Crestview Exploration Inc.
Consolidated Financial Statements
For the 6 months ended May 31, 2020

Crestview Exploration Inc.

Contents

For the 6 months ended May 31, 2020

Crestview Exploration Inc.
Consolidated Statement of Financial Position

	As at 6months ended May 31, 2020 *$*	*As at Year ended November 30, 2019* *$*
Assets		
Current		
Cash and cash equivalents (Note 6)	**54,182**	16,667
Sales Tax Receivable	**22,225**	15,645
Other Receivables	**14,662**	3,292
	91,069	**35,604**
Non-Current		
Advance Royalty (Note 7)	**34,760**	
Exploration and evaluation assets (Note 8)	**532,184**	490,258
Total Assets	**658,014**	525,862
Liabilities		
Current		
Accounts payable and accrued liabilities	**49,425**	44,875
Shareholder Loan (Note 2)	**227**	6,227
Total Liabilities	**49,652**	51,102
Equity		
Share Capital		
Common Shares (Note 9)	**2,192,351**	1,139,352
Warrants	**463,872**	255,607
Contributed surplus	**10,949**	25,549
Deficit	**(2,058,810)**	(945,748)
Total Equity	**608,362**	474,760
Total Liabilities and Equity	**658,014**	525,862

Going Concern (Note 2)
Commitments (Note 16)
Subsequent Events (Note 17)

Approved on behalf of the Board

Director
Dimitrios Liakopoulos

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

Crestview Exploration Inc.

Consolidated Statement of Loss and Comprehensive Loss

	3 months ended May 31, 2020	*3 months ended May 31, 2019*	*6 months ended May 31, 2020*	*6 months ended May 31, 2019*
	$	*$*	***$***	*$*
Operating expenses				
Marketing and Promotion	**16,604**	-	**24,042**	-
Investment Promotion (Note 10)	**1,067,835**	-	**1,067,835**	-
Professional fees	**37,102**	46000	**88,089**	81,530
Filing Fees	**19,779**	-	**21,889**	9,300
Director Fees	**12,750**	-	**17,000**	-
Insurance	**3,499**	-	**6,999**	-
IT Expenses	**675**	-	**1,307**	-
Interest and bank charges	**591**	347.57	**923**	508
General Expenses	**464**	-	**1,410**	-
Rental	**312**	312	**624**	626
Travel	**44**	8255	**2,125**	8,626
Meals and entertainment	**-**	4158	**5,839**	7,376
Operating Loss	**1,159,656**	**59,073**	**1,238,082**	107,966
Other Income				
Foreign exchange gain (loss)	(1,866)	313.75	(1,866)	136
	(1,866)	**314**	**(1,866)**	136
Net loss and comprehensive loss	**1,161,522**	**58,759**	**1,239,948**	107,830
No of Shares	**13,412,673**	**9,462,145**	**12,882,938**	9,220,136
Basic and diluted loss per share (Note 11)	**(0.09)**	**(0.01)**	**(0.10)**	(0.01)

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

Crestview Exploration Inc.
Consolidated Statement of Changes in Equity
For the 3 months ended May 31, 2020

	No of Shares	*Share capital*	*Share capital to be issued*	*Warrants*	*Contributed surplus*	*Deficit*	*Total equity*
		$	*$*	*$*	*$*	*$*	*$*
Balance at November 30, 2018	**8,936,876**	**823,677**	**150,000**	**228,231**	**25,549**	**(649,965)**	**577,492**
Net loss and comprehensive loss for the six months -		**-**	**-**	**-**	**-**	**(107,830)**	**(107,830)**
Issuance of units (Note 9)	**529,500**	**163,542**		**43,684**	**-**	**-**	**207,226**
Share-based payments							
Balance at May 31, 2019	**9,466,376**	**987,219**	**150,000**	**271,915**	**25,549**	**(757,795)**	**676,888**
Balance at November 30, 2019	**12,091,376**	**1,139,352**	**-**	**255,607**	**25,549**	**(945,747)**	**474,760.00**
Net loss and comprehensive loss for the six months**-**	**-**	**-**	**-**	**-**	**-**	**(1,239,948)**	**(1,239,948)**
Exercise of Warrants	**1,125,556**	**448,400**		**(216,735)**		**138,669**	**370,334**
Exercise of Stock Options	**100,000**	**54,600.00**			**(14,600)**		**40,000**
Repurchase of Share units	**(300,000)**	**(15,000)**				**(11,784)**	**(26,784)**
Share-based payments	**500,000**	**565,000**		**425,000**			**990,000**
Balance at May 31, 2020	**13,516,932**	**2,192,351**	**-**	**463,872**	**10,949**	**(2,058,810)**	**608,362**

