Scholes option pricing model based on the following assumptions:

	May 31, 2021
Share price	\$0.10
Risk free interest rate	0.32%
Expected life	0.35 years
Expected volatility	52%
Expected dividend	Nil

As at May 31, 2022, the warrants have expired.

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6. INVESTMENTS (continued)

- (e) On January 12, 2021, the Company entered into a share subscription agreement for 4,200,000 Origen Resources Inc. shares at \$0.23. The Company is 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 May 31, 2021 the fair value of the warrants was evaluated at \$64,579 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.23
Risk free interest rate	0.19%
Expected life	0.62 years
Expected volatility	72%
Expected dividend	Nil

On January 11, 2022, the Company has exercised the warrants at a cost of \$83,333. This resulted in the Company obtaining significant influence over Origen Resources Inc. (Note 8)

- (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 May 31, 2021, the fair value of the warrants was evaluated at \$53,767 using the Black – Scholes option pricing model based on the following assumptions:

	May 31, 2021	May 31, 2022
Share price	\$0.30	\$0.25
Risk free interest rate	0.27%	2.62%
Expected life	1.70 years	0.83 years
Expected volatility	137%	130.52%
Expected dividend	Nil	Nil

As at May 31, 2022, the warrants were remeasured at a fair value of \$98,503.

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6. INVESTMENTS (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.

	May 31, 2022
Share price	\$0.69
Risk free interest rate	2.62%
Expected life	1.24 years
Expected volatility	150%
Expected dividend	Nil

As at May 31, 2022, the warrants were remeasured at a fair value of \$216,929.

- (h) On October 22, 2021, the Company entered into a share subscription agreement for 450,000 Forty Pillars Mining Corp. shares at \$0.20. 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 \$0.24 for a period of 36 months from the date of the issue of the warrants.

	May 31, 2022
Share price	\$0.08
Risk free interest rate	2.62%
Expected life	2.41 years
Expected volatility	138.39%
Expected dividend	Nil

As at May 31, 2022, the warrants were remeasured at a fair value of \$18,368.

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6. INVESTMENTS (continued)

- (i) On July 28, 2021, the Company entered into a share subscription agreement for 2,100,000 Golcap Resources Corp. shares at \$0.18. 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 \$0.225 for a period of 60 months from the date of the issue of the warrants.

	May 31, 2022
Share price	\$0.17
Risk free interest rate	2.70%
Expected life	4.16 years
Expected volatility	150%
Expected dividend	Nil

As at May 31, 2022, the warrants were remeasured at a fair value of \$308,103.

- (j) On September 22, 2021, the Company entered into a share subscription agreement for 850,000 Volatus Capital Corp. shares at \$0.046. 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 \$0.48 for a period of 60 months from the date of the issue of the warrants.

	March 9, 2022
Share price	\$0.22
Risk free interest rate	2.70%
Expected life	4.54 years
Expected volatility	150.00%
Expected dividend	Nil

As at March 9, 2022, the warrants were remeasured at a fair value of \$158,835 and included as consideration for the step-acquisition (Note 19).

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6. INVESTMENTS (continued)

- (k) On October 12, 2021, the Company entered into a share subscription agreement for 950,000 Volatus Capital Corp. shares at \$0.046. 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 \$0.48 for a period of 60 months from the date of the issue of the warrants.

	March 9, 2022
Share price	\$0.22
Risk free interest rate	2.70%
Expected life	4.76 years
Expected volatility	150.00%
Expected dividend	Nil

As at March 9, 2022, the warrants were remeasured at a fair value of \$179,911 and included as consideration for the step-acquisition (Note 19).

- (l) On January 14, 2022, the company has entered into a private subscription agreement to acquire 218,750 special warrants of Devvesg Streaming Finco Ltd at \$0.80 for a cost of \$175,000. The special warrants will convert upon DevvESG's reverse-takeover IPO to a common share and one half share-purchase warrant, each full warrant exercisable at \$1.50 for a period of 24 months from the date of the reverse-takeover IPO.
- (m) On March 9, 2022, the Company entered into a share subscription agreement for 3,050,000 Volatus Capital Corp. shares at \$0.20. 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 \$0.28 for a period of 60 months from the date of the issue of the warrants, the value of the entire subscription units was a part of the consideration for the step-acquisition (Note 19).

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7. LOANS AND NOTES RECEIVABLE

	Orogenic Regional Exploration	Core Asset Management Corp.	Opawica Explorations Inc.	Total
	\$	\$	\$	\$
Balance, May 31, 2020	-	-	22,739	22,739
Addition	350,000	33,875	-	383,875
Accrued interest	15,736	-	2,196	17,932
Balance, May 31, 2021	365,736	33,875	24,935	424,546

	Playground Ventures Inc	Core Asset Management Corp.	Orogenic Regional Exploration	Opawica Explorations Inc.	Total
	\$	\$	\$	\$	\$
Balance, May 31, 2021	-	33,875	365,736	24,935	424,546
Addition	288,000	-	256,113	-	544,113
Accrued interest	3,175	-	53,427	-	56,602
Repayments	-	-	(164,500)	(24,935)	(189,435)
Written off	-	(33,875)	-	-	(33,875)
Balance, May 31, 2022	291,175	-	510,776	-	801,951

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. During the year ended May 31, 2022, the Company wrote off the entire \$33,875 as management deemed it uncollectible due to the financial position of Core Asset Management Corp.

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. During the year ended May 31, 2021, the Company accrued interest income of \$2,196. The loan has been fully settled during the year ended May 31, 2022.

On September 1, 2020, the Company completed the sale of 1,000,000 common shares of Exploits Discovery Corp. ("Exploits") 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. The shares are pledged as collateral for the promissory note. The Company accrued interest income of \$18,837 (2021 - \$15,736) for the year ended May 31, 2022. The Company repaid \$164,500 during the year ended May 31, 2022.

On September 7, 2021, the Company 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. The Company accrued interest income of \$32,248 for the year ended May 31, 2022.

On January 31, 2022, the Company entered into an agreement to loan \$20,000 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. The Company accrued interest income of \$2,342 for the year ended May 31, 2022.

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7. LOANS AND NOTES RECEIVABLE (continued)

On February 23, 2022, the Company entered into an agreement to loan \$145,000 to Playground Ventures Inc. The principal amount plus accrued interest at 5% per annum is receivable on or before December 31, 2022. The Company accrued interest income of \$1,947 for the year ended May 31, 2022.

On March 30, 2022, the Company entered into an agreement to loan \$140,000 to Playground Ventures Inc. The principal amount plus accrued interest at 5% per annum is receivable on or before December 31, 2022. The Company accrued interest income of \$1,208 for the year ended May 31, 2022.

