

Crestview Exploration Inc.
Management Discussion & Analysis

6 months ended May 31, 2021

Date: July 29, 2021

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MANAGEMENT’S DISCUSSION AND ANALYSIS OF THE COMPANY’S FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management discussion and analysis (“MD&A”) of Crestview Exploration Inc. (“Crestview”, or “the Company”, or “the Corporation”) follows rule 51-102 of the Canadian Securities Administrators regarding continuous disclosure.

The following MD&A is a narrative explanation, through the eyes of the management of Crestview, on how the Company performed during the six-month period ended May 31, 2021. It includes a review of the Company’s financial condition and a review of operations for the six-month period ended May 31, 2021 as compared to the six-month period ended May 31, 2020.

This MD&A complements the unaudited condensed consolidated financial statements for the May 31, 2021 but does not form part of them. It is intended to help the reader understand and assess the significant trends, risks and uncertainties related to the results of operations and it should be read in conjunction with the audited consolidated financial statements as at November 30, 2020 and related notes thereto.

The unaudited consolidated financial statements for the 3 months ended May 31, 2020 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standard Board (“IASB”), applicable to the preparation of annual consolidated financial statements. The accounting policies applied in the financial statements are based on IFRS issued and effective as at May 31, 2021. On July 29, 2021, the Board of Directors approved, for issuance, the consolidated financial statements for the 3 months ended May 31, 2020 and this MD&A.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at www.sedar.com. The shares of Crestview are listed on the Canadian Stock Exchange (“CSE”) under the symbol “CRS”.

READER ADVISORY

This MD&A contains certain forward looking statements and forward looking information (collectively referred to herein as “forward looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward looking statements. Forward looking information is often, but not always, identified by the use of words such as “could”, “should”, “can”, “anticipate”, “expect”, “believe”, “will”, “may”, “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate”, “well positioned” or similar words suggesting future outcomes. In particular, this MD&A may contain forward looking statements relating to future opportunities, business strategies, mineral exploration, development and production plans and competitive advantages.

The forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, exchange rates, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, the actual results of exploration and development projects being equivalent to or better than estimated results in technical reports or prior activities, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the Company considers these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect.

The technical details contained in this report are not compliant to the provisions of NI 43-101.

Crestview Exploration Inc.
Management Discussion & Analysis
6 months ended May31, 2021

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations and anticipations, estimates and intentions expressed in the forward looking statements, including among other things: inability of the Company to continue meeting the listing requirements of stock exchanges and other regulatory requirements, general economic and market factors, including business competition, changes in government regulations or in tax laws; general political and social uncertainties; commodity prices; the actual results of exploration, development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of, or estimates contained in, feasibility studies, pre-feasibility studies or other economic evaluations; and lack of qualified, skilled labour or loss of key individuals; as well as those factors detailed from time to time in the Company's interim and annual financial statements and management's discussion and analysis of those statements, along with the Company's annual information form, all of which are filed and available for review on SEDAR at www.sedar.com. Readers are cautioned that the foregoing list is not exhaustive.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Overview of Business

Business of the Corporation

The Corporation is engaged in the business of mineral exploration and the acquisition of mineral property assets in north-central Nevada, USA and more specifically in the Tuscarora Mountains of north-central Nevada, in Elko County. See "Narrative Description of the Business" below.

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"

History

The Corporation was incorporated on August 30, 2017 without any operating history as it was created in order to purchase mineral claims in various regions of North America and is currently targeting to develop the Rock Creek Project that it acquired on September 19, 2017. See "Acquisitions" below.

On April 19, 2019, the Company incorporated under the States of Nevada, USA, a wholly subsidiary "Crestview Exploration LLC" that is not currently under operation.

Acquisitions

On September 19, 2017, the Corporation entered into an Arm's Length mining property acquisition agreement (the "**Acquisition Agreement**") with Kingsmere Mining Ltd. ("**Kingsmere**") regarding the acquisition by the Corporation of 72 unpatented lode claims (the "**Claims**") comprising the Rock Creek Project. Kingsmere located the Claims in the fall of 2016; said Claims are not subject to any obligations to third parties.

As per the terms of the Acquisition Agreement, Kingsmere agreed to sell a 100% undivided interest on the Rock Creek Project and to acquire said interest, the Corporation had to meet the following conditions and payments:

- a) Upon execution of the Acquisition Agreement, the Corporation paid in cash an amount of \$US100,000 (the "**Cash Consideration**") to Kingsmere;
- b) Upon listing of the common shares of the Corporation on a recognized Canadian stock exchange, defined as a "Liquidity Event" within the Acquisition Agreement, the Corporation will issue a total of three million (3,000,000) common shares at a deemed price of \$0.05 from its share capital to Kingsmere to be issued at the price of the Liquidity Event (the "**Compensation Shares**");
- c) It is mutually agreed between the Corporation and Kingsmere, that the Compensation Shares to be issued to

Kingsmere upon the occurrence of a Liquidity Event shall be restricted for resale for a period of twenty-four (24) months following the occurrence of said Liquidity Event, such Compensation Shares are to be held within escrow with the Corporation's Transfer Agent.

On October 2019, the Company position on the Rock Creek project increased from 72 lode claims to 74. Two new lode mining claims have been staked based on field observations and historic geochemical data.

In April 2020 the Company acquired a Lease with an option to purchase the Divide Mine and the Castile Mountain Project, both located in Elko, Nevada USA.

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 around the original claims based on field observations and recently acquired geochemical data.

During the year 2019 and 2020, the Company bought back some of Kingsmere's Compensation Shares that were subsequently cancelled from the Company's treasury.

- a) In September 2019, 375,000 shares were bought back for US\$ 25,000.
- b) In March 2020, 300,000 shares were bought back for US\$ 20,000.

During February 2021, the Company entered into an option to purchase 100% interest in the Cimarron Project, 13 unpatented lode mining claims associated with the historic San Antonio mine located in Nye County, Nevada.

On March 16, 2021, the Company announced it had staked an additional 40 claims around their Cimarron property, for a total of 53 claims on the Cimarron prospect.

Mineral Exploration and Evaluation Assets

The Rock Creek Project:

The Corporation's principal property is the Rock Creek Project, located approximately 12 miles northwest of the old mining town of Tuscarora, in Elko County, Nevada. As of the date of this report, the Corporation has paid the Cash Consideration and issued the Shares Compensation to Kingsmere as per the terms of the Acquisition Agreement dated September 19, 2017, and therefore owns 100% undivided interest on the original 72 Claims comprising the Rock Creek Project plus 2 claims acquired in 2019.

Based on an examination of Certificates of Location filed with the Elko County Recorder's Office in Elko, Nevada, and at the Bureau of Land Management Nevada State Office in Reno, Nevada, the 72 Cow claims were properly recorded. The 2017-2018, 2018-2019, 2019-2020, and 2020-2021 annual maintenance fees have been paid and the claims are in good standing until noon September 1, 2021.

All claims are subject to an annual maintenance fee of \$165 per claim, payable to the Reno BLM and due by noon September 1 of each year. In addition, an annual Notice of Intent to Hold and fee of \$12.00 per claim is payable to the Elko County Recorder's Office. The Cow original 72 claims comprising the Rock Creek property, are owned by the Corporation and were staked by Kingsmere on October 2, 2016 and properly recorded with the county on December 12, 2016. The certificates of location and the recorded map were filed with BLM on December 23, 2016. Two new claims COW 73 and COW 74 were staked on September 27, 2019. The certificates of location and the recorded map were filed with the BLM on October 2, 2019. The Rock Creek property now consists of 74 unpatented lode mining claims in one contiguous block comprising approximately 1524.4 acres. The Cow claims are located in unsurveyed Sections 29 and 32 of T41N, R50E, and in Sections 1 and 2 of T40N, R49E, MDB&M.

There are adjacent claims, but no adverse ownership. Other properties in the immediate vicinity but not controlled by the Corporation include unpatented and patented pre-existing claims around the old Falcon mine south of the Cow claims, and private fee lands controlled by Barrick, situated between the Falcon Mine and the south edge of the Cow claims.