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

Crestview Exploration Inc.
Consolidated Statement of Cash Flows
For the 6 months ended May 31, 2020 and May 31, 2019

	6 months ended	
	31st May 2020	*31st May 2019*
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,239,948)**	**(107,830)**
Adjustments for non-cash items: Share-based payments, FX, etc.	**990,000**	-
Changes in non-cash working capital items		
Other Receivables	**(17,950)**	(9,840)
Accounts payable and accrued liabilities	**4,747**	(10,938)
Cashflows used by Operating Activities	**(263,150)**	(128,608)
INVESTING ACTIVITIES		
Advance Royalty	**(34,760)**	-
Increase in exploration and evaluation assets	**(42,124)**	(2,196)
Cashflows used by Investing Activities	**(76,884)**	(2,196)
FINANCING ACTIVITIES		
Shareholder Loans	**(6,000)**	-
Repurchase of Share Units	**(26,784)**	-
Proceeds from issuance of units	**410,334**	207,226
Cash flows from Financing Activities	**377,550**	207,226
Increase / (Decrease) in cash and cash equivalents	**37,515**	74,222
Cash and cash equivalents, beginning of the period	**16,667**	233,582
Cash and cash equivalents, end of the period	**54,182**	307,804
Supplementary cash flow information		
Interest paid	**923**	508

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

1. Statement of incorporation and nature of activities

Crestview Exploration Inc. (the "Company"), incorporated under the Business Corporations Act of Canada on August 30, 2017, is involved in the process of exploring, evaluating and promoting its gold properties and other projects. The Company is domiciled in Canada. The address of the Company's registered office is 330 5th Avenue SW, Calgary, AB, T2P 0L3. The Company's shares are currently traded on the Canadian Securities Exchange ("CSE") under the symbol "CRS" and are also listed on the Börse Frankfurt stock exchange ("Frankfurt") with the ticker symbol "CE7"

The consolidated Financial Statements include a wholly subsidiary in the United States of America that is not under operation. These consolidated financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, and the Company has not yet generated income or cash flows from its operations.

2. Basis of presentation

Going Concern

These consolidated financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors.
The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future.

	6 months ended May 31, 2020 $	Year ended November 30, 2019 $
Comprehensive Income / (Loss) for the period	**(1,239,948)**	**(280,682)**
Deficit	**(2,058,810)**	**(945,748)**
Working Capital	41,418	(15,498)

These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the consolidated financial statements and the classification used in the consolidated financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months from the date of the financial position.

Approval of Consolidated Financial Statements

These consolidated financial statements were approved for issuance by the Board of Directors on July 28, 2020.

3. Significant accounting policies

The consolidated financial statements are prepared using the significant accounting policies described in the present note. These methods have been applied consistently to all periods presented in these consolidated financial statements.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

3. **Significant accounting policies *(continued from previous page)***

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates recognized in profit or loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the dates when fair value was determined.

Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.

The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. All its exploration and evaluation assets are located in the United States.

Financial Instruments:

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively, for ones that were recognized at the date of application, which was December 1, 2018. The change did not impact the carrying value of any financial instruments on this date.

a) Classification
In implementing IFRS 9, the Company updated the financial instruments classification within its accounting policy. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets/Liabilities	**Original classification under IAS 39**	**New classification under IFRS 9**
Cash and cash equivalents	Loans and receivables at amortized cost	Financial asset at amortized cost
Share subscription receivable	Loans and receivables at amortized cost	Financial asset at amortized cost
Other receivables	Loans and receivables at amortized cost	Financial assets at amortized cost
Accounts payable and accrued liabilities	Other financial liabilities at amortized cost	Financial liabilities at amortized cost
Shareholder Loans	Other financial liabilities at amortized cost	Financial liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as fair value through profit and loss ("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 at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

b) Measurement

<u>Financial assets and liabilities at amortized cost:</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Significant accounting policies *(continued from previous page)*