On April 13, 2022, the Company entered into an agreement to loan \$3,000 to Playground Ventures Inc. The principal amount plus accrued interest at 5% per annum is receivable on or before December 31, 2022. The Company accrued interest income of \$20 for the year ended May 31, 2022.

8. INVESTMENT IN ASSOCIATES

Volatus Capital Corp.

Volatus is a mineral resource company focused on the exploration and development of mineral property assets. As at May 31, 2022, the Company had a 51.44% of equity interest in Volatus. Management has determined that the Company has control over Volatus and included the operations of Volatus in the consolidated financial statements.

Increase in ownership holdings occurred as follows:

On September 25, 2019, the Company acquired 166,667 common shares of Volatus from a single arm's length vendor at a price of \$0.48 per share for total consideration of \$80,000. On October 7, 2019, the Company acquired another 133,333 common shares of Volatus from two arm's length vendors at a price of \$0.90 per share for total consideration of \$120,000. Immediately following the acquisition of the common shares, the Company owned a total of 300,000 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 75,000 common shares of Volatus held in escrow at a price of \$0.12 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 250,000 common shares of Volatus and 125,000 common share purchase warrants as described in Note 6. On February 5, 2020, the Company acquired a further 41,667 common shares of Volatus through open market transactions at a price of \$0.96 per share for a total consideration of \$40,420. Immediately following the acquisition of the shares, the Company owned and controlled a total of 666,667 common shares or approximately 47.3% of the issued and outstanding shares of Volatus.

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 500,000 common shares of Volatus at a price of \$0.30 per share for total consideration of \$150,000.

On June 3, 2020, the Company purchased 125,000 common shares of Volatus at a price of \$0.60 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.

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 875,000 common shares of Volatus with a total fair value of \$1,050,000 (Note 9).

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8. INVESTMENT IN ASSOCIATES (continued)

Volatus Capital Corp. (continued)

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 10).

On June 19, 2020, the Company purchased an additional 199,750 common shares of Volatus at a price of \$1.40 for total consideration of \$282,369.

On November 6, 2020, the Company sold its 100% interest in the Lunar Frog property to Volatus for 375,000 common shares of Volatus with a total fair value of \$330,000 (Note 9).

On July 20, 2021, the Company entered into a subscription agreement to purchase of 1,562,500 flow-through shares of Volatus at \$0.48 per share for total consideration of \$750,000.

On August 25, 2021, the Company acquired 1,562,500 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 September 22, 2021, the Company acquired 850,000 units of Volatus Capital Corp. by way of a private placement at \$0.46 per unit. Each unit consists of one common share and one common share warrant of the issuer to purchase one additional share at a share price of \$0.48 for a period of 60 months from the date of issue. Subsequent to this transaction the Company controlled 5,153,917 common shares, representing 37.73% of the issued and outstanding common shares of the issuer.

On October 12, 2021, the Company acquired 950,000 units of Volatus Capital Corp. by way of a private placement at \$0.46 per unit. Each unit consists of one common share and one common share warrant of the issuer to purchase one additional share at a share price of \$0.48 for a period of 60 months from the date of issue. Subsequent to this transaction the Company controlled 41.2% of the issued and outstanding common shares of the issuer.

On October 21, 2021, the Company acquired 200,000 common shares of Volatus through open market transactions at a price of \$0.424 per share for a total cost of \$84,683.

On March 2, 2022, the Company acquired 3,050,000 units of Volatus by way of a private placement at \$0.20 per unit. Each unit consists of one common share and one common share warrant of the issuer. Subsequent to this transaction the Company controlled 51.44% of the issued and outstanding common shares of the issuer.

The following table summarizes the change in investment in Volatus for the year ended May 31, 2022:

	\$
Balance, May 30, 2020	505,308
Consideration paid	354,972
Sale of mineral properties	1,380,000
Disposal	(75,000)
Equity loss on investment	(49,231)
Balance, May 31, 2021	2,116,049

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8. INVESTMENT IN ASSOCIATES (continued)

Volatus Capital Corp. (continued)

	\$
Balance, May 31, 2021	2,116,049
Consideration paid	2,164,683
Equity loss on investment	(391,646)
	<u>3,889,086</u>
Fair value adjustment on date of consolidation	126,586
Acquisition of Volatus	(4,015,672)
Balance, May 31, 2022	<u>-</u>

Exploits Discovery Corp. ("Exploits Discovery") (formerly Mariner Resources Corp.)

Exploits Discovery is a mineral resource company focused on the exploration and development of mineral property assets. As at May 31, 2021, the Company had a 28.9% equity interest in Exploits Discovery. Management determined that the Company has significant influence over Exploits Discovery and accordingly used the equity method to account for this investment. As at May 31, 2022, Management determined that the Company doesn't have significant influence and reclassified the investment from investment in associates to marketable securities.

On July 22, 2020, the Company sold interests in its Middle Ridge South Property for cash consideration of \$204,000 and 1,530,000 common shares of Exploits Discovery with a fair value of \$260,100 (Note 9).

On July 27, 2020, the Company purchased 1,250,000 common shares of Exploits Discovery for a unit price of \$0.12 per share in cash.

On August 5, 2020, the Company sold interests in its Middle Ridge North and True Grit properties to Exploits Discovery for a consideration of 5,822,000 common shares of Exploits Discovery with a fair value of \$1,965,140 (Note 9).

On September 18, 2020, the Company sold 5,000,000 common shares of Exploits Gold in exchange for 5,000,000 common shares of Exploits Discovery with a fair value of \$3,000,000.

On October 19, 2020, the Company has sold a 40.3% interest in the Dog Bay gold property to four arm's length parties for gross proceeds of \$112,000 and 1,840,000 common shares of Exploits Discovery with a fair value of \$1,048,800, representing a 29.7% interest (Note 9).

The following table summarizes the change in investment in Exploits Discovery for the year ended May 31, 2022:

	\$
Balance, May 31, 2020	-
Consideration paid	354,000
Sale of mineral properties	3,274,040
Sale of equity investment	3,000,000
Equity loss on investment	(1,258,725)
Balance, May 31, 2021	<u>5,369,315</u>

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8. INVESTMENT IN ASSOCIATES (continued)

Exploits Discovery Corp. ("Exploits Discovery") (formerly Mariner Resources Corp.) (continued)

	\$
Balance, May 31, 2021	5,369,315
Shares transferred through bonus	(859,864)
Disposal	(2,433,881)
Transfer to short term investment in marketable securities	(2,075,570)
Balance, May 31, 2022	-

The Company realized gains on the disposal of Exploit Discovery shares in the amount of \$4,553,681 (total proceeds minus carrying amount of total shares disposed of) prior to transferring Exploits shares to marketable securities after the Company's equity interest decreased below 20%.