The margins of some of the Cow claims overlap (to avoid fractions) onto some of these pre-existing claims and private fee lands, reducing the stated acreage of the Rock Creek property by a small amount.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practices for the current stages of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and restrictions arising from regulatory requirements.

The Rock Creek property contains altered exposures of probable lower plate Paleozoic sedimentary rocks that appear to be correlative with the Devonian Rodeo Creek Formation. The bulk of the exposed Au-Ag-As-Sb-Hg mineralization has been found in coeval intermediate to felsic volcanic rocks, which have been dated as Eocene (36 – 40 ma.) throughout most of the Tuscarora Mountains. Similar ages of mineralization have been determined for a number of typical Carlin-type mines within the Carlin trend, Getchell district, Jerritt Canyon district, and Battle Mountain-Eureka gold trend.

The Tuscarora Mountains host the northern end of Carlin-trend mineralization, a cluster of major, large gold deposits. Mineralized Eocene dikes have been found in many of the mines within the Carlin trend, and the temporal and spatial correlation with Carlin-type gold mineralization suggests a genetic link.

The target concept for the Rock Creek Project is a high-level, epithermal gold-arsenic dominated, volcanic-hosted, Eocene-aged, precious metal mineralization representing the top of mineralizing hydrothermal plumes. These hydrothermal fluids had the potential to form high-grade Carlin-type deposits within favorable stratigraphic sections of lower plate sedimentary rocks at depth. It is believed that detailed geologic, structural, stratigraphic, geochemical and geophysical studies can target the favorable areas which overlie permissive stratigraphy at a reasonable depth (<2500 ft.).

Historic exploration has been conducted by various companies on and nearby the property for volcanic-hosted, high-grade Au-Ag veins and bulk tonnage Au-Ag deposits. These previous efforts by Texas Gulf, Shell Oil, Phelps Dodge, Homestake Mining, Newman Mining, Western States Minerals, Pittston Nevada Gold, Teck, and others were focused on high-grade, epithermal, bonanza-type precious metal veins hosted within volcanic rocks, or at the volcanic-sediment contacts.

From the limited data available from previous exploration in the project area, it is clear that areas of widespread alteration in the volcanics contained anomalous values in Au and Ag with locally high concentrations of As-Sb-Hg. Locally, sedimentary basement rocks were intercepted by shallow drilling in Rock Creek, which were altered and carried anomalous gold and pathfinder element concentrations.

The Rock Creek Project area is situated within a zone of “world class” gold endowment where the potential of finding a large, high-grade, gold mine is favorable. Past work has defined large (>1000 x 5000 ft.) areas of strongly argillized volcanic rocks which host numerous silicified breccia zones, and it is believed that the proposed exploration program offers an excellent opportunity to discover new Carlin-type mineralization beneath shallow volcanic cover on this property.

No resources have thus far been defined on the Rock Creek property, and all past mine development on nearby properties in this area is from the period of the late 1800’s through the 1950’s.

The company updated its technical report on the property with an amended technical report titled:

Amended Technical Report

Rock Creek Project

Rock Creek Mining District

Cow Claims Property

Elko, County, Nevada

By Fred T. Saunders

Dated May 7, 2019

It is recommended to pursue exploration on this property. The proposed work shall be carried out in two phases, with the second being contingent upon the successful completion of the first phase.

A two-phase exploration program has been proposed for the Rock Creek Project. The first phase is underway and includes data compilation, data acquisition, base map configuration, reconnaissance and detailed geologic mapping, additional soil and rock chip sampling, and obtaining geophysical surveys. Phase 1 is focused on defining the dominant mineralizing feeder structures with strong Au-As geochemical footprints, delineating the major sedimentary basement blocks and basement highs, and targeting Carlin-type mineralization at a reasonable depth for underground mining.

Phase 2 will drill test the favourable targets identified in Phase 1, and is anticipated to commence in Summer, 2022. For the Rock Creek property, the estimated expenditures for Phase 1 is US\$163,590; and for Phase 2 is US\$1,260,840 for a total expenditure of US\$1,424,430. The second phase is estimated to include 15,000 ft. of reverse-circulation drilling and sample analysis.

Follow-up mapping, definition geochemical surveys, and target selection will be conducted upon completion of Phase 2 drilling. The Company is clocking very close to the original Phase 1 budget. The Company is presently at or just under the

projected US \$163,590 expenditure. Part of what has helped lower the projected costs has been the utilization of off the shelf aeromagnetic data in lieu of completing a new CSAMT geophysics to help explore the claim block. Although approximately \$15,000 is required to complete geological mapping and geochemical sampling on the claims, the Company expects to complete work within the Phase 1 budget.

The Phase 2 budget is appropriate based on the work and results to date. The Company anticipates that some of phase 2 exploration program such as further examination of the targets areas, laying out access roads and drill pads, as well as permitting will start in Q3 and Q4 of 2021.

The Company also undertook certain road-repair work to facilitate the access to the property.

The property has seen some initial mapping and sampling at a reconnaissance level. The company has now taken nearly 100 rock samples on the project to date. The samples have been analyzed for gold, silver and pathfinder elements. Work from the Fall, 2019 exploration work was summarized by M. Abrams in an internal company report titled: Crestview Management Update Report – January 10, 2020.

The Divide Mine and the Castile Mountain Project – Lease with Option to Purchase :

On April 2020, the Company has entered into a lease with an option to purchase a 100% interest in the Divide Mine, a high-grade precious metal vein target and the Castile Mountain precious metal prospect, both located in Elko County, northcentral Nevada.

Both properties were acquired through a third-party agreement with Geological Services Inc., a Utah corporation with an office located at #3 Knob Hill Road, Park City, Utah 84098 USA.

- The terms of the agreement for both Properties are as follows (US\$):

- i. Advance Minimum Royalty

| | |
|-------------------------------|------------|
| 1. On or before 15 April 2020 | \$25,000 |
| 2. 1st Anniversary | \$35,000 |
| 3. 2nd Anniversary | \$50,000 |
| 4. 3rd Anniversary | \$75,000* |
| 5. 4th Anniversary | \$100,000* |
| 6. 5th Anniversary | \$150,000* |
| 7. (And each year thereafter) | |

- Payments can be recovered from production.
- \$2,000,000 buyout *can be exercised at any time, subject to a retained 2% NSR.
- = indexed to CPI.

The Divide Mine:

- a. The Mine is comprised of 19 unpatented lode claims covering 391 acres (158ha). The claims cover the majority of the old workings and potential strike extension of the Divide Mine. The Divide Mine is located

- in the northwest portion of the Tuscarora Mining District
- b. The Carlin Trend lies about 22 miles south-southwest of the property and the Jerritt Canyon Mining District is about 18 miles to the east of the property.
 - c. The Divide Mine sits on the eastern flank of a prominent upthrown block exposing sedimentary rocks surrounded by Eocene age volcanic rocks. The sedimentary rocks exposed here are known to closely overlie favourable sedimentary gold mineralization host rocks in the region. Further, the age of the volcanic rocks is coincident with the age of gold and silver mineralization in the region; and there is a relationship with volcanism and mineralization. There is evidence on the property of igneous rock intrusions. Fault structures on the east edge of the host block provide conduits for multiple episodes of dikes as well as plumbing for the gold bearing mineral system.
 - d. Gold and silver mineralization occur in banded quartz veins and quartz breccia veins deposited in north-south and north-northeast oriented fissure systems. The Divide Mine contains silver, cinnabar (mercury), minor copper oxides and up to 0.224 ounces of gold per ton (7 g/tonne) in rock samples. Additionally, historic drill logs from Homestake mining report indicate Carlin-style sulfide gold mineralization and geochemistry from a hole located just north of the claims.
 - e. The company has acquired aeromagnetic data to assist in outlining the intrusive rocks we believe are related to the mineralization at the property. The aeromagnetic data is being used for geochemical sampling and geological mapping to delineate drill targets.