Financial assets and liabilities at FVTPL:
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net loss and comprehensive loss in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Fair value hierarchy

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of the significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
- Level 3: unobservable inputs for the assets or liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and demand deposits that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Exploration and evaluation expenditures and exploration and evaluation asset

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or options to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

Although the Company has taken steps to verify title to the mining properties in which it hold an interest in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Title to property may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash

3. Significant accounting policies (continued from previous page)

inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash-generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

a) the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
b) no further exploration or evaluation expenditures in the areas are planned or budgeted;
c) no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
d) sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Equity

Share capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at their fair value according to the price of the most recent share issue of the Company or ,after the Company being listed, their fair value according to the quoted price on the of the conclusion of the agreement.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

Warrants

Warrants that have been issued in combination with common shares are accounted for under IAS 32, *Financial instruments: Presentation*. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed amount of shares.

In calculating the value of warrants, the Company used the Black Scholes option model which incorporates the following inputs: the Company's stock price, expected life of the warrant, volatility of the Company's stock price, dividend yield and the risk-free interest rate.

On December 1, 2019, the Company has adopted a policy whereby proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. Warrants reserve will be transferred to share capital account upon the exercise of warrants. Balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits / retained earnings or deficit. The above policy has been put in place retrospectively.

Other elements of equity

Contributed surplus includes charges related to stock options and warrants until such stock options and warrants are exercised. Deficit includes all current and prior period retained profits and losses.

Share-based payments

Stock options plan

The Company operates an equity-settled share-based payment plan for its eligible directors, officers, and employees. The Company's plan does not feature any options for a cash settlement.

3. Significant accounting policies *(continued from previous page)*

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company measures their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except equity-settled share-based payments to brokers) are ultimately recognized as an expense in loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to Contributed surplus, in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of stock options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if stock options ultimately exercised are different to that estimated on vesting.

Upon exercise of stock options, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital.

Basic and diluted loss per share

Basic loss per share is calculated by dividing net loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options warrants and restricted share units.

When a loss is incurred during a period, basic and diluted loss per share are the same because the exercise of share equivalents is then considered to be anti-dilutive.

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income (loss) or directly in equity.

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4. Future accounting policies

At statement date, several new standards, amendments to standards and interpretations have been issued but are not yet effective. Accordingly, they have not been applied in preparing these consolidated financial statements. The Company is currently assessing the impact that these standards will have on the audited condensed consolidated financial statements.

The standards issued but not yet effective that are expected to be relevant to the Company's consolidated financial statements are provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

Management anticipates that the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's consolidated financial statements and are not listed.

IFRS 16 - Leases

In January 2016, the IASB published IFRS 16 – Leases, which will replace IAS 17 – Leases. This IFRS eliminates the classification as an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. As of December 1, 2019, the Company has adopted IFRS 16 and has concluded that, based on its current operations, the adoption of IFRS 16 had no significant impact on the Company's consolidated. financial statements.

IFRIC 23 Uncertainty Over Income Tax Treatments
Issued by the IASB in June 2017 and provides guidance as to when it is appropriate to recognize a current tax asset when the taxation authority requires an entity to make an immediate payment related to an amount in dispute. This interpretation applies for annual reporting periods beginning on or after January 1, 2019. The Company is currently in the process of assessing the impact of IFRC 23 on its consolidated financial statements.

5. Judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements.

Judgments

Going concern
The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the incoming year requires significant judgment based assumptions including the probability that future events are considered reasonable according to the circumstances. Please refer to Note 2 for further information.

Impairment of exploration and evaluation assets
Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgement and a number of estimates and interpretations in many cases.

5. Judgments, estimates and assumptions (continued from previous page)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information become available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

The impairment loss of the exploration and evaluation assets recognized in profit or loss amounts to $nil for the 6 months ended May 31, 2020 (2019: Nil). No reversal of impairment losses has been recognized for the reporting period.

Management judged that there are no indications of impairment required on the Rock Creek Prospect.

Recognition of deferred tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement. To date, management has not recognized any deferred tax assets.

