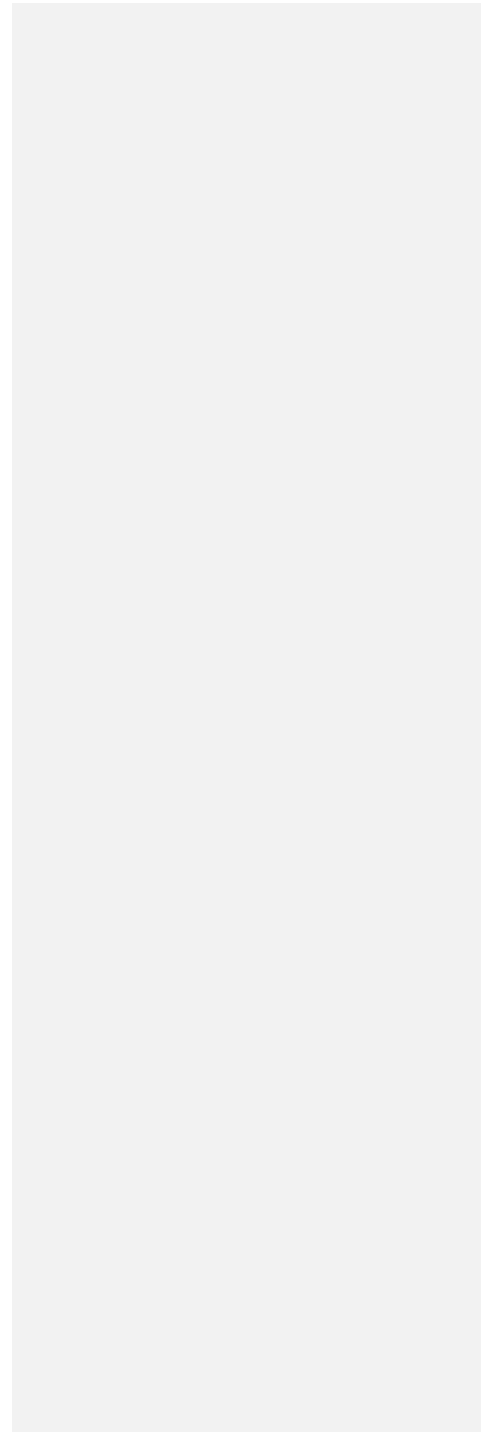


**Crestview Exploration Inc.**  
**Unaudited Condensed Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*



**Crestview Exploration Inc.**  
**Contents**

*For the 9 months ended August 31, 2022*

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**Notice of No Auditor Review of Unaudited Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended August 31, 2022**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of Crestview Exploration Inc. (the "Company") for the 9 months ended August 31, 2022 (the "Financial Statements") have been prepared by and are the responsibility of the Company's management and have not been reviewed by the Company's auditors. The Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") and International Financial Reporting Standards ("IFRS").

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**Crestview Exploration Inc.**  
**Consolidated Unaudited Statement of Financial Position**

*(in Canadian Dollars)*

	<i>As at 9 months ended August 31, 2022</i>	<i>As at Year ended November 30, 2021</i>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 6)	291,070	507,205
Sales Tax Receivable	20,739	34,275
Other Receivables	22,562	12,009
	334,371	553,489
<b>Non-Current</b>		
Reclamation Bond	19,175	18,708
Exploration and evaluation assets (Note 7)	1,520,808	1,307,051
	1,874,353	1,879,248
<b>Total Assets</b>		
	<b>1,874,353</b>	<b>1,879,248</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	168,249	68,942
	168,249	68,942
<b>Total Liabilities</b>		
	<b>168,249</b>	<b>68,942</b>
<b>Equity</b>		
<b>Share Capital</b>		
Common Shares (Note 8)	1,847,172	1,792,964
<b>Warrants</b>	<b>2,659,900</b>	<b>2,303,324</b>
<b>Contributed surplus</b>	<b>1,434,964</b>	<b>1,226,449</b>
<b>Deficit</b>	<b>(4,235,932)</b>	<b>(3,512,431)</b>
	1,706,104	1,810,306
<b>Total Equity</b>	<b>1,706,104</b>	<b>1,810,306</b>
<b>Total Liabilities and Equity</b>	<b>1,874,353</b>	<b>1,879,248</b>