The Castile Mountain Project:

- a. The company has entered into a lease with an option to purchase a 100% interest in the Castile Mountain precious metal prospect located in Elko County, northcentral Nevada. This property is comprised of 8 unpatented lode claims covering 164.8 acres (66.7 ha).
- b. Castile Mountain is located in the southern portion of the Tuscarora Mining District
- c. The Carlin Trend lies about 17 miles southwest of the property and the Jerritt Canyon Mining District is about 14 miles to the east of the property.
- d. The Castile Mountain prospect lies on the southeast side of the Tuscarora volcanic field, the largest Eocene age (39 million years before present) volcanic field in Nevada. This is important because Eocene magmatism occurred contemporaneously with the main gold mineralizing event that formed the bulk of the giant gold deposits in Nevada.
- e. A paleo hot spring vent crops out at the top of Castile Mountain as evidenced by a small area of sinter and silicified volcanic rocks that carry the best gold geochemistry. The surrounding area is primarily clay altered with quartz vein stock works. Surface gold mineralization is hosted by andesite breccia. Below the andesite breccia is a package of rocks comprised of volcanic flows, ash flow tuff and a basal conglomerate. The basal conglomerate lies unconformably on an erosional surface at the top of the older Paleozoic sedimentary rocks. This unconformity represents an excellent stratigraphic target below the hot springs vent, along with disseminated mineralization in favourable rock units and possibly quartz veins.
- f. The Gravel Creek property is a very close analog to the target presented at Castile Mountain. It is located

25 miles to the northeast of Castile Mountain. An early 2018 mineral resource estimate for Gravel Creek reports an indicated resource of 246,000 ounces of gold and 3,938,000 ounces of silver, and an inferred resource of 654,000 ounces of gold and 9,018,000 ounces of silver with upside potential (Christensen 2018, Abstract for Technical Presentation, Denver Region Exploration Geologists Society).

Aeromagnetic data was acquired to assist in identifying structures and outlining areas of alteration we believe are related to the mineralization at the property. The aeromagnetic data was useful in identifying a volcanic vent that may be the source of gold mineralizing fluids that mineralized the sinter at the top of Castile Mountain. This interpretation will be used to focus our upcoming geochemical sampling and geological mapping to delineate drill targets.

The company acquired a geophysical use licence with Edcon-PRJ, Inc. of Lakewood, Colorado for aeromagnetic data that covers the Rock Creek project. Subsequently the company acquired an expanded geophysical use licence with Edcon-PRJ, Inc. covering the entire Tuscarora mining district. The expanded data licence consists of 934 line miles of high-quality data collected by Edcon-PRJ, Inc. centered on the Rock Creek, Castile Mountain, and Divide projects. The survey area was covered with northeast lines, 200 meters apart and northwest tie lines 800 meters apart.

The company engaged the services of Frank P. Fritz of Fritz Geophysics to complete an interpretation of the data. The company supplied all of the current geological mapping data for the property as well as held discussions with Mr. Fritz to convey what the company knows about the project area in regard to significant geological features and the location of current exploration targets.

The company conducted rock geochemical sampling (18 samples) and reconnaissance geological mapping throughout the entire Castile Mountain claim block in September and October 2020. The rock geochemical samples were submitted to ALS Laboratory in Reno, Nevada for gold and trace element analysis, with encouraging results. Additional geological mapping is currently being conducted at a 1:2000 scale, as well as additional outcrop sampling with an emphasis on identifying structural targets.

The company now has three properties in the Tuscarora Mining District: Rock Creek, Divide Mine and Castile Mountain. The Company intends to take advantage of the synergy and exploration cost savings created by these properties being located close to each other.

The Cimarron Project:

In February 2021 the Company entered into an option agreement with Nevada Select Royalty (“Nevada Select”), a wholly-owned subsidiary of Ely Gold Royalties Inc. whereby Crestview will have the option to purchase 100% of the Cimarron gold prospect located in Nye County, Nevada approximately 30 kilometers North of the mining town Tonopah, NV.

Under the terms of the agreement, the Company shall pay a 2.5% Net Smelter Royalty (NSR) on the production from the property and any locatable land in a 1-mile Area of Interest and \$200,000 (US\$) in the following installments:

Initial payment of \$25,000 (paid in March 2021)

Payment on 1st Anniversary: \$35,000

Payment on 2nd Anniversary: \$50,000

Payment on 3rd Anniversary: \$45,000

Payment on 4th Anniversary: \$45,000

On March 16, 2021, the Company announced it had staked an additional 40 claims. There is now a total of 53 unpatented lode mining claims on the Cimarron Gold Project, including control of 6 historically producing claims associated with the historic San Antonio mine.

The Rock Creek Project, the Divide Mine, the Castile Mountain Project and the Cimarron Project shall be together referred to as the Mineral Exploration and Evaluation Assets or “**MEE Assets**”.

Exploration and Evaluation Expenses:

The Corporation has incurred Exploration and evaluation expenditures as under:

| Particulars (Figures in CS) | Opening Balance | 2019 Q2 | 2019 Q3 | 2019 Q4 | 2020 Q1 | 2020 Q2 | 2020 Q3 | 2020 Q4 | 2021 Q1 | 2021 Q2 | Grand Total |
|-----------------------------------|-----------------|---------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|----------------|------------------|
| Mining Claims | 275,430 | - | - | - | - | - | 34,760 | - | 31,748 | 44,952 | 386,890 |
| Claim Fees | 30,722 | - | 17,429 | 947 | - | - | 29,124 | 1,526 | 1,983 | 20,181 | 101,912 |
| Consultancy - Claims | - | - | - | - | 5,274 | - | - | - | - | - | 5,274 |
| Total Claim Expenses | 306,152 | - | 17,429 | 947 | 5,274 | - | 63,884 | 1,526 | 33,730 | 65,133 | 494,076 |
| Consultancy | 32,563 | - | - | - | - | - | - | - | - | - | 32,563 |
| Geological Services | 13,451 | - | 22,383 | 59,269 | (43) | 5,195 | 7,240 | 19,447 | 14,756 | - | 141,698 |
| Survey | 36,109 | - | - | - | - | 28,115 | - | - | - | - | 64,224 |
| Testing Fees | 1,955 | - | - | - | 30 | - | - | - | - | - | 1,985 |
| Exploration | - | - | - | - | - | - | - | - | 13,640 | 576 | 14,216 |
| Drilling | - | - | - | - | - | - | - | - | 11,485 | 249,786 | 261,271 |
| Others | - | - | - | - | - | - | - | - | 2,703 | - | 2,703 |
| Total Exploration Expenses | 84,078 | - | 22,383 | 59,269 | (14) | 33,310 | 7,240 | 19,447 | 42,585 | 250,362 | 518,660 |
| Grand Total | 390,230 | - | 39,812 | 60,216 | 5,260 | 33,310 | 71,124 | 20,973 | 76,315 | 315,495 | 1,012,736 |

General Corporate Affairs

Crestview Exploration Inc.
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6 months ended May31, 2021

Since its incorporation on August 30, 2017, the Corporation has not generated cash flow from its operations and has incurred certain operating losses. Such losses and negative operating cash flow are expected to continue since funds will be expended to pay its administrative expenses and to conduct the recommended Phase 1 exploration program on the Rock Creek Project.

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 Company also has a 100% subsidiary, Crestview Exploration LLC, registered in State of Nevada, United States of America. The subsidiary is yet to commence any operation.

In April 2020 the Company acquired a Lease with an option to purchase the Divide Mine and the Castile Mountain Project, both located in Elko, Nevada USA.

During February 2021, the Company entered into an option to purchase 100% interest in the Cimarron Project, located in Nevada.

Until required for the Corporation's purposes, the available funds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper. The Corporation's Chief Financial Officer with approval of the Board of Directors, will be responsible for the investment of unallocated funds.

The Corporation anticipates to finance its Phase 2 exploration program on the Rock Creek Project recommended in the Technical Report by subsequent equity or debt financing in 2020 and 2021 by raising funds in the capital markets by way of private placement either brokered or non brokered or prospectus offering, as the case may be and depending on the financial conditions of the market at such time as the Corporation would be able to attract institutional funds to subscribe to its share capital.

Financial Condition

The following discussion of the Corporation's financial performance is based on the unaudited Condensed Interim Consolidated Financial Statements as of May 31, 2020 ("**Financial Statements**") set forth herein.