Estimation uncertainty

Share-based payments and warrant valuation

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black Scholes valuation model. For the significant inputs in the Black Scholes option pricing model, management made the following assumptions:

- Underlying stock price: Set the stock price based on the equity offering from non-brokered private placements at or near the grant date of the options.
- Underlying stock price volatility: Based on historical data of comparable publicly traded companies in the mining industry.
- Expected life: Given the limited history of the stock option plan and the Company, setting expected life was inherently subjective.

Additionally, management is required to make an estimate of future forfeitures at the time of each grant and reduce the share-based payment accordingly. This was also inherently subjective due to the limited history of the Company.

6. Cash and cash equivalents

Cash and cash equivalents are made up of the following:

	May 31, 2020	*November 30, 2019*
Cash	**52,772**	15,257
Cash held in trust	**1,410**	1,410
	54,182	16,667

7. Advance Royalty

The Company made a royalty payment of USD 25,000 pursuant to an agreement with Geological Services Inc.. Under the agreement, the Company is obligated to pay certain minimum annual payments that are recoverable from Royalties at the rate of 2% of Net Sales Realisation that would accrue consequent to commencement of production in the future (See Note 16).

8. Exploration and evaluation (E&E) assets

Exploration and evaluation assets, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist, and the necessary permits have been received to commence production. A review of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets are first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the statement of loss and comprehensive loss to the extent of any impairment.

Exploration and evaluation assets are made up of the following:

	6 months ended May 31, 2020	Year Ended November 30, 2019
Mining Claims		
Opening Balance	**324,528**	306,152
Acquisitions and claims maintenance		18,376
Closing Balance	**324,528**	324,528
Exploration		
Opening Balance	**165,730**	68,332
Additions during the Year	**41,926**	97,398
Closing Balance	**207,657**	165,730
Total Exploration and Evaluation Assets		
Opening Balance	**490,258**	374,484
Additions during the Year	**41,926**	115,774
Closing Balance	**532,184**	490,258

8. Exploration and evaluation (E&E) assets (continued from previous page)

Rock Creek Prospect - Elko County, Nevada

The Rock Creek property is comprised of 74 unpatented lode claims, located approximately 12 miles northwest of the old mining town of Tuscarora, in Elko County, Nevada, United States. The claims lie on BLM administered lands. The Company obtained this exploration property on September 19, 2017. Consideration for the property consisted of $125,430 CDN ($100,000 US) cash and 3,000,000 common shares valued at $0.05, for a total of $150,000, to be issued when the shares of the Company are listed on a recognized stock exchange by way of an initial public offering or any other similar type of going public transaction. The price of the shares was determined using the price of 4,876,000 share issued on September 22, 2017. During the year ended November 30, 2019, the Company issued 3,000,000 common shares valued at $0.05 per share.

Lease with option to purchase: Divide Mine and the Castile Mountain Project – Elko County, Nevada

On April and May 2020, the Company entered into a lease with an option to purchase 100% interest in the Divine Mine and the Castile Mountain precious metal prospect, both located in Elko County, Nevada. The agreement is a third-party agreement with Geological Services Inc., a Utah Corporation.

- The Divide Mine comprised of 12 unpatented lode claims covering 247 acres when first leased. The Company staked seven more lode claims in July 2020 and the property now comprises of 19 claims, covering 391 acres covering the majority of the old working and potential strike extension of the Divine Mine.
- The Castile Mountain precious metal prospect is comprised of 8 unpatented lode claims covering 164.8 acres. The property lies on the southeast side of the Tuscarora volcanic field, the largest Eocene age (39 million years before present) volcanic field in Nevada.
- The agreement id for a period of 10 years and includes payment of certain annual minimum royalty (See Note 16) commencing on April 2020 for $25,000 (See Note 7).
- The Company maintains an option to buyout the properties at any time for a sum of $2,000,000. However, in such a case, the Company would be obligated for a Royalty payout @ 2% of the net sales realization.

9. Share capital

a)Capital stock

The capital stock of the Company consists only of fully paid common shares.

Authorized

- Unlimited number of common shares, without par value, voting and participating.
- Unlimited number of preferred shares, without par value, non-participating. The directors will define the rights, privileges, restrictions and conditions of these shares upon issuance.

b)Issued

Year ended November 30, 2018:

During the year ended November 30, 2018, the Company closed non-brokered private placements of 2,598,312 units (including 1,600,000 units that gave rise to a share-based payment – See Note 9), consisting of one common share and one- or one-half common share purchase warrant, at prices ranging between $0.03 and $0.40 for total proceeds of $396,165.