Golcap Resources Corp.

On July 28, 2021, the Company acquired 2,100,000 units of Golcap Resources Corp. by way of a private placement at \$0.18 per unit. Each unit consists of one common share and one common share purchase warrant of the issuer. Subsequent to this transaction the Company had a 22.6% equity interest in Golcap Resources Corp. Management determined that the Company has significant influence over Golcap Resources Corp. and accordingly used the equity method to account for this investment.

Subsequent to July 28, 2021, the Company acquired additional 790,000 shares through 4 separate transactions for a total cost of \$16,200.

Subsequent to the above transactions the Company controlled 2,890,000 common shares, representing 31% of the issued and outstanding common shares of the issuer.

The following table summarizes the change in investment in Golcap Resources Corp. for the year ended May 31, 2022:

	\$
Balance, May 31, 2021	-
Consideration paid	394,200
Equity loss on investment	(264,984)
Balance, May 31, 2022	129,216

Origen Resources Ltd.

On August 30, 2021, the Company obtained significant influence over Origen Resources Ltd. and accordingly used the equity method to account for this investment. Subsequent to obtaining significant influence on August 30, 2021, the Company purchased 4,632,166 common shares of Origen Resources Ltd. through open market transactions for a total cost of \$1,333,630. As at May 31, 2022, the Company controlled 10,424,975 common shares, representing 29.39% of the issued and outstanding common shares of the issuer.

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8. INVESTMENT IN ASSOCIATES (continued)

Origen Resources Ltd. (continued)

The following table summarizes the change in investment in Origen Resources Ltd. for the year ended May 31, 2022:

	\$
Balance, May 31, 2021	-
Transfer from marketable securities on August 30, 2021	1,592,695
Consideration paid	1,333,630
Equity gain on investment	44,779
Balance, May 31, 2022	2,971,104

OCP Holdings Ltd.

On December 15, 2020, the Company had a 46.3% equity interest in OCP Holdings Ltd. ("OCP"). As discussed in Note 21, the shareholdings controlled by the Company with other factors indicated significant influence in OCP existed in the year ended May 31, 2021 and accordingly should have used the equity method to account for this investment.

The following table summarizes the change in investment in OCP for the year ended May 31, 2021 and 2022:

	\$
Balance, May 31, 2021	2,144,977
Prior year restatement (Note 21)	443,209
Restated balance May 31, 2021	2,588,186
Equity loss on investment	(2,588,186)
Balance, May 31, 2022	-

Please refer to Note 21 and 22 for additional information.

Reverend Mining Corp. (formerly Cayenne Capital Corp.)

On March 17, 2021, the Company had a 25.3% equity interest in Reverend Mining Corp. ("Reverend"). Upon further review, Management determined that the Company had significant influence over Reverend and accordingly should have used the equity method to account for this investment.

The following table summarizes the change in investment in Reverend for the year ended May 31, 2021 and 2022:

	\$
Balance, May 31, 2021	274,000
Prior year restatement (Note 21)	(33,405)
Restated balance May 31, 2021	240,595
Equity loss on investment	(145,480)
Balance, May 31, 2022	95,115

Please refer to Note 21 for additional information.

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9. EXPLORATION AND EVALUATION ASSETS

	Newfoundland and Labrador, Canada									
	Chapel Island / Lil D'Espoir Lake	True Grit / Middle Ridge	Gazeebow North	Dog Bay	Enterprise	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Howell River	Newfound- land Syndicate
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2020	-	-	-	-	-	120,103	180,103	38,675	-	-
Acquisition	33,735	60,150	36,280	75,837	19,890	30,000	231,602	6,000	52,000	412,815
Sale of property	(33,735)	(60,150)	-	(75,837)	(19,890)	(150,103)	(411,705)	(44,675)	-	-
Balance, May 31, 2021	-	-	36,280	-	-	-	-	-	52,000	412,815
Exploration expenditures										
Balance, May 31, 2020	-	-	-	-	-	4,045	4,045	-	-	-
Sale of property	-	-	-	-	-	(4,045)	(4,045)	-	-	-
Balance, May 31, 2021	-	-	-	-	-	-	-	-	-	-
Total acquisition costs and exploration expenditures										
May 31, 2020	-	-	-	-	-	124,148	184,148	38,675	-	-
May 31, 2021	-	-	36,280	-	-	-	-	-	52,000	412,815

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9. EXPLORATION AND EVALUATION ASSETS (continued)

	British Colombia			Lion's Den Whymper	Lunar Frog	Peru	Quebec		Tan Nickel Property	Australia	Total
	Atlan- Ruffner	Red Metal Ridge	Chala Copper			Richard Copper	Stargold Properties	Allaru Project			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs											
Balance, May 31, 2020	-	44,500	47,311	-	-	91,958	-	-	-	518,488	1,041,138
Acquisition	60,000	24,616	-	76,210	100,000	57,088	5,000	69,000	3,197	-	1,353,420
Sale of property	-	-	(47,311)	-	(100,000)	-	(5,000)	(69,000)	-	-	(1,017,406)
Balance, May 31, 2021	60,000	69,116	-	76,210	-	149,046	-	-	3,197	518,488	1,377,152
Exploration expenditures											
Balance, May 31, 2020	-	100,269	-	-	-	38,199	-	-	-	-	146,558
Addition	-	-	-	-	-	23,096	-	-	-	281,124	304,220
Write off	-	-	-	-	-	(12,500)	-	-	-	-	(20,590)
Balance, May 31, 2021	-	100,269	-	-	-	48,795	-	-	-	281,124	430,188
Total acquisition costs and exploration expenditures											
May 31, 2020	-	144,769	47,311	-	-	130,157	-	-	-	518,488	1,187,696
May 31, 2021	60,000	169,385	-	76,210	-	197,841	-	-	3,197	799,612	1,807,340

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9. EXPLORATION AND EVALUATION ASSETS (continued)