Consolidated Statement of Loss and Comprehensive Loss

| | 6 Months ended | |
|---------------------------|-----------------------|--------------------|
| | <i>May 31, 2021</i> | <i>May31, 2020</i> |
| | \$ | \$ |
| Operating expenses | | |
| Professional fees | 179,452 | 88,089 |
| Marketing and Promotion | 320,112 | 24042 |

Crestview Exploration Inc.
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| | | |
|---|----------------|------------------|
| Director Fees | 30,750 | 17,000 |
| Filing Fees | 17,753 | 21889 |
| Travel | 9,647 | 2,125 |
| Insurance | 9,465 | 6,999 |
| General Expenses | 7,829 | 1,410 |
| Meals and entertainment | 4,353 | 5839 |
| Interest and bank charges | 2,491 | 923 |
| Rental | 104 | 624 |
| IT Expenses | 102 | 1,307 |
| Prospecting Costs | 1365.36 | 0 |
| Investment Promotion | 0 | 1,067,835 |
| Operating Loss | 583,423 | 1,238,082 |
| Other income (loss) | | |
| Other Income | 2180.54 | 0 |
| Foreign exchange gain (loss) | -3448.23 | -1,866 |
| Impairment of advances | | |
| | -1,268 | -1,866 |
| Net loss and comprehensive loss for the year | 584,690 | 1,239,948 |
| Basic and diluted loss per share | -0.03 | -0.10 |

Consolidated Statement of Cash Flows

| | 6 Months ended | |
|--|---------------------|--------------------|
| | <i>May 31, 2021</i> | <i>May31, 2020</i> |
| Cashflows used by Operating Activities | (534,702) | (263,151) |
| Cashflows used by Investing Activities | (387,079) | (76,884) |
| Cashflows from Financing Activities | 2,251,179 | 377,550 |
| Increase / (Decrease) in cash and cash equivalents | 1,329,399 | 37,515 |
| Cash and cash equivalents, beginning of the year | 5,601 | 16,667 |
| Cash and cash equivalents, end of the year | 1,335,000 | 54,182 |

Consolidated Statement of Financial Position

| | As at | |
|--|---------------------|--------------------------|
| | <i>May 31, 2021</i> | <i>November 30, 2020</i> |
| Cash and cash equivalents | 1,239,406 | 5,601 |
| Sales Tax Receivable | 35,430 | 18,005 |
| Other Receivables | 94,498 | 2,550 |
| Exploration and evaluation assets | 1,012,736 | 620,925 |
| Accounts payable and accrued liabilities | 200,950 | 218,193 |
| Shareholder Loan | - | 79,227 |
| Common Shares | 2,301,103 | 1,628,851 |
| Warrants | 1,744,645 | 7,753 |
| Deficit | (1,864,627) | (1,286,943) |

Crestview Exploration Inc.
Management Discussion & Analysis
6 months ended May 31, 2021

The basic and diluted loss per share during the six months ended May 31, 2021 is \$0.03 (\$0.10 in the six months ended May 31, 2020). During the six months ended May 31, 2021 the Company realized a net income and comprehensive loss of \$584,690 as compared to a net loss and comprehensive loss of \$1,239,948 during the six months ended May 31, 2020 (a decrease of \$655,258). The main reasons behind the increase are:

- a) Investment promotion expenses booked during May 31, 2020 amounting to \$1,067,835. The Company did not incur any Investment promotion expenses during the six months ended May 31, 2021.
- b) Increase in Marketing and Promotion expenses by \$296,070;
- c) Professional Fees increased by \$91,363;
- d) Increase in Directors fees by \$13,750;

A detailed analysis of the profitability is provided in the next section.

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 impact on the Company's consolidated financial statements.

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 has adopted the interpretation in its consolidated financial statements for the annual period beginning on December 1, 2019 and the adoption of IFRIC 23 had no significant impact on the Company's consolidated financial statements.

As discussed in Note 2 to the financial statements, they are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the IASB. These financial statements should be read in conjunction with the Company's November 30, 2019 audited consolidated financial statements.

On December 1, 2018, the Company initially applied the requirements of IFRS 9 Financial Instruments. There has been no impact of this change as described in Note 3 of the financial statements.

Management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and revenue and expenses for the period then ended. The Financial Statements indicates Cash and Cash Equivalents of \$1,239,406 (November 30, 2020: \$5,601); Sales Tax Receivable of \$35,430 (November 30, 2020: \$18,005) and Other Receivables of \$94,498 (November 30, 2020: \$2,550) resulting in total current assets of \$1,369,334, an increase of \$1,343,178 from November 30, 2020 balance of \$26,156. The long-term assets are comprised of mineral exploration and evaluation assets of \$1,012,736 which is an increase of \$391,811 from November 30, 2020 balance of \$620,925. The total assets are \$2,382,070 which is an increase of \$1,734,989 from November 30, 2020 balance of \$620,925.

The Company's current liabilities at May 31, 2021 are its trade and other payables of \$200,950 which is an decrease of \$17,243 from November 30, 2020 balance of \$218,193. The shareholder Loans decreased by \$79,227 from \$79,227 in November 30, 2020 to \$Nil at May 31, 2021. Equity attributable to shareholders of the Company is \$2,181,120, an increase of \$1,831,459 from November 30, 2020 balance of \$349,661, and is comprised of share capital of \$2,301,103 (November

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30, 2020: \$1,628,851), Warrants Reserve \$1,744,645 (November 30, 2020: \$7,753), less the deficit of \$1,864,627 (November 30, 2020: 1,286,943).

The key movements in the Assets and Liabilities are as follows:

- a) The cash in the Company increased by \$1,233,805 during the year as explained under “Cash Flows” below;
- b) In December 2020, the Company closed a non-brokered private placement by issuing 6,969,968 share units for gross proceeds of \$2,090,990. Each share unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at \$0.40 within a period of three years since the date of issue. In connection with the placement, the Company also paid a total of \$34,896 and issued 122,320 Warrants as compensation to qualified finders. Each warrant is exercisable at a price of CAD\$0.40 for three-year from the date of issuance.
- c) In March 2021, the Company closed a non-brokered private placement by issuing 349,765 share units for gross proceeds of \$297,300. Each share unit consists of one common share and one-half share purchase warrant, with each two warrants exercisable into one common share at \$1.25 within a period of two years since the date of issue. In connection with the placement, the Company paid \$17,838 also issued a total of 10,493 Warrants as compensation to qualified finders. Each warrant is exercisable at a price of CAD\$1.25 for two-year from the date of issuance. The above costs has been booked as cost for issuance of shares and have been offset from the proceeds from issuance of shares.
- d) The accrued receivables on account of Sales Tax increased by \$17,425 from \$18,005 during November 30, 2020 to \$35,430 at May 31, 2021;
- e) Other receivables also include Prepaid Expenses and Advances paid towards exploration activities. The balances on this count increased by \$91,948 to \$94,498 at May 31, 2021 against \$2,550 at November 30, 2020. This was mainly owing to expenses towards exploration activities paid in advance amounting to \$84,504.
- f) During February 2021, the Company made a payment of \$31,748 pursuant to an agreement with Nevada Select Royalty Inc in respect of the Cimarron properties. Under the agreement, the Company is obligated to pay certain minimum annual payments. The output is also subject to a royalty of 2.5%. These payments have been classified as Mining Claims as depicted as below. All costs associated with mineral properties have been classified as mineral exploration and evaluation assets. The expenditures are divided between the properties as follows:

Rock Creek Property

| Particulars | Opening Balance (12/1/2018) | Addition during 2019 | Opening Balance (12/1/2019) | Addition during 2020 | Closing Balance (11/30/2020) | Addition during 6 months ended May 31 2021 | Closing Balance (May 31, 2021) |
|---------------|-----------------------------|----------------------|-----------------------------|----------------------|------------------------------|--|--------------------------------|
| Mining Claims | 275,430 | - | 275,430 | - | 275,430 | - | 275,430 |
| Claim Fees | 30,722 | 18,376 | 49,098 | 17,420 | 66,518 | - | 66,518 |