Year ended November 30, 2019

During the year the Company closed non-brokered private placements of 529,500 units, consisting of one common share and one-half common share purchase warrant, at $0.40 for total proceeds of $211,800. The Company also issued 3,000,000 shares as described in Note 8 above.

6 months ended May 31, 2020

Apart from the exercise of warrants and share option explained below, the Company issued 500,000 shares to Onyx Capital GmbH of Germany (“Onyx”) pursuant to a contract entered into by the Company engaging Onyx as the Company’s key business development, technology, M&A and marketing consultant in Europe.

9. Share Capital (continued from previous page)

c)Repurchased

During the year 2019, the Company repurchased 375,000 shares for USD25,000 from Kingsmere Mining Ltd. During the quarter ended May 31 2020, the Company repurchased 300,000 shares for USD 20,000 from Kingsmere Mining Ltd.

d) Equity reserve – Warrants

During the quarter ended May 31 2020, the Company issued 500,000 warrants to Onyx Capital GmbH of Germany ("Onyx") pursuant to a contract entered into by the Company engaging Onyx as the Company's key business development, technology, M&A and marketing consultant in Europe.

As previously noted under part (b), the Company issued one or one-half warrant for each unit, or, 264,750 warrants during the year ended November 30, 2019. Each warrant is exercisable into one common share at a price of $0.60.

Details of common share purchase warrants outstanding are as follows:

	May 31, 2020			November 30, 2019		
	Number of Warrants	Weighted average exercise price		Number of Warrants	Weighted average exercise price	
Outstanding - beginning of period	2,822,656	$	0.24	8,496,470	$	0.14
Granted	500,000	$	1.20	264,750	$	0.60
Exercised	-1,125,556	$	0.24	0		-
Expired	-1,440,000	$	0.10	-5,938,564	$	0.11
Outstanding - end of period	757,100	$	1.03	2,822,656	$	0.24

The fair value of the exercised and expired warrants amounting to $78,065 and $138,669 initially recorded under Warrant Reserve has been transferred back to Share Capital and Retained Earnings respectively.

As at May 31, 2020, the following share purchase warrants were outstanding:

	As at May 31, 2020			As at November 30, 2019		
Expiry date	Number of Warrants	Exercise price		Number of Warrants	Exercise price	
December 2019	-	$	0.10	720,000	$	0.10
January 2020	-	$	0.60	4,200	$	0.60
February 2020	-	$	0.11	1,311,250	$	0.11
April 2020	-	$	0.60	50,000	$	0.60
June 2020	109,625	$	0.60	160,250	$	0.60
July 2020	48,750	$	0.60	89,125	$	0.60
August 2020	12,375	$	0.60	12,375	$	0.60
September 2020	3,500	$	0.60	147,750	$	0.60
October 2020	7,600	$	0.60	14,100	$	0.60
November 2020	6,750	$	0.60	37,606	$	0.60
December 2020	500	$	0.60	500	$	0.60
January 2021	26,625	$	0.60	38,375	$	0.60

(Continued from previous page)	As at May 31, 2020		As at November 30, 2019	
Expiry date	**Number of Warrants**	**Exercise price**	**Number of Warrants**	**Exercise price**
February 2021	17,625	$ 0.60	23,875	$ 0.60
March 2021	22,750	$ 0.60	210,750	$ 0.60
April 2021	1,000	$ 0.60	2,500	$ 0.60
April 2022	500,000	$ 1.20		
	757,100	$ 0.95	2,822,656	$ 0.25

9. Share Capital (continues from previous page)

The fair value of one warrant at the date of the closing is as follows:

Warrants Reserve	**6 Months ended May 31, 2020**		Year ended November 30, 2019
Exercise Price	$1.20	$0.60	$0.60
Expected Life	**2 years**	**2 years**	2 years
Dividend Yield	**Nil**	**Nil**	Nil
Volatility	**163.22%**	**81.60%**	81.60%
Risk Free Interest Rate	**1.75%**	**1.75%**	1.75%
Fair Value	**0.846**	**0.184**	0.184

10. Share-Based Payments

The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation assets are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

During the 6 months ended May 31, 2020, the Company did not issue any stock options (2019: Nil).