Going Concern (Note 2)

Commitments (Note 16)

Subsequent Events (Note 17)

Approved on behalf of the Board

“Dimitrios Liakopoulos”

\_\_\_\_\_  
 Director  
 Dimitrios Liakopoulos

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

**Crestview Exploration Inc.**  
**Consolidated Unaudited Statement of Loss and Comprehensive Loss**

*(in Canadian Dollars)*

	<i>3 months ended August 31, 2022</i>	<i>3 months ended August 31, 2021</i>	<i>9 months ended August 31, 2022</i>	<i>9 months ended August 31, 2021</i>
	\$	\$	\$	\$
<b>Operating expenses</b>				
Professional fees	112,900	63,119	287,973	242,571
Share-based compensation	11,701		208,515	
Marketing and Promotion	12,962	35,055	70,261	355,166
Director Fees	26,250	22,500	69,750	53,250
Prospecting Costs	26,244		36,927	1,365
Filing Fees	17,088	12,659	31,104	30,413
Insurance	8,853	5,191	19,103	14,656
General Expenses	1,153	6,872	5,046	14,701
Interest and bank charges	556	292	1,438	2,782
Travel	234	7,484	1,318	17,132
Rental	-	322	561	426
IT Expenses	41	53	373	155
Meals and entertainment	331	3,223	331	7,576
Business taxes and licenses	-	1,650	-	1,650
Management fees	-		-	
Investment Promotion	-		-	-
<b>Operating Loss</b>	<b>218,311</b>	<b>158,420</b>	<b>732,670</b>	<b>741,843</b>
<b>Other Income</b>	<b>-</b>	<b>421</b>	<b>-</b>	<b>2,602</b>
<b>Foreign exchange gain (loss)</b>	<b>8,098</b>	<b>-7,673</b>	<b>9,169</b>	<b>(11,121)</b>
	<b>8,098</b>	<b>(7,252)</b>	<b>9,169</b>	<b>(8,519)</b>
<b>Net loss and comprehensive loss for the year</b>	<b>210,213</b>	<b>165,672</b>	<b>723,501</b>	<b>750,362</b>
<b>Weighted average No of Shares</b>	<b>22,241,246</b>	<b>20,373,164</b>	<b>21,007,221</b>	<b>19,777,219</b>
<b>Basic and diluted loss per share (Note 10)</b>	<b>(0.01)</b>	<b>(0.01)</b>	<b>(0.03)</b>	<b>(0.04)</b>

Commented [GJ1]: Can we review

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

**Crestview Exploration Inc.**  
**Consolidated Unaudited Statement of Changes in Equity**

*For the 9 months ended August 31, 2022*

*(in Canadian Dollars)*

	<i>No of Shares</i>	<i>Share capital</i>	<i>Warrants</i>	<i>Contributed surplus</i>	<i>Deficit</i>	<i>Total equity</i>
		\$	\$	\$	\$	\$
<b>Balance at November 30, 2020</b>	<b>13,016,932</b>	<b>1,628,851</b>	<b>7,753</b>	<b>0</b>	<b>-1,286,943</b>	<b>349,661</b>
Net loss and comprehensive loss for the nine months -	-	-	-	-	(750,362)	(750,362)
Issuance of units (Note 8)	7,319,733	1,424,505	962,332	-	-	2,386,837
Exercise of Warrants	36,500	7,971	(7,971)	-	-	-
Expiry of warrants	-	-	(7,006)	-	7,006	-
<b>Balance at August 31, 2021</b>	<b>20,373,165</b>	<b>3,061,327</b>	<b>955,107</b>	<b>-</b>	<b>(2,030,299)</b>	<b>1,986,135</b>
<b>Balance at November 30, 2021</b>	<b>20,373,165</b>	<b>1,792,963</b>	<b>2,303,324</b>	<b>1,226,449</b>	<b>(3,512,431)</b>	<b>1,810,305</b>
Net loss and comprehensive loss for the nine months-	-	-	-	-	(723,501)	(723,501)
Issuance of units (Note 8)	2,888,333	93,750	339,500	-	-	433,250
Share issuance costs	-	(39,542)	17,077	-	-	(22,465)
Share-based compensation	-	-	-	208,515	-	208,515
<b>Balance at August 31, 2022</b>	<b>23,261,498</b>	<b>1,847,172</b>	<b>2,659,900</b>	<b>1,434,964</b>	<b>(4,235,932)</b>	<b>1,706,104</b>