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| | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|---------------|----------------|--------------|----------------|
| Consultancy - Claims | - | - | - | 5,274 | 5,274 | - | 5,274 |
| Total Claim Expenses | 306,152 | 18,376 | 324,528 | 22,694 | 347,222 | - | 347,222 |
| Consultancy | 32,563 | - | 32,563 | | 32,563 | | 32,563 |
| Geological Services | 13,451 | 81,652 | 95,103 | 15,297 | 110,400 | 2,886 | 113,286 |
| Survey | 22,318 | 13,791 | 36,109 | 7,009 | 43,118 | - | 43,118 |
| Testing Fees | - | 1,955 | 1,955 | 30 | 1,985 | - | 1,985 |
| Exploration | - | - | - | - | - | 1,824 | 1,824 |
| Drilling | - | - | - | - | - | 1,964 | 1,964 |
| Others | - | - | - | - | - | - | - |
| Total Exploration Expenses | 68,332 | 97,398 | 165,730 | 22,336 | 188,066 | 6,675 | 194,741 |
| Grand Total | 374,484 | 115,774 | 490,258 | 32,614 | 32,614 | 6,675 | 541,963 |

| <u>Divide Mine Property</u> | | | | | | | |
|--------------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|------------------------------|--|--------------------------------|
| Particulars | Opening Balance (12/1/2018) | Addition during 2019 | Opening Balance (12/1/2019) | Addition during 2020 | Closing Balance (11/30/2020) | Addition during 6 months ended May 31 2021 | Closing Balance (May 31, 2021) |
| Mining Claims | - | - | - | 20,856 | 20,856 | 22,005 | 42,861 |
| Claim Fees | - | - | - | 11,283 | 11,283 | - | 11,283 |
| Total Claim Expenses | - | - | - | 32,139 | 32,139 | 22,005 | 54,144 |
| Geological Services | - | - | - | 9,274 | 9,274 | 396 | 9,670 |
| Survey | - | - | - | 11,610 | 11,610 | - | 11,610 |
| Exploration | - | - | - | - | - | 1,817 | 1,817 |
| Drilling | - | - | - | - | - | 1,964 | 1,964 |
| Total Exploration Expenses | - | - | - | 20,884 | 20,884 | 4,178 | 25,062 |
| Grand Total | - | - | - | 32,614 | 32,614 | 26,182 | 79,205 |
| <u>Castille Mine Property</u> | | | | | | | |
| Mining Claims | - | - | - | 13,904 | 13,904 | 22,005 | 35,909 |
| Claim Fees | - | - | - | 1,948 | 1,948 | 0 | 1,948 |
| Total Claim Expenses | - | - | - | 15,852 | 15,852 | 22,005 | 37,857 |
| Geological Services | - | - | - | 7,267 | 7,267 | 396 | 7,663 |
| Survey | - | - | - | 9,495 | 9,495 | 0 | 9,495 |
| Exploration | - | - | - | - | - | 1,533 | 1,533 |
| Drilling | - | - | - | - | - | 2,030 | 2,030 |
| Total Exploration Expenses | - | - | - | 16,762 | 16,762 | 3,959 | 20,721 |

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| | | | | | | | |
|-----------------------------------|----------------|----------------|----------------|---------------|---------------|----------------|------------------|
| Grand Total | - | - | - | 32,614 | 32,614 | 25,963 | 58,577 |
| <u>Cimarron Project</u> | | | | | | | |
| Mining Claims | - | - | - | - | - | 32,691 | 32,691 |
| Claim Fees | - | - | - | - | - | 22,164 | 22,164 |
| Total Claim Expenses | - | - | - | - | - | 54,855 | 54,855 |
| Geological Services | - | - | - | - | - | 11,077 | 11,077 |
| Exploration | - | - | - | - | - | 9,042 | 9,042 |
| Drilling | - | - | - | - | - | 255,313 | 255,313 |
| Others | - | - | - | - | - | 2,703 | 2,703 |
| Total Exploration Expenses | - | - | - | - | - | 278,136 | 278,136 |
| Grand Total | - | - | - | - | - | 332,990 | 332,990 |
| Total | 374,484 | 115,774 | 490,258 | 97,842 | 97,842 | 391,811 | 1,012,736 |

g) During the year the Company has repaid certain loans from the Shareholders as follows:

| Loan Received From | Type | May 31, 2021 | | | | November 30, 2020 | | | |
|-----------------------|--------------------|-----------------|------------|-----------------|---------|-------------------|---------------|----------------|---------------|
| | | Opening Balance | Loan Taken | Loan Repaid | Balance | Opening Balance | Loan Taken | Loan Repaid | Balance |
| Dimitrios Liakopoulos | Interest Free Loan | 29,227 | - | (29,227) | - | 6,227 | 29,000 | (6,000) | 29,227 |
| SCA Capital | 10% Interest Rate | 50,000 | - | (50,000) | - | - | 50,000 | - | 50,000 |
| | | 79,227 | - | (79,227) | - | 6,227 | 79,000 | (6,000) | 79,227 |

h) The six months ended May 31, 2021 also witnessed a reduction in the Accounts payable and accrued liabilities by \$17,243 from \$218,193 at November 30, 2020 to \$200,950 as at May 31, 2021. The Accounts Payable as at May 31, 2021 includes liabilities in connection with exploration activities amounting to \$115,330.

Cash Flows:

During the 6 months ended May 31, 2021, the Corporation used \$534,702 (6 months ended May 31, 2020 / Previous Year: \$263,151) of its cash and cash equivalents to meet the Operating Activities i.e., pay its trade and other payables, fund its operations, maintain its listing in the Canadian Stock Exchange (CSE), expenses towards investment promotions, marketing activities and pay for the corporate operating expenses. The Company's Investing Activities includes incurring an amount of \$387,079 (Previous Year: \$76,884) to continue with the exploration and evaluation of its mineral assets. The Company's Financing Activities included repayment of a loan from a shareholder amounting to a net of \$14,000 (Previous Year:

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\$6,000); proceeds from issuance of shares (through exercise of warrants and options) amounting to \$2,265,179 (Previous Year: \$410,334) and repurchase of share units amounting to Nil (Previous Year: \$26,784).

Selected half-yearly financial information

The operating results for the six-month period ended May 31, 2021 and May 31, 2020 is as follows:

| Consolidated Statement of Loss and Comprehensive Loss | <i>6 months ended May 31, 2021</i> | <i>6 months ended May 31, 2020</i> | <i>Variance</i> | <i>Remarks</i> |
|--|--|--|-----------------|----------------|
| | \$ | \$ | \$ | |
| <u>Operating expenses</u> | | | | |
| Professional fees | 179,452 | 88,089 | 91,363 | Note i |
| Marketing and Promotion | 320,112 | 24,042 | 296,070 | Note j |
| Director Fees | 30,750 | 17,000 | 13,750 | Note k |
| Filing Fees | 17,753 | 21,889 | -4,136 | |
| Travel | 9,647 | 2,125 | 7,522 | |
| Insurance | 9,465 | 6,999 | 2,466 | |
| General Expenses | 7,829 | 1,410 | 6,419 | |
| Meals and entertainment | 4,353 | 5,839 | -1,486 | |
| Interest and bank charges | 2,491 | 923 | 1,568 | |
| Rental | 104 | 624 | -520 | |
| IT Expenses | 102 | 1,307 | -1,205 | |
| Prospecting Costs | 1,365 | - | 1,365 | |
| Investment Promotion | - | 1,067,835 | -1,067,835 | Note l |
| Operating Loss | 583,423 | 1,238,082 | -654,659 | |
| <u>Other Income</u> | | | | |
| Foreign exchange gain (loss) | (1,866) | 136 | (2,002) | |
| | (1,866) | 136 | (2,002) | |
| Net loss and comprehensive loss | 1,239,948 | 107,830 | 1,132,117 | |

During the 6 months ended May 31, 2021 the Company realized a net loss and comprehensive loss of \$1,239,948 as compared to a net loss and comprehensive loss of \$107,830 (an increase of \$1,132,117 compared to 6 months ended May 31, 2020) for the 6 months ended May 31, 2021. The main reasons behind the increase are as follows:

| Note # | Account | Variance (\$) | Reasons |
|--------|---------|---------------|---------|
| | | | |