	Newfoundland and Labrador, Canada				British Columbia, Canada					
	Gazeebow North	Enterprise	Howell River	Newfoundland Syndicate	Split Dome Copper	To Do and Lions Den Gold	Untapped	JD Property	Belle Property	More Creek
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2021	36,280	-	52,000	412,815	-	-	-	-	-	-
Acquisition	51,200	-	8,726	-	362,172	1,200,598	956,494	261,292	125,035	106,715
Write off	(87,480)	-	(60,726)	(412,815)	-	-	-	-	-	-
Balance, May 31, 2022	-	-	-	-	362,172	1,200,598	956,494	261,292	125,035	106,715
Exploration expenditures										
Balance, May 31, 2021	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	105,843	171,395	88,403	1,495,749	-	151,205
Sale of property	-	-	-	-	-	-	-	-	-	-
Balance, May 31, 2022	-	-	-	-	105,843	171,395	88,403	1,495,749	-	151,205
Total acquisition costs and exploration expenditures										
May 31, 2021	36,280	-	52,000	412,815	-	-	-	-	-	-
May 31, 2022	-	-	-	-	468,015	1,371,993	1,044,897	1,757,041	125,035	257,920

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9. EXPLORATION AND EVALUATION ASSETS (continued)

	British Columbia						Peru	Quebec	Australia	Total
	Lone Mountain	Williams EXT	Bentley	Atlin-Ruffner	Red Metal Ridge	Whymper	Chala Copper	Tan Nickel Property	Allaru Project	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2021	-	-	-	60,000	69,116	76,210	149,046	3,197	518,488	1,377,152
Acquisition	547,992	219,196	41,099	-	-	16,485	79,826	-	-	3,976,830
Write off	-	-	-	-	(69,116)	-	(228,872)	-	-	(859,009)
Balance, May 31, 2022	547,992	219,196	41,099	60,000	-	92,695	-	3,197	518,488	4,494,973
Exploration expenditures										
Balance, May 31, 2021	-	-	-	-	100,269	-	48,795	-	281,124	430,188
Acquisition	86,414	112,859	50,693	-	-	-	-	-	235,019	2,497,580
Sale of property	-	-	-	-	(100,269)	-	(10,069)	-	-	(110,338)
Write off	-	-	-	-	-	-	(38,726)	-	-	(38,726)
Balance, May 31, 2022	86,414	112,859	50,693	-	-	-	-	-	516,143	2,778,704
Total acquisition costs and exploration expenditures										
May 31, 2021	-	-	-	60,000	169,385	76,210	197,841	3,197	799,612	1,807,340
May 31, 2022	634,406	332,055	91,792	60,000	-	92,695	-	3,197	1,034,631	7,273,677

9. EXPLORATION AND EVALUATION ASSETS (continued)

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

Pursuant to an option agreement (the "Agreement") dated January 5, 2018, and as amended on October 30, 2019 and November 28, 2019 for a total fee of \$10,000, the Company was granted an option to acquire a 100% undivided interest in two stages in the Red Metal Ridge property ("Red Metal") located near Sayward in British Columbia.

Under the Agreement and its subsequent amendments, the Company has the option to acquire an initial 51% undivided interest (earned) in Red Metal by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in Red Metal by issuing a total of 800,000 common shares of the Company to the optionors, making cash payments totaling \$140,000, and incurring a total of \$500,000 in exploration expenditures.

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.

During the year ended May 31, 2022, the Company decided to abandon the Red Metal Ridge property, which results in a write-off of \$169,385.

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 Saucos I and Saucos 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.

During the year ended May 31, 2022, the Company decided to abandon and wrote-off the entire balance of \$38,726.

9. EXPLORATION AND EVALUATION ASSETS (continued)

c) Howell River (Newfoundland and Labrador)

Pursuant to a staking agreement dated August 24, 2020, the Company engaged three consultants including the former 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 former 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.

During the year ended May 31, 2022, the Company decided to abandon the project and wrote-off \$60,726.

d) Gazeebow North (Newfoundland and Labrador)

Pursuant to a staking agreement dated July 7, 2020, the Company engaged two consultants including the former 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 former vice president and 5% by the other consultant.

During the year ended May 31, 2022, the Company decided to abandon the project and wrote-off \$87,480.

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 May 31, 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; (iii) \$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.

9. EXPLORATION AND EVALUATION ASSETS (continued)

f) Whympier Project (British Columbia)

On February 28, 2020, the Company staked gold claims near Lake Cowichan on Vancouver Island, British Columbia. During the year ended May 31, 2022, 51% of the rights, title and interest in the Whympier Property was sold to 1255929 B.C. Ltd on June 14, 2021 for \$15,000 and 2,000,000 shares of the purchaser.

On November 1, 2021, the Company entered into a sales agreement to sell the remaining 49% of the rights, title and interest in the Whympier Property to Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd) for a consideration of \$250,000. Subsequent to this transaction, Auratus Resources Corp owned 100% of the rights, title and interest in the Whympier Property and as at May 31, 2022 an agreement was signed to sell to Reverend Mining Corp. (formerly Cayenne Capital Corp.) but the conditions to settle the consideration has not yet been fulfilled.

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 former vice president.

h) Newfoundland Syndicate

Pursuant to an agreement dated October 23, 2020, the Company has entered into an exploration, development and mine operating agreement with Opawica Explorations Inc. ("Opawica") whereby the Company will identify claims to be staked in the Newfoundland area, that are prospective for gold mineralization, and Opawica will pay for the costs of staking the same, and thereafter the parties will explore and develop the staked claims on a joint venture basis under which Opawica will hold an initial 70% interest and the Company will hold an initial 30% interest. The Company has staked 906 claims under this agreement, comprising the Density, Eclipse and Mass properties (the "Properties"). The claims are being held in trust and will be transferred to a joint venture company when formed. The properties host multiple gold bearing quartz vein systems and are located within the Newfoundland central gold belt. They lie within the Exploits Sub-Zone of the Dunnage Zone adjacent to and along the southeast margin of the Red Indian Line, a major (Appalachian-scale) collisional boundary and suture zone.

During the year ended May 31, 2022, the Company decided to abandon and wrote-off \$412,815.

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.

9. EXPLORATION AND EVALUATION ASSETS (continued)

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.

During the year, Opawica Resources Inc. cancelled the option and returned the property to the Company and the Company decided to abandon the project.

k) Split Dome Copper Property (British Columbia)

During the year ended May 31, 2022, the Company acquired the Split Dome Copper property located near Hazelton, British Columbia by completing the acquisition of Volatus (Note 19).

The property is subject to a 0.25% NSR royalty.

l) To Do and Lions Den Gold Properties (British Columbia)

During the year ended May 31, 2022, the Company acquired the To Do and Lions Den Gold properties located in northwestern British Columbia by completing the acquisition of Volatus (Note 19).

The properties are subject to a 1.5% NSR royalty.

m) Untapped Property (British Columbia)

During the year ended May 31, 2022, the Company acquired the Untapped property in British Columbia by completing the acquisition of Volatus (Note 19).