In 2018, the Company issued 175,000 stock options to directors of the Company at an exercise price of $0.40. The vesting date of the stock options was April 20, 2018. During the 6 months ended May 31, 2020, 75,000 stock options have expired.

During the 6 months ended May 31, 2020, 100,000 options were exercised @ $0.40 (2019: Nil). The fair value of $14,600 initially recorded under Contributed Surplus has been credited to the Share Capital Account.

During 2018, the Company issued 1.6M common shares to the CEO of the Company for services rendered in 2018. The difference between the consideration paid for the shares and the fair value of those shares was recorded as share- based payments, for a total amount of $351,917.

During the 6 months ended May 31, 2020, pursuant to an agreement with Onyx Capital GmbH of Germany (“Onyx”) engaging Onyx as the Company’s key business development, technology, M&A and marketing consultant in Europe, the Company issued 500,000 shares and 500,000 warrants valued at $990,000, which has been booked under Investment Promotion Expenses. Accordingly, and amount of $565,000 has been credited to the Equity and an amount of $425,000

10. Share-Based Payments (continued from previous page)

has been credited to the Equity and an amount of $425,000 has been transferred to the Warrant Reserve.

To determine the fair value of the warrants, the following inputs were used in the Black Scholes warrant pricing model:

Shares Issued	Warrants Issued	Market Price ($/ Share)	Exercise price ($/ Share)	Expected life	Dividend yield	Volatility	Anticipated forfeiture	Risk free interest rate	Fair Value of Shares and Warrant ($/Share)
500000	**500000**	**1.13**	**1.20**	**2 years**	**Nil**	**163.22%**	**0**	**1.75%**	**1.98**

11. Loss per share

Loss per share has been calculated using the weighted average number of common shares outstanding For the 6 months ended May 31, 2020 and for 6 months ended May 31, 2019 as follows:

	6 months ended	
	May 31, 2020	May 31, 2019
Net loss for the year attributable to shareholders	**1,239,948**	107,830
Weighted average number of common shares outstanding	**12,882,938**	9,220,136
Basic and diluted loss per share	**0.10**	0.01

For the 6 months ended May 31, 2020 and for 6 months ended May 31, 2019, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

12. Related party transactions

Transactions with key management

Key management personnel of the Company are officers and members of the Board of Directors, as well as the Chairman of the Board.

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer and the Chief Financial Officer (“CFO”). Compensation paid to key management is presented below:

For the 6 months ended May 31, 2020, the Company incurred fees of $34,000 relating to the services of the CFO (6 months ended May 31, 2019 $18,900). These fees are recorded under Legal and Professional fees in the statement of net loss. Dues to the CFO included under Accounts payable and accrued liabilities stood at $ Nil as at May 31, 2020 (November 30, 2019: Nil).

For the 6 months ended May 31, 2020, the Company incurred consultant fees of $18,000 (6 months ended May 31, 2019 $10,921) paid to Chief Executive Officer (“CEO”). These fees are recorded under Legal and Professional fees in the statement of net loss. Dues to the CEO included under Accounts payable and accrued liabilities stood at $ 150 as at May 31, 2020 (November 30, 2019: $150).

For the 6 months ended May 31, 2020, the Company incurred expenses of $8,478 (6 months ended May 31, 2019 $Nil) paid to Stock Works Agency Inc., a Company owned by the Chief Executive Officer (“CEO”). These fees are recorded under Marketing and Promotion in the statement of net loss.

For the 6 months ended May 31, 2020, the Company incurred consultant fees of $26,206 (6 months ended May 31, 2019 $ Nil) paid to VP of Exploration. These fees are recorded under Land in the Balance Sheet. Dues to VP of Exploration included under Accounts payable and accrued liabilities stood at $ 9,413 as at May 31, 2020 (November 30, 2019: $9,177).