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| | | | |
|---|-----------------------|-------------|--|
| i | Professional Fees | 91,363 | The increase during the 6 month ended May 31, 2021 is mainly due to increase in : a) Management Fees: \$76,997 b) Legal Charges: \$9,100 c) Others: \$5,266 |
| j | Marketing & Promotion | 296,070 | The increase in Marketing & Promotion expenses during the 6 months ended May 31, 2021 is mainly due to the increased promotional activities in Europe and North America. Included in Marketing and Promotion Expenses is \$67,563 that pertains to Performance Warrants issued to Karen Kaewel and Onyx. |
| k | Director Fees | 13,750 | Director Fees was instituted in February 2020. |
| l | Investment Promotion | (1,067,835) | On April 15, 2020, the Company engaged Onyx Capital GmbH of Germany (“Onyx”) to be the Company’s key business development, technology, M&A and marketing consultant in Europe. Pursuant to the agreement, Onyx is engaged for a 2-year period and received 500,000 shares and 500,000 warrants of the Company and a total of 50,000 €. |

The comparative Professional Fees by nature of expenditure for the six months ended May 31, 2021 and 2020 are summarized below:

| | <i>6 Month Period Ended May 31</i> | |
|----------------------------|------------------------------------|-------------|
| | <i>2021</i> | <i>2020</i> |
| | \$ | \$ |
| Accounting Services | 14,998 | 12,402 |
| Audit Expenses | 23,633 | 11,644 |
| Management Services | 129,997 | 53,000 |
| Legal Charges | 9,100 | - |
| Other Consultancy | 1,724 | 11,043 |
| Grand Total | 179,452 | 88,089 |

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company for the ninth quarters ended May 31, 2021.

| | May-21 | Feb-21 | Nov-20 | Aug-20 | May-20 | Feb-20 | Nov-19 | Aug-19 | May-19 |
|-------------------------------------|-----------|-----------|------------|---------|--------------------------|----------|-----------|----------|----------|
| Net income / (Loss) for the Quarter | (244,493) | (337,045) | (-151,320) | 879,253 | (1,161,522) ² | (76,560) | (115,146) | (57,706) | (58,759) |

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| | | | | | | | | | |
|-------------------------------|------------|------------|------------|------------|-------------|------------|------------------------|-----------|-----------|
| Comprehensive income / (Loss) | (244,493) | (337,045) | (151,320) | 879,253 | (1,161,522) | (76,560) | (115,146) ¹ | (57,706) | (58,759) |
| Wtd Number of Shares | 20,261,099 | 19,964,698 | 13,016,932 | 13,484,323 | 13,102,673 | 12,368,425 | 12,046,046 | 9,466,376 | 9,462,145 |
| Loss / Share | -0.01 | -0.02 | -0.01 | 0.07 | -0.09 | -0.01 | -0.01 | -0.01 | -0.01 |

- 1) Higher payouts towards Professional fees, Filing and IT expenses.
- 2) Share Based Compensation amounting to \$990,000 in terms of 500,000 shares and 500,000 Warrants issued to M/s. Onyx Capital GmbH of Germany and an additional amount of Euro 50,000. The Share Based compensation was reversed in the quarter ended August 2020 when the shares and warrants were cancelled.

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Results of Operation for the 3 months ended May 31, 2021:

Selected quarterly financial information

The following selected financial information is derived from our unaudited financial statements for 3 months ended May 31, 2021 and May 31 2020.

| Consolidated Statement of Loss and Comprehensive Loss | 3 months ended May 31 May 31, 2021 | 3 months ended May 31, 2020 | Variance | Remarks |
|---|---------------------------------------|--------------------------------|------------|---------|
| | \$ | \$ | \$ | |
| Professional fees | 117,313 | 37,102 | 80,211 | Note: m |
| Marketing and Promotion | 77,948 | 16,604 | 61,344 | Note: n |
| Director Fees | 18,000 | 12,750 | 5,250 | Note: o |
| Filing Fees | 11,016 | 19,779 | -8,764 | |
| Travel | 7,097 | 44 | 7,053 | |
| Insurance | 5,191 | 3,499 | 1,692 | |
| General Expenses | 4,109 | 464 | 3,645 | |
| Meals and entertainment | 2,977 | - | 2,977 | |
| Interest and bank charges | 626 | 591 | 35 | |
| Rental | 104 | 312 | -208 | |
| IT Expenses | 51 | 675 | -624 | |
| Investment Promotion | - | 1,067,835 | -1,067,835 | Note: p |
| Other Income | 2,181 | - | 2,181 | |
| Foreign exchange gain (loss) | -2,242 | -1,866 | -376 | |
| Net loss and comprehensive loss | 244,493 | 1,161,522 | -917,029 | |
| No of Shares | 20,261,099 | 13,102,673 | 7,158,426 | |
| Basic and diluted loss per share | 0.01 | 0.09 | | |

During the 3 months ended May 31, 2021 the Company realized a net loss and comprehensive loss of \$244,493 as compared to a net loss and comprehensive loss of \$1,161,522 (an decrease of \$917,029 compared to 3 months ended May 31, 2020) for the 3 months ended May 31, 2021. The main reasons behind the decrease are as follows:

| Note # | Account | Variance (\$) | Reasons |
|--------|-------------------------|---------------|--|
| m | Professional Fees | 80,211 | i) During Q2 2021 the company had incurred accounting and auditing costs. [Impact: (\$ 23,028)]. ii) The Management Fees has increased during the quarter by \$52,110. iii) The Company also incurred increased legal charges on operational matters during Q2 2020. [Impact: \$5,074] |
| n | Marketing and Promotion | 61,344 | The Marketing and Promotion Expenses have increased during the current quarter in comparison with the quarter ended May 31, 2020 with increased number of marketing consultants having been engaged to promote the Company to the investors. |
| o | Director Fees | 5,250 | The Director Fees paid to Mr. James Liakopolous increased by \$3,000 per month as of April 2021. |

| | | | |
|---|----------------------|-------------|--|
| p | Investment Promotion | (1,067,835) | On April 15, 2020, the Company engaged Onyx Capital GmbH of Germany (“Onyx”) to be the Company’s key business development, technology, M&A and marketing consultant in Europe. Pursuant to the agreement, Onyx is engaged for a 2-year period and received 500,000 shares and 500,000 warrants of the Company and a total of 50,000 €. [Impact : \$ 1.067.835] |
|---|----------------------|-------------|--|

The comparative Professional Fees by nature of expenditure for the 3 months ended May 31, 2021 and 2020 are summarized below:

| | <i>3 Month Period Ended May 31</i> | |
|--|------------------------------------|---------------|
| | <i>2021</i> | <i>2020</i> |
| | \$ | \$ |
| Accounting & Audit Expenses | 29,449 | 1,708 |
| Management Services | 79,235 | 27,125 |
| Other Consultancy | 4,880 | 8,269 |
| Grand Total | 113,563 | 37,102 |

The Company expects to continue incurring losses during this period of exploration and development. These losses are expected to be funded by the current cash and private placement financing.

Liquidity and Capital Resources

Working Capital

Working Capital is a non- GAAP financial information being the difference between Current Assets and Current Liabilities. Working Capital at May 31, 2021 of \$1,168,384 represents an increase of \$1,439,648 from the levels of November 30, 2020 total of (\$271,264). This increase in working capital is mainly due to raising of funding through the exercise of warrants and options by the respective holders. The operating losses of \$534,702, Exploration costs of \$387,079, repayment of Shareholder Loan amounting to \$14,000 was more than offset by the additional equity infusion of \$2,265,179 during the 6 month period ended May 31, 2021.

Capital Expenditures

The Company incurred a cash spend of \$387,079 towards Exploration and Evaluation of Assets during the 6 months ended May 31, 2021.

Capital Resources

Equity attributable to shareholders of the Company is \$2,181,120, an increase of \$1,831,459 from November 30, 2020, and is comprised of share capital of \$2,301,103 (Previous Year: \$1,628,851), Warrants Reserve \$1,744,645 (Previous Year: \$7,753), less the deficit of \$1,864,627 (Previous Year: \$1,286,943) .