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

**Crestview Exploration Inc.**  
**Consolidated Statement of Cash Flows**  
For the 9 months ended August 31, 2022 and August 31, 2021  
*(in Canadian Dollars)*

	9 Months ended	
	August 31, 2022	August 31, 2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
<b>Net loss</b>	(723,501)	(750,362)
Changes in non-cash working capital items:		
Share based payments	208,515	56,658
Foreign exchange		11,121
Other Receivables	2,516	(38,740)
Accounts payable and accrued liabilities	117,772	50,135
Cashflows used by Operating Activities	(394,698)	(671,188)
<b>INVESTING ACTIVITIES</b>		
Increase in exploration and evaluation assets	(232,221)	(827,102)
Cashflows used by Investing Activities	(232,221)	(827,102)
<b>FINANCING ACTIVITIES</b>		
Shareholder Loans	-	(14,000)
Proceeds from issuance of units	410,784	2,265,179
Cash flows from Financing Activities	410,784	2,251,179
<b>Foreign exchange impact on cash</b>		(11,121)
<b>Increase / (Decrease) in cash and cash equivalents</b>	(216,135)	741,768
<b>Cash and cash equivalents, beginning of the period</b>	507,205	5,601
<b>Cash and cash equivalents, end of the period</b>	291,070	747,369
<b>Supplementary cash flow information</b>		
Interest paid	1,438	2,782

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

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**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, Crestview LLC, that is not under operation. The Company's consolidated financial statements represent those of the parent company and its subsidiary as at August 31, 2022 and November 30, 2021. The Company's subsidiary has a reporting date of November 30<sup>th</sup>.

**2. Basis of presentation**

*Statement of compliance and going concern*

These Unaudited condensed 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 prospecting operations, its projects and continued support of suppliers and creditors.

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.

	August 31, 2022	November 30, 2021
	\$	\$
Net Loss and Comprehensive Loss for the period	<b>723,501</b>	2,232,494
Deficit	<b>(4,235,932)</b>	(3,512,431)
Working Capital Surplus / (Deficiency)	<b>166,121</b>	(484,547)

Although the Company was able to raise a net of \$ 410,784 during the 9 months ended August 2022, there still exist material uncertainties that 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.

*Coronavirus ("COVID-19")*

The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected.

*Approval of consolidated financial statements*

These consolidated financial statements were approved for issuance by the Board of Directors on October 31, 2022.



**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**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 unaudited condensed consolidated financial statements.

***Basis of measurement***

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

***Foreign currency translation***

***Functional and presentation currency***

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

***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:***

a) Classification

<b>Financial Assets/Liabilities</b>	<b>Classification under IFRS 9</b>
Cash and cash equivalents	Financial asset at amortized cost
Reclamation bond	Financial asset at amortized cost
Other receivables	Financial assets at amortized cost
Accounts payable and accrued liabilities	Financial liabilities at amortized cost
Shareholder loans	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. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

b) Measurement

**Financial assets and liabilities at amortized cost:**

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 for a financial asset.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

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 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 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).

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.

**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.

**Reclamation bonds**

Reclamation bonds represent funds that are lodged with government authorities to be held against future reclamation and remediation of environmental disturbances as a result of exploration and development activities. After reclamation and remediation, the funds may be recovered. Where applicable under the arrangement with the government authority, the carrying value is increased by the accrued interest earned during the year.

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

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

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

**Exploration and evaluation expenditures and exploration and evaluation asset** (continued from previous page)

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 assets 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 assets 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 date 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.

**Other elements of equity**

**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.

Warrants include fair value of allocated to warrants issued. When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to deficit.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**

*For the 9 months ended August 31, 2022*

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

**Equity** (continued from previous page)

*Contributed Surplus*

Contributed surplus includes charges related to stock options until such stock options are exercised. When stock options are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under contributed surplus reserve is transferred to deficit. Deficit includes all current and prior period retained profits and losses. Deficit also includes charges related to warrants and stocks options expired and any amounts in excess of total contributed surplus related to shares repurchased.