The property is subject to a 1% NSR royalty which is the Company may purchase 0.5% for \$500,000.

n) JD Property (British Columbia)

During the year ended May 31, 2022, the Company acquired the JD property located in the Omineca Mining Division in northern British Columbia by completing the acquisition of Volatus (Note 19).

The properties are subject to a 2.5% NSR royalty.

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9. EXPLORATION AND EVALUATION ASSETS (continued)

o) Belle Property (British Columbia)

During the year ended May 31, 2022, the Company acquired the Belle property located in northwestern British Columbia by completing the acquisition of Volatus (Note 19). The properties are subject to a 2% NSR royalty.

p) More Creek (British Columbia)

During the year ended May 31, 2022, the Company acquired the More Creek property located in northwestern British Columbia by completing the acquisition of Volatus (Note 19).

The properties are subject to a 2% NSR royalty. In the event the Company acquires 100% interest in the property, the Company will be subject to an additional 1% NSR of which 0.5% can be purchased at any time for \$500,000.

q) Lone Mountain (British Columbia)

During the year ended May 31, 2022, the Company acquired the Lone Mountain property located in British Columbia by completing the acquisition of Volatus (Note 19).

The properties are subject to a 2% NSR royalty.

r) Williams EXT (British Columbia)

During the year ended May 31, 2022, the Company acquired the Williams property located in British Columbia by completing the acquisition of Volatus (Note 19).

s) Bentley (British Columbia)

During the year ended May 31, 2022, the Company acquired the Bentley property located in the Toadogone district in north central British Columbia by completing the acquisition of Volatus (Note 19).

10. LOANS PAYABLE

Loans payable is comprised of the following as at May 31, 2022 and 2021:

	May 31, 2022	May 31, 2021
	\$	\$
Orogenic	30,000	-
Volatus	-	272,518
Exploits	512,649	350,000
Company controlled by the CEO	20,000	-
	<u>562,649</u>	<u>622,518</u>

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 May 31, 2021, the principal balance owing on the loan was \$100,000 and accrued interest payable was \$22,933.

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10. LOANS PAYABLE (continued)

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 May 31, 2021, the principal balance owing on the loan was \$50,000 and accrued interest payable was \$9,467.

On May 31, 2021, the Company entered into an agreement with Volatus to use the outstanding loans owing to offset the accounts receivable of \$125,470. As at May 31, 2021 The new principal balance owing on the loan was \$72,518 and continuing with the 2% interest rate. The principal and interest amount of \$73,969 were fully repaid in August 2021.

On May 7, 2021, the Company has an advancement of \$350,000 from Exploits Discovery Corp for the purpose of initiate and manage online staking syndicate for properties in Newfoundland which are unsecured and non-interest bearing.

On May 26, 2021 the Company entered into an agreement with Exploits Discovery Corp. to sell the Gazeebow North property for consideration of \$200,000 and 1,800,000 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. and the transfer of the shares was cancelled.

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

On July 26, 2021, Exploits Discovery Corp. has paid \$62,649 staking fee for Newfoundland Syndicate project on behalf of the Company.

On May 24, 2022, the Company entered into an agreement to borrow \$20,000 from a Company controlled by the Chief Executive Office. The loan shall be payable on or before September 24, 2022. The Company repaid the loan in full subsequent to the year ended May 31, 2022.

On June 8, 2021, Volatus entered into an agreement to borrow \$30,000 from Orogenic Regional Exploration Ltd.

11. 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, 2023. 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, 2023. If the business cannot pay back the loan by December 31, 2023, it can be converted into a 3-year term loan at an interest rate of 5%. As at May 31, 2022, the principal balance owing on the loan was \$40,000 (2021 - \$40,000).

12. 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 May 31, 2022, there were Nil (2021 – 375,000) escrow shares outstanding.

c) Issued and Outstanding as at May 31, 2022: 94,474,022 (2021 – 69,683,507) common shares.

The Company had the following share capital transactions during the year ended May 31, 2022:

- (i) On June 1, 2021, the Company issued to certain directors, a former CEO, 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. Please refer to Note 21.
- (ii) On August 1, 2021, the former CEO returned 5,023,175 of the Company shares which were distributed on June 2, 2021. Please refer to Note 21.
- (iii) 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.
- (iv) On October 21, 2021, the Company issued 150,000 common shares upon the exercise of options at a price of \$0.065 per common share for gross proceeds of \$9,750, resulting in a reallocation of share-based reserves of \$8,237 from reserves to share capital.
- (v) On January 31, 2022, the Company issued 175,000 common shares upon exercise of options at a price of \$0.065 per common share for gross proceeds of \$11,375, resulting in a reallocation of share-based reserves of \$9,609 from reserves to share capital.
- (vi) On January 31, 2022, the Company issued 50,000 common shares upon exercise of options at a price of \$0.12 per common share for gross proceeds of \$6,000, resulting in a reallocation of share-based reserves of \$5,109 from reserves to share capital.
- (vii) On March 9, 2022, the Company completed a non-brokered private placement of 14,700,000 units at a price of \$0.05 per unit for gross proceeds of \$735,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 for a term of three years expiring March 9, 2025. There was no value allocated to the warrants under the residual method.

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12. SHARE CAPITAL (continued)

The Company had the following share capital transactions during the year ended May 31, 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, with a former Director, 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.
- (viii) On August 12, 2020, the Company issued 78,790 common shares upon the exercise of warrants at a price of \$0.10 per common share for gross proceeds of \$7,879.
- (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.

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12. SHARE CAPITAL (continued)

d) Stock Options

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

A summary of the Company's stock options at May 31, 2022 and 2021 and the changes for the years then ended is presented below:

	May 31, 2022		May 31, 2021	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	4,150,000	\$0.068	300,000	0.10
Granted - Note 21	-	-	3,850,000	0.089
Exercised	(375,000)	0.07	-	-
Expired	(2,650,000)	0.08	-	-
Ending balance	1,125,000	\$0.07	4,150,000	\$0.089

The Company had the following stock option transactions during the year ended May 31, 2021:

The weighted average fair value at grant date of 2,975,000 options granted during the year ended May 31, 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

The weighted average fair value at grant date of 875,000 options granted during the year ended May 31, 2021 was \$0.11 per option. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions (please refer to Note 21 Prior Year Restatement):

Share price	\$0.12
Risk free interest rate	0.33%
Expected life	5 years
Expected volatility	128.86%
Expected forfeiture rate	Nil
Expected dividends	Nil

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12. SHARE CAPITAL (continued)

d) Stock Options (continued)

Details of stock options outstanding and exercisable as at May 31, 2022 are as follows:

Expiry Date	Exercise Price	Outstanding	Exercisable
June 1, 2025	\$0.065	925,000	925,000
October 5, 2025	\$0.12	200,000	200,000
		1,125,000	1,125,000

The weighted average remaining contractual life of stock options outstanding at May 31, 2022 was 3.07 years (2021: 3.82 years).