Management of the Corporation believes that it shall be able to raise sufficient funds to pay its ongoing general and administrative expenses, to pursue exploration and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Corporation's ability to continue future operations beyond May 31, 2021 and fund its exploration and evaluation expenditures is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments. Management will pursue such additional sources of financing when required.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts eventually realized for assets might be less than amounts reflected in these consolidated financial statements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources.

Transactions with Related Parties

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"). The compensation paid to key management is presented below:

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Shareholders Loans:

| Key Managerial Personnel | Account Head | Expenditure | | Liability | |
|---|-------------------|----------------|--------------|----------------|--------------|
| | | 6 months ended | | as at | |
| | | May 31, 2021 | May 31, 2020 | May 31, 2021 | May 31, 2020 |
| | | \$ | \$ | \$ | \$ |
| Chief Financial Officer | Professional fees | - | 16,875 | - | - |
| <i>Corporation in which CFO is an Officer</i> | | | | | |
| CJ Corporate Management Inc. | Professional fees | 59,788 | 17,125 | - | - |
| | Marketing Fees | 875 | | | |
| Chief Executive Officer | Professional fees | 49,960 | 19,000 | - | - |
| <i>Corporation in which CEO is an Officer</i> | | | | | |
| Stock Works Agency Inc. : | Professional fees | 24,000 | | - | - |
| Stock Works Agency Inc. : | Marketing Fees | 725 | 8,478 | - | - |
| Ubika: | Marketing Fees | 32,583 | | - | - |
| Ex-VP of Exploration | Land | | 28,335 | - | - |
| VP of Exploration | Land | 108,229 | | 10,741 | |
| Dimitrios (James) Liakopoulos | Director Fees | 18,000 | 8,000 | 41,635 | 8,000 |
| Wei-Tek | Director Fees | 3,750 | 3,000 | 1,433 | 3,000 |
| Louis Lapointe | Director Fees | 4,500 | 3,000 | - | - |
| Jim McKenzie | Director Fees | 4,500 | 3,000 | - | - |
| <hr/> | | | | | |
| | | 6 months ended | | 6 months ended | |
| | | May 31, 2021 | | May 31, 2020 | |
| | | Loans Received | Loans Repaid | Loans Received | Loans Repaid |
| | | \$ | \$ | \$ | \$ |
| Dimitrios (James) Liakopoulos | | - | 29,000 | - | 6,000 |
| SCA Capital PTY Ltd | | - | 50,000 | - | - |

Shares and Warrants purchased:

| | 6 months ended | | | 6 months ended | | |
|-------------------------------|----------------|-----------------|-------------|----------------|-----------------|-------------|
| | May 31, 2021 | | | May 31, 2020 | | |
| | Units Nos | Warrants Nos | Value \$ | Units Nos | Warrants Nos | Value \$ |
| Dimitrios (James) Liakopoulos | 50,000 | 50,000 | 15,000 | - | - | - |
| SCA Capital PTY Ltd | 166,667 | 166,667 | 50,000 | - | - | - |
| Ubika | 56,667 | 56,667 | 17,000 | - | - | - |
| Jim McKenzie | 13,667 | 13,667 | 4,100 | - | - | - |

Warrants and Stock Options Exercised:

| | 6 months ended | | 6 months ended | |
|--------------------------------|----------------|----|----------------|-------|
| | May 31, 2021 | | May 31, 2020 | |
| | No of Warrants | \$ | No of Warrants | \$ |
| Warrants Exercised | | | | |
| Dimitrios (James) Liakopoulos | - | - | 610000 | 61000 |
| Jim McKenzie | - | - | 4200 | 2520 |
| Stock Options Exercised | | | | |
| Chief Financial Officer | - | - | 25000 | 10000 |
| Chief Executive Officer | - | - | 25000 | 10000 |

Critical Accounting Estimates and Accounting Policies

IFRS Accounting policies

The Company's significant accounting policies under IFRS are disclosed in Note 3 in the Financial Statements.

Use of estimates and judgements

Please refer to Note 5 of the Financial Statements for an extended description of the information concerning the Company's significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses.

Changes in accounting policies

The Company's changes to accounting policies are disclosed in Note 3 in the Financial Statements.

New standards and interpretations that have not yet been adopted

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 interim 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. The Company does not have any leases, hence no significant impact is expected on the financials with the implementation of IFRS 16.

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. Management has not yet considered the impact of adoption of this IFRIC.

Financial Instruments

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities

carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. An extended description of the Company's financial instruments and their fair values is provided in Note 14 in the Financial Statements.

Financial Risk Management, Objectives and Policies

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 \$1,333,904 at May 31, 2021 (\$8,151 at November 30, 2020). 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, 2021 | November 30, 2020 |
| | \$ | \$ |
| Accounts payable and accrued liabilities | 200,950 | 218,193 |
| Shareholder loans | - | 79,227 |
| Total Liabilities | 200,950 | 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.

Capital Management Policies and Procedures

The Company's capital management objectives are to ensure its ability to continue as a going concern and to maximize the return to its shareholders. The Company's definition of capital includes all components of shareholders' equity. In order to meet its objectives, the Company monitors its capital structure and makes adjustments as required in light of changes in economic conditions and the risks characteristics of the underlying assets. These objectives will be achieved by identifying the right investments, including exploration projects, adding value to these projects and ultimately taking them through production and cash flow, either with partners or by the Company's own means. Please refer to Note 13 to the Financial Statements for an extended description of the Company's capital management policies and procedures.

In order to maintain or adjust the capital structure, the Company may issue common shares or securities convertible or exercisable into common shares. No changes were made in the objectives, policies and processes for managing capital during the 3 months ended May 31, 2021. The Company is not subject to any externally imposed capital requirements.

Commitments and Contingencies

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

| Year | Divide Mining & Castile Mining Projects | Cimarron Gold Project | Total | Total |
|-------------|--|--------------------------|--------|--------|
| | US\$ | US\$ | US\$ | C\$ |
| 2022 | 50000 | 35000 | 85000 | 102612 |
| 2023 | 75000 | 50000 | 125000 | 150900 |
| 2024 | 100000 | 45000 | 145000 | 175044 |
| 2025 | 150000 | 45000 | 195000 | 235404 |
| 2026 | 150000 | - | 150000 | 181080 |

The payments of 2024 and 2025 for Divide Mine and Castile Mining Projects 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. The amounts are expressed in Canadian Dollars at an exchange rate of 1.2072.

Controls and Procedures Over Financial Reporting

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Disclosure Of Outstanding Share Data

The following information relates to share data of the Company.

1. Share capital

(a) Authorized:

Unlimited number of common voting shares.

Unlimited number of preferred shares, without nominal or par value, issuable in series.

(b) Issued as of May, 2020: The Company has 20,373,165 common shares issued (November 30, 2020 13,016,932).

(c) 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 shareholders' equity include the \$150,000 accounted for as shares to be issued. During the year ended November 30, 2019, the Company issued 3,000,000 common shares valued at \$0.05 per share.

(d) During the year ended November 30, 2019, the Company closed non-brokered private placements of 529,500 units (Year ended November 30, 2018: 2,598,312 units [including 1,600,000 units that gave rise to a share-based

payment], consisting of one common share and one-half common share purchase warrant, at \$0.40 for total proceeds of \$211,800 (2018: at prices ranging between \$0.03 and \$0.40 for total proceeds of \$396,165).

- (e) During the year ended November 30, 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. These shares were, however, cancelled during August 2020.
- (f) Repurchased:
 - i) During the year 2019, the Company repurchased 375,000 shares for USD25,000 from Kingsmere Mining Ltd.
 - ii) During the year ended November 30, 2020, the Company repurchased 300,000 shares for USD 20,000 from Kingsmere Mining Ltd.
- (g) In December 2020, the Company closed a non-brokered private placement by issuing 6,969,968 share units for gross proceeds of \$2,090,990. Each share unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at \$0.40 within a period of three years since the date of issue. In connection with the placement, the Company also paid a total of \$34,896 and issued 122,320 Warrants as compensation to qualified finders. Each warrant is exercisable at a price of CAD\$0.40 for three-year from the date of issuance.
- (h) During December 2020, the shareholder loan from SCA Capital Pty Ltd has converted to equity by issuance of 166,667 units. Each share unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at \$0.40 within a period of three years since the date of issue.
- (i) During December 2020, a total of \$15,000 related party loan from Dimitrios Liakopoulos, Chairman of the Company has been converted to equity by issuance of 37,500 units. Each share unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at \$0.40 within a period of three years since the date of issue.
- (j) On March 23, 2021 the Company closed a non-brokered private placement by issuing 349,765 share units at \$0.85 for gross proceeds of \$297,300. Each share unit consists of one common share and one and half (1/2) share purchase warrant, with each full warrant exercisable into one common share at \$1.25 for a two-year term. The Company has paid \$17,838 and issued 10,493 share warrants as compensation to qualified finders. Each full warrant is exercisable at a price of \$1.25 for two-years from the date of issuance.