12. Related Party Transactions (Continued from previous page)

During the 6 months ended 31st May, 2020, the following Stock options were exercised:

Options Holder	Options Issued	Options Exercised	Options Expired
Dimitrious Liakopolous	25,000		25,000
Donald James Mackenzie	25,000	25,000	
Louis Lapointe	25,000	25,000	
Gisele Therese Eba Joubin	25,000	25,000	
Glen Raymond Watson	25,000	25,000	
Wei-Tek	25,000		25,000
Mark Abrams	25,000		25,000
Total	**175,000**	**100,000**	**75,000**

During the 6 months ended May 31, 2020, 100,000 options were exercised @ $0.40 (2019: Nil). The fair value of $14,600 initially recorded under Contributed Surplus has been credited to the Share Capital Account.

The Company commenced remunerating the Directors with effect from February 1, 2020, During the 6 months ended May 31, 2020, the Company accrued Directors Fees as under:

Director	6 months ended May 31, 2020	6 months ended May 31, 2019
	$	$
Jim MacKenzie	3,000	-
Dimitrious Liakopolous	8000	-
Louis Lapointe	3,000	-
Wei-Tek Tsai	3,000	-
Total	17,000	-

Of the above $8,000 payable to Mr. Dimitrious Liakopolous and $3,000 payable to Mr. Wei-Tek Tsai is yet to be paid by the Company and is held under Current Liabilities as on May 31, 2020 (November 30, 2019: Nil).

During the 6 months ended May 31, 2020 the Company has received an interest free advance of $'NIL" (Year ended November 30, 2019: $10,000) from the Chairman of the Board that is repayable on demand. During the 6 months ended May 31, 2020, the Company had repaid an amount of $6,000 (Year ended November 30, 2019: $3,773). The balance outstanding against the loan stands at $227 (Year ended November 30, 2019: 6,227).

13. Capital management policies and procedures

The Company's objectives in managing capital is to safeguard its ability to continue its operations, to increase the value of the assets of the business and to provide an adequate return to owners. These objectives will be achieved by identifying the right exploration prospects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares to improve its financial performance and flexibility.

The Company monitors capital on the basis of the carrying amount of equity. Capital for reporting period under review is summarized in Note 9 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

14. Financial assets and liabilities

The carrying amounts and fair value of financial instruments presented in the statement of financial position are as follows:

	As at May 31, 2020		As at November 30, 2019	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
	$	**$**	$	$
Financial assets				
Cash and cash equivalents	**54,182**	**54,182**	**16,667**	**16,667**
Other receivable	**14,662**	**14,662**	**3,292**	**3,292**
Advance Royalty	**34,360**	**34,360**	-	-
Financial liabilities				
Accounts payable and accrued liabilities	**49,425**	**49,425**	**44,875**	**44,875**
Shareholder Loan	**227**	**227**	**6,227**	**6,227**

The carrying value of cash and cash equivalents, subscription receivable, accounts payable and accrued liabilities and shareholder loan is considered to be a reasonable expectation of fair value because of the short-term maturity of these instruments.

15. Financial risks

The Company is exposed to various risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk.

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, cash and cash equivalents and receivables at the reporting date for the aggregate amounts of $68.884 at May 31, 2020 (November 30, 2019: $19,959). The risk related to cash and cash equivalents is considered negligible as the Company is dealing with a reputable financial institution whose credit rating is excellent and the cash held in trust is accessible as and when required.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Within 3 months	
	May 31, 2019	November 30, 2019
	$	$
Trade Payables	49,425	44,875
Shareholder Loan	227	6,227
Total Liabilities	49,652	51,102

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date. Where the counterparty has a choice of when an amount is paid, the liability has been included on the earliest date on which payment can be required.

16. Commitments

Pursuant to the agreement with Geological Services Inc. in connection with the lease and option on the Divide Mine and the Castile Mountain projects the Company is required to make certain annual royalty payments. The commitments of the Company for the next 5 years are as under:

Year	Amount ($)
2021	35,000
2022	50,000
2023	75,000
2024	100,000
2025	150,000

The payments of 2024 and 2025 are to be indexed based and the minimum royalty for 2025 is to be continued for the term of the agreement i.e., 10 years unless the Company exercises its option to purchase the properties.

17. Subsequent events

Warrants

During June 1, 2020 to July 27, 2020, 145,875 warrants priced at $0.60 per warrant expired.

Claims:

On July 13, 2020 the Company position on the Divide Mine project increased from 12 lode claims to 19. Seven new lode mining claims were staked seven lode claims around the original claims based on field observations and recently acquired geochemical data.

COVID-19

Since November 30, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.