During the year ended May 31, 2022, the Company recognized \$Nil (2021 restated - \$1,712,228) in share-based compensation expense related to these stock options. Please refer to Note 21 for detail on the 2021 restated balance, which includes an expense related to the grant of Crest shares as a performance bonus.

e) Warrants

A summary of the Company's share purchase warrants at May 31, 2022 and the changes for the period then ended is presented below:

	Warrants	
	Number	Weighted Average Exercise Price (\$)
Outstanding, May 31, 2020	11,385,900	0.016
Exercised	(615,500)	0.088
Expired	(145,400)	0.100
Outstanding, May 31, 2021	10,625,000	0.075

	Warrants	
	Number	Weighted Average Exercise Price (\$)
Outstanding, May 31, 2021	10,625,000	0.075
Exercised	(200,000)	0.075
Outstanding, May 31, 2022	10,425,000	0.075

As at May 31, 2022, 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	2.15 years
Outstanding, May 31, 2022	10,425,000	\$ 0.075	2.15 years

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13. 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:

	Year ended May 31, 2022	Year ended May 31, 2021
	\$	\$
Bonus award (Note 21)	-	4,510,271
Bonus recovery (Note 21)	(279,689)	-
Salaries and benefits	36,000	37,043
Management fees	478,405	300,647
Professional fees	73,070	37,500
Share-based payments (Note 21)	-	1,222,720
	307,786	6,108,181

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 year ended May 31, 2022, the Company incurred \$20,000 (2021 - \$99,000) in management fees to the former CEO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former CEO of \$Nil (2021 - \$31,650).

During the year ended May 31, 2022, the Company incurred \$252,000 (2021 - \$Nil) in management fees to a former interim CEO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former CEO of \$47,797 (2021 - \$Nil).

The Company entered into a consulting agreement with a company controlled by the former CFO of the Company. As compensation for the accounting and bookkeeping services provided. During the year ended May 31, 2022, the Company incurred \$73,070 (2021 – \$30,000) in fees to the company controlled by the former CFO. During the year ended May 31, 2021, the Company granted 100,000 options to the company controlled by the former CFO exercisable at a price of \$0.12 per share until April 4, 2023, with a fair value of \$981. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of \$32,086 (2021 - \$18,375), which are due on demand, unsecured and non-interest bearing.

The Company entered into a consulting agreement with a former CFO of the Company. As compensation for the CFO services provided, the former CFO will receive a monthly fee of \$1,000. During the year ended May 31, 2022, the Company incurred \$12,000 (2021 - \$12,000) in fees to the former CFO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former CFO of \$4,200 (2021 - \$5,250), which are due on demand, unsecured and non-interest bearing.

During the year ended May 31, 2022, the Company incurred \$69,500 (2021 - \$Nil) in management fees to a director of the Company. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the director of \$22,500 (2021 - \$Nil).

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13. RELATED PARTY TRANSACTIONS AND BALANCE (continued)

During the year ended May 31, 2022, the Company incurred \$108,905 (2021 - \$Nil) in management fees to the vice president, Business Development of the Company. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the vice president of \$13,309 (2021 - \$Nil).

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 year ended May 31, 2022, the Company incurred \$15,000 (2021- \$84,000) in management fees to the former VP. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former VP of \$23,150 (2021 - \$28,050), 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 year ended May 31, 2022, the Company incurred \$41,000 (2021 - \$27,000) in salary and benefits to the Corporate Secretary.

On October 5, 2020, the Company granted 275,000 stock options to a director and officers of the Company that are exercisable at a price of \$0.12 per common share until October 5, 2025.

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

As at May 31, 2022, the Company had \$12,000 payable (2021 - \$73,163 receivable) balance to a director of the Company.

On June 1, 2021, the Company has issued to certain directors, a former CEO, 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 June 1, 2021, 5,023,175 of these shares to the former CEO were returned. Please refer to Note 21 Prior Year Restatement.

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, 457,408 Exploits Discovery Corp. shares were returned. On February 25, 2022, 691,309 Origen Resources Inc shares were returned. Please refer to Note 21 Prior Year Restatement.

On July 26, 2021, the Company has loaned \$14,100 to Christopher Huggins, the former 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 year ended May 31, 2022, the Company accrued interest income of \$112 and \$14,100 of loan principal has been repaid.

On May 24, 2022, the Company entered into an agreement to borrow \$20,000 from a Company controlled by the Chief Executive Officer. The loan shall be payable on or before September 24, 2022.

14. SHARE BASED COMPENSATION

On January 1, 2021, the Company contemplated granting an award, in recognition of past service, to various management, directors and consultants, calculated based in relation to the increase in value of the Company's investments over the prior fiscal year. The Company allocated 14,538,689 Crest common shares from treasury, as well as 2,473,024 Exploits Discovery Corp. common shares, 2,000,000 Opawica Exploration Inc. common shares, and 2,000,000 Origen Resources Inc. common shares owned by the Company, for a total bonus award valued at \$3,830,795 and proceeded to obtain tax advice to achieve the intended award. The Company concluded that the planned award under the RSU plan would result in unintended immediate tax impact to recipients and that distribution of bonus shares outside of the RSU plan would be the most appropriate award. On May 25, 2021, the Company suspended the RSU plan.

Please refer to Note 21 Prior Year Restatement for further discussion.

15. 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.

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16. 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, Investments, 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	May 31, 2022 \$	May 31, 2021 \$
Cash	FVTPL	-	6,061
Restricted cash	FVTPL	5,063	5,025
Marketable securities	FVTPL	3,159,300	3,793,511
Investments	FVTPL	1,454,834	1,130,029
Accounts receivable	Amortized cost	35,528	234,282
Loans and notes receivable	Amortized cost	801,951	424,546
Accounts payable	Amortized cost	1,380,528	1,541,837
Loans payable and CEBA loan	Amortized cost	602,649	662,518

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. Private investments are measured on the hierarchy at level 3 using unobservable inputs. The continuity and valuation techniques that are used to determine the fair value of the investments in warrants are described in Note 6.

The fair value of the Company's accounts receivable, loans and notes receivable, accounts payable, loans payable and CEBA loan payable approximates their carrying value as at May 31, 2022 and 2021 because of the demand nature or short-term maturity.

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.