2. Warrants:

As previously noted, the Company issued one or one-half warrant for each unit, or, 264,750 warrants during the year (2018: 2,157,906 warrants). Each warrant is exercisable into one common share at a price of \$0.60 (2018: price ranging between \$0.10 and \$0.60).

During the 6 months ended May 31, 2021, the Company issued

- a) 6,969,968 warrants for each unit of share sold. Each warrant is exercisable into one common share at a price of \$0.40.
- b) 174,882 warrants for each unit of share sold. Each warrant is exercisable into one common share at a price of \$1.25.
- c) 116,320 warrants as finder's fee in connection with the raising of finances. Each warrant is exercisable into one common share at a price of \$0.40.
- d) 10,490 warrants as finder's fee in connection with the raising of finances. Each warrant is exercisable into one common share at a price of \$1.25.
- e) 336,933 performance warrants in connection with the marketing of the Company in Europe. Each warrant is exercisable into one common share at a price of \$0.60.

During year ended November 30, 2020, the fair value of expired warrants estimated at of \$169,789 was transferred from the warrants reserve to deficit.

During the 6 months ended May 31, 2021, 68,000 warrants expired and consequently the fair value of expired warrants estimated at of \$7,006 was transferred from the warrants reserve to deficit.

During the 6 months ended May 31, 2021, 36,500 warrants were exercised.

Details of common share purchase warrants outstanding are as follows:

| | 31-May-21 | | November 30, 2020 | |
|-----------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of Warrants | Weighted average exercise price | Number of Warrants | Weighted average exercise price |
| Outstanding - beginning of period | 68,500 | 0.60 | 2,822,656 | \$ 0.25 |
| Granted | 7,608,596 | 0.46 | 500,000 | \$ 1.20 |
| Cancelled | - | - | -500,000 | \$ 1.20 |
| Exercised | -36500 | 0.40 | (1,125,556) | \$ 0.33 |
| Expired | -68000 | 0.60 | (1,628,600) | \$ 0.17 |
| Outstanding - end of period | 7,572,596 | 0.46 | 68,500 | \$ 0.60 |

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| Expiry date | As at May 31, 2021 | | As at November 30, 2020 | |
|---------------|--------------------|----------------|-------------------------|----------------|
| | Number of Warrants | Exercise price | Number of Warrants | Exercise price |
| December 2020 | - | | 500 | \$ 0.60 |
| January 2021 | - | | 26,625 | \$ 0.60 |
| February 2021 | - | | 17,625 | \$ 0.60 |
| March 2021 | - | | 22,750 | \$ 0.60 |
| April 2021 | - | | 1,000 | \$ 0.60 |
| March 2023 | 185,375 | \$ 1.25 | | |
| January 2024 | 336,933 | \$ 60.00 | | |
| December 2024 | 7,050,288 | \$ 40.00 | | |
| | 7,572,596 | 0.46 | 68,500 | 0.60 |

3. Options

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 year ended November 30, 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 year, 75,000 stock options have expired and consequently, their fair value of \$10,949 initially recorded under Contributed Surplus has been credited to Deficit.

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During the year ended November 30, 2020, 100,000 options were exercised at \$0.40 (2019: Nil). The fair value of \$14,600 initially recorded under Contributed Surplus has been credited to the Share Capital Account.

| Stock Options | 6 months ended May 31, 2021 | Year ended November 30, 2020 |
|--|------------------------------------|-------------------------------------|
| Outstanding at the beginning of the year | - | 175,000 |
| Options Expired | - | (75,000) |
| Options Exercised | - | (100,000) |
| Outstanding at the end of the year | - | - |

On March 16th, 2021, the Company granted a total of 1,950,000 incentive stock options; 1,550,000 to Officers and Directors and 400,000 to consultants of the Company. The incentive stock options granted will vest quarterly over a period of 12 months, are valid for 5 years from the date of the issuance and are exercisable to purchase a common share of the Company at a price of CAD\$ 1.02 per share. The issuance of these options were, however, voided in May 2021.

On July 9, 2021, the Company issued stock options at CAD\$ 0.41 for 1,550,000 incentive stock options (to Directors and officers) and at CAD\$ 0.50 for 400,000 incentive stock options (to Consultants). The options are valid for 5 years from the date of the issuance and are vesting quarterly over 1 year.

Business Risks

The Company is engaged in the exploration evaluation and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment. The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been relatively successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company has determined a project construction and operation plan based on best available knowledge and with certain assumptions that will enable it to initiate work and enter into contracts. Events outside the control of the Company,

such as funding or permit approvals as examples, may adversely affect these plans and result in delays for construction and for start of operations.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power will need to be generated on site. Due to its location, weather events may cause disruptions or other difficulties in operations.

Certain of the Company's properties are located in the Nevada, USA and therefore subject to its mining legislation, which may require that primary processing be done within the Province/ State in order to obtain mining rights. Furthermore, Provincial/ State and federal legislators may enact laws or budgets that have a negative impact on this project or on the mining industry as a whole.

Volatile market conditions for resource commodities, including iron ore, have resulted in a dramatic decrease in market capitalization and the inability of companies to acquire funding for their exploration and development properties. An extended period of poor macro-economic conditions could lead to an inability of the Company to finance future operations.

Inflation has not been a significant factor affecting the cost of goods and services in Canada in recent years; however renewed exploration and development activity may result in a shortage of experienced technical staff, and heavy demand for goods and services needed by the mining community.

The mineral industry is intensely competitive in all its phases. Crestview competes with many other mineral exploration companies with greater financial resources and technical capacity.

The price of gold and other commodities reflects the aforementioned market volatility. The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in securities of the Company should not constitute a major part of an investor's portfolio.

In recent years securities markets have experienced extreme price and volume volatility. The market price of securities of many early stage companies have experienced fluctuations in price which may not necessarily be related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any market for the Company's shares will be subject to market trends generally and the value of the Company's shares on the Canada Exchange may be affected by such volatility.

In order to develop the MEE Assets to commercial production or to finance operations, additional third- party financing may be required and there is no assurance that such financing will be available on reasonable commercial terms, or at all.

The Corporation has limited financial resources and there is no assurance that additional funding will be available to it

for further exploration work or the development of its projects or to fulfill its obligations under applicable agreements. Although the Corporation has been successful in the past to obtain financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that terms of the financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the property interests of the Corporation with possible dilution or loss of such interests.

The Corporation is conducting its exploration activities in the United States of America. There is a sovereign risk of investing in a foreign country, including the risk that the mining concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. These are matters over which the Corporation will have no control. Although management believes that the government and population of the United States of America support the development of natural resources and mining activities there is no assurance that future political and economic conditions in such country will not result in the adoption of different policies or attitudes respecting the development and ownership of mineral resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the Corporation's ability to undertake exploration and, if warranted, development and mining activities in respect of current and future properties.

The acquisition of titles to mineral projects is a detailed and time-consuming process. Although the Corporation has taken precautions to ensure that the agreement of the Rock Creek Prospect is a valid and legally binding agreement and that title of the property can be transferred and properly recorded, by obtaining a legal opinion from local counsel, there can be no assurance that such title will ultimately be secured. Furthermore, there is no assurance that the interest of the Corporation in its property may not be challenged or impugned.

The success of the Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

In the normal course of the Company's business, Crestview may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to the personal injuries, property damage, property tax, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

"Dimitrios Liakopoulos"

Director
Dimitrios Liakopoulos