16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(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 May 31, 2022, 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 May 31, 2022 are as follows:

	Less than 1 year \$	Between 1 – 5 years \$	More than 5 years \$	Total \$
Accounts payable and accrued liabilities	1,380,528	-	-	1,380,528
Loan Payable	562,649	-	-	562,649
CEBA loan	-	40,000	-	40,000
	1,943,177	40,000	-	1,983,177

(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.

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17. COMMITMENTS

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

18. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended May 31, 2022, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	2022	2021
Transfer from investment in associates to marketable securities	\$ 2,075,570	-
Transfer from marketable securities to investment in associates	1,592,695	-
Shares and subsidiary shares issued to acquire mineral properties	-	3,108,928
Investments in associate acquired through sale of mineral properties	-	4,843,040
Fair value of stock options exercised	\$ 22,955	-

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

19. VOLATUS CAPITAL CORP. ACQUISITION

During the year ended May 31, 2022, the Company acquired 51.44% of the outstanding share capital of Volatus Capital Corp. in consideration for a cash payment of \$4,608,711.

The acquisition was determined to be an asset acquisition, whereby all of the assets acquired, and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, Volatus became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net assets acquired	
Cash	\$ 14,455
Accounts receivable	153,032
Prepaid expenses	21,500
Marketable securities	21,490
Investment in Leigh Creek	3,724,824
Exploration and evaluation assets	6,054,976
Reclamation deposit	30,000
Accounts payable	(628,036)
Loan payable	(30,000)
	\$ 9,362,241
Total purchase price	
Cash	\$ 4,608,711
Non-controlling interest	4,753,530
	\$ 9,362,241

Effective March 9, 2022, the Company included the operations of Volatus Capital Corp. in the consolidated financial statements

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20. INCOME TAXES

The income taxes shown in the Statements of Loss and Comprehensive Loss differ from the amounts obtained by applying statutory rates to the loss before income taxes due to the following:

	Year ended May 31, 2022	Year ended May 31, 2021 restated – Note 21
Statutory tax rate	27%	27%
Profit (loss) before income taxes	\$ 2,499,267	\$ 3,397,711
Expected income tax payable (recovery)	674,802	917,382
Non-deductible (taxable) items	(535,462)	2,151,876
Change in estimates	(2,067,012)	-
Non-capital losses	-	(162,170)
Change in deferred tax asset not recognized	919,328	(1,896,226)
Total tax expense (recovery)	\$ (1,008,344)	\$ 1,010,862

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Details of deferred tax assets (liabilities) are as follows:

	Year ended May 31, 2022	Year ended May 31, 2021 restated – Note 21
Non-capital losses carryforwards	124,616	-
Warrants	(74,687)	-
Marketable securities	(48,944)	-
Mineral property, plant and equipment	(984)	-
Net deferred tax assets (liabilities)	-	-

The unrecognized deductible temporary differences and tax losses as at September 30, 2021 and September 30, 2020 is comprised of the following:

	Year ended May 31, 2022	Year ended May 31, 2021 restated – Note 21
Non-capital losses carry forwards	1,102,721	5,348,582
Exploration and evaluation assets	190,425	-
Investment in associates	3,282,699	-
Marketable securities	63,110	-
Investments	821,826	-
Other	12,728	317,293
Total unrecognized deductible temporary differences	5,473,509	5,665,875

The Company's non-capital carried forward for Canadian income tax purposes expire in various years from 2038 to 2041. Non-capital losses may be applied against future taxable income and capital losses are deductible against future capital gains, if any.

The Company's tax loss carried forward for Peruvian income tax purposes expire in 2026 or indefinitely subject to annual deductible limit equal to 50% of the taxpayer's taxable income in each year.

21. PRIOR YEAR RESTATEMENT

For the year ended May 31, 2021, management has determined that the consolidated financial statements needed to be restated to correct for the accounting for the following matters.

Adjustments were made for the year ended May 31, 2021 to correct the following:

- Record \$1,453,869 as share based compensation for the issuance of 14,538,689 Crest shares originally contemplated under the now dissolved RSU plan (see further detail below);
- Record a bonus provision of \$5,038,582 for the future transfer of 2,473,023 Exploits Discovery shares, 2,000,000 Opawica shares and 2,000,000 Origen shares originally contemplated under the now dissolved RSU plan (see further detail below);
 - This consists of an amount of \$2,376,926 of bonus value as of January 1, 2021, plus
 - an amount of \$2,661,656, being the fair market value increase to May 31, 2021, of the aforementioned shares to be transferred in the future.
- Record the Company's share of income under equity method of accounting for its interest in OCP Holdings Ltd. of \$443,209; with the carrying value of \$2,588,186 as at May 31, 2021.
- Record the expensing of the \$360,000 asset acquisition of E-Resources Technologies LLC;
- Recognize the immediate vesting of options granted during the year ended May 31, 2021, an amount of \$95,000, as share based compensation;
- Recognize \$50,000 consulting income from Exploits Discovery, earned in the prior year per the signed MOU; and,
- Record the Company's share of loss under the equity method of accounting for Cayenne Capital Corp. of \$33,405; with the carrying value of \$240,595 as at May 31, 2021.
- Re-classification of Ecomine Technology Inc. from marketable securities to investments.

Bonus Shares

On January 1, 2021, the Company contemplated granting an award, in recognition of past service, to various management, directors and consultants, calculated based in relation to the increase in value of the Company's investments over the prior fiscal year. The Company allocated 14,538,689 Crest common shares from treasury, as well as 2,473,024 Exploits Discovery Corp. common shares, 2,000,000 Opawica Exploration Inc. common shares, and 2,000,000 Origen Resources Inc. common shares owned by the Company, for a total bonus award valued at \$3,830,795 and proceeded to obtain tax advice to achieve the intended award. The Company concluded that the planned award under the RSU plan would result in unintended immediate tax impact to recipients and that distribution of bonus shares outside of the RSU plan would be the most appropriate award. On May 25, 2021, the Company suspended the RSU plan.

On June 1, 2021, the Company approved a bonus identical to the originally contemplated RSU award, granting 14,538,689 Crest common shares from treasury, 2,473,024 Exploits Discovery Corp. common shares, 2,000,000 Opawica Exploration Inc. common shares, and 2,000,000 Origen Resources Inc. common shares owned by the Company as a bonus to the various management, directors and consultants as originally intended.

Under IFRS 2: Share Based Payments, the grant date of the Crest common shares award would be January 1, 2021 with measurement price of \$0.10 per share as the expectation of the award was created on that date and the Company intended granting of the award for accounting purposes. As a consequence, the Company restated \$1,453,869 as share based compensation to be recorded for the year end May 31, 2021.

21. PRIOR YEAR RESTATEMENT (continued)

Under IAS 37: Provisions, Contingent Liabilities and Contingent Assets, the Company determined that a provision should have been recognized for the year ended May 31, 2021 as the expectation of the award was established on January 1, 2021. Furthermore, since the approval of the award was on June 1, 2021, the Company is able to reliably estimate the ultimate settlement of the award using the quoted market prices of the shares transferable as at May 31, 2021. As a consequence, the Company restated a bonus provision to be recorded for the year end May 31, 2021 of \$5,038,582 for the transfer of 2,473,023 Exploits shares, 2,000,000 Opawica shares and 2,000,000 Origen shares. For clarity, the amount of \$5,038,582 consists of the original January 1 RSU award of \$2,376,926, plus the change in fair market value from January 1 to May 31, 2021 of \$2,661,656.

Equity Accounting/Investment in associates

For OCP Holdings Ltd. and Cayenne Capital Corp., the Company originally categorized these as investments at FVTPL but it was determined that the shareholdings controlled by the Company were greater than 20%, with other factors also indicative of significant influence existing, and as a consequence, the restatement corrects for the equity method of accounting in the year ended May 31, 2021. For the investment in OCP Holdings Ltd, this resulted in a share of income from equity-accounted investment of \$443,209, and for the investment in Cayenne Capital Corp, this resulted in share of loss from equity-accounted investment of \$33,405, with the overall result a share of income from equity-accounted investments of \$409,804.

Asset Acquisition

The Company invested in E-Resources Technologies LLC to which upon further review, is considered an acquisition for accounting purposes as there were no identifiable inputs, processes or ability to create outputs acquired. As a result, the restatement corrects the expensing of the entire asset acquisition cost amount in the year ended May 31, 2021.

Investment

For Ecomine Technology Inc., the Company originally categorized the investment as marketable securities which upon further review, is a private company and not a marked to market level 1 investment. The restatement corrects the categorizing of the amount from marketable securities to investments.

The effects of the restatement on the consolidated statement of financial position as at May 31, 2021 is summarized below.

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21. PRIOR YEAR RESTATEMENT (continued)

Consolidated Statement of Financial Position as at May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
Assets			
Current			
Cash	6,061	-	6,061
Restricted cash	5,025	-	5,025
Accounts receivable	234,282	-	234,282
Marketable securities	4,376,844	(583,333)	3,793,511
Investments	3,325,673	(2,195,644)	1,130,029
Prepaid expenses and advances	31,731	-	31,731
GST recoverable	39,366	-	39,366
Loans and note receivable	424,546	-	424,546
	8,443,528	(2,778,977)	5,664,551
Equipment	3,160	-	3,160
Investment in associates	7,485,364	2,828,781	10,314,145
Exploration and evaluation assets	1,807,340	-	1,807,340
	17,739,392	49,804	17,789,196
Liabilities			
Current			
Accounts payable and accrued liabilities	1,541,837	-	1,541,837
Bonus payable	-	5,038,582	5,038,582
Deferred Revenue	226,250	(50,000)	176,250
Tax payable	1,010,862	-	1,010,862
Loans payable	622,518	-	622,518
	3,401,467	4,988,582	8,390,049
CEBA loan	40,000	-	40,000
	3,441,467	4,988,582	8,430,049
Shareholders' equity			
Share capital	5,695,325	1,453,869	7,149,194
Reserves	235,594	95,000	330,594
Retained earnings	8,704,867	(6,487,647)	2,217,220
Total shareholders' equity	14,635,786	(4,938,778)	9,697,008
Non-controlling interest	(337,861)	-	(337,861)
	14,297,925	(4,938,778)	9,359,147
Total liabilities and shareholders' equity	17,739,392	49,804	17,789,196

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21. PRIOR YEAR RESTATEMENT (continued)

Impact on the Consolidated Statements of Comprehensive Income for the year ended May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
REVENUE			
Contractor fees	50,000	50,000	100,000
EXPENSES			
Bonus award	-	5,038,582	5,038,582
Share based payments	163,359	1,548,869	1,712,228
	163,359	6,587,451	6,750,810
OTHER ITEMS			
Share gain/loss from equity	(1,354,146)	409,804	(944,342)
Write off of investment	-	(360,000)	(360,000)
	(1,354,146)	49,804	(1,304,342)
IMPACT TO COMPREHENSIVE INCOME AFTER TAX			
	8,874,494	(6,487,647)	2,386,849
Attributable to shareholders	9,263,597	(6,487,647)	2,775,950
Attributable to non-controlling interests	(389,101)	-	(389,101)
	8,874,494	(6,487,647)	2,386,849
EARNINGS PER COMMON SHARE			
(basic)	\$0.17	(0.12)	0.05
(fully diluted)	\$0.15	(0.12)	0.03

Impact on the Consolidated Statements of Cash Flows for the year ended May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
OPERATING ACTIVITIES			
Net income for the year	8,874,496	(6,487,647)	2,386,849
Items not involving cash:			
Share based payments	163,359	1,548,869	1,712,228
Write off of investment	-	360,000	360,000
Share of loss (gain) from equity-accounted investments	1,354,146	(409,803)	944,342
Changes in non-cash working capital balances:			
Deferred revenue	88,750	(50,000)	38,750
Bonus payable/award	-	5,038,582	5,038,582

22. DISPOSAL OF SUBSIDIARY

During the year ended May 31, 2021, the Company recognized a gain on disposal of investment in associate of \$2,968,096 for the 9,000,000 common shares of Exploits Gold that were held by the Company and a share of loss from associate of \$1,258,725.

23. SUBSEQUENT EVENTS

Subsequent to the year ended May 31, 2022, the Company:

- i) entered into a letter of intent to acquire a 69.5% interest in WitchiMag Pty Ltd. which owns a 100% interest in the Mount Hutton magnesite property; and a 80% interest in MagMetal Tech Pty, which owns a 100% interest in the Leigh Creek magnesite property (together referred to as the “The Leigh Creek Project”).
- ii) acquired a total of 2,100,000 common shares of the issued and outstanding share capital of OCP Holdings Ltd. from each of Garry Stock and Jason Cubit Holdings Inc. in exchange for 2,688,000 common shares of the Company at a price of \$0.10.
- iii) sold 12,666,667 common shares of OCP Holdings Ltd. for \$500,000.
- iv) dissolved Carbon Foundry Corp..
- v) entered into a mineral claim purchase agreement with Exploits Discovery Corp. to sell 256 claim cells in the Gazeebow North property in consideration for \$44,580.
- vi) dissolved the Chala Copper project.