*Purchase for cancellation*

When shares are purchased for cancellation, the carrying amount of the shares is recognized as a deduction of share capital. The difference between the purchase price and the carrying amount is charged to contributed surplus and then to deficit for any amounts in excess of total contributed surplus related to shares repurchased.

**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.

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 or warrant reserve, 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 or warrant reserve, 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 expiry of the warrants or stock options, the corresponding amounts in the warrants reserve and contributed surplus respectively are transferred to share capital.

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.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**

*For the 9 months ended August 31, 2022*

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

**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.

**Accounting standards issued but not yet effective**

At the date of authorization of these consolidated financial statements, certain new standards, amendments, and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policy 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 a material impact on the Company's consolidated financial statements. In May 2020, the IASB issued a package of narrow-scope amendments to three standards (IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment" and IAS 37 "Provisions, Contingent Liabilities and Contingent Assets") as well as the IASB's Annual Improvements to IFRS Standards 2018 - 2020. These amendments to existing IFRS standards are to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts, or oversights. These amendments are effective for annual periods beginning on or after January 1, 2022. The Company is assessing the potential impact of these narrow-scope amendments.

**4. 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 and Note 17 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.

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.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

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

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 9 months ended August 31, 2022, (2021: \$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 projects of the Company.

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 and measurement of warrant value of issuance 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.

**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.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**5. Cash and cash equivalents**

Cash and cash equivalents are made up of the following:

	August 31, 2022	November 30, 2021
	\$	\$
Cash	291,070	507,205

**6. Reclamation bond**

During April 2021, the Company deposited an amount of \$19,175 with the United States Department of the Interior, Bureau of Land Management as a bond towards coverage of statewide operations in the State of Nevada.

**7. 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.

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 (See Note 17). The output is also subject to a royalty of 2.5%. These payments have been classified as Mining Claims as depicted as below.

Exploration and evaluation assets are made up of the following:

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

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

**Rock Creek Property**

(Figures in Canadian \$)

Particulars	Closing Balance (11/30/2020)	Addition during 2021	Closing Balance (Nov 30, 2021)	Addition during 2022	Closing Balance (August 31, 2022)
Mining Claims	275,430	-	275,430		275,430
Claim Fees	66,518	16,617	83,135	16,056	99,191
Consultancy - Claims	5,274	-	5,274		5,274
<b>Total Claim Expenses</b>	<b>347,222</b>	<b>16,617</b>	<b>363,839</b>	<b>16,056</b>	<b>379,895</b>
Consultancy	32,563		32,563		32,563
Geological Services	110,400	110	110,510	1,502	112,012
Technical report			-	3,078	3,078
Survey	43,118	230	43,348	10,439	53,787
Testing Fees	1,985		1,985		1,985
Exploration	-	13,280	13,280	32,747	46,027
Drilling	-	2,865	2,865	1,797	4,661
Others				3,520	3,520
<b>Total Exploration Expenses</b>	<b>188,066</b>	<b>16,485</b>	<b>204,551</b>	<b>53,082</b>	<b>257,633</b>
<b>Grand Total</b>	<b>535,288</b>	<b>33,102</b>	<b>568,390</b>	<b>69,137</b>	<b>637,528</b>

**Divide Mine Property**

(Figures in Canadian \$)

Particulars	Closing Balance (11/30/2020)	Addition during 2021	Closing Balance (Nov 30, 2021)	Addition during 2022	Closing Balance (August 31, 2022)
Mining Claims	20,856	22,005	42,861	31,570	74,431
Claim Fees	11,283	4,747	16,030	4,474	20,504
<b>Total Claim Expenses</b>	<b>32,139</b>	<b>26,751</b>	<b>58,890</b>	<b>36,044</b>	<b>94,934</b>
Consultancy					-
Geological Services	9,274		9,274	192	9,466
Technical report			-	445	445
Survey	11,610	2,371	13,981	382	14,362
Exploration	-	12,220	12,220	14,421	26,642
Drilling	-	3,112	3,112	96	3,208
Others	-	-	-	1,393	1,393
<b>Total Exploration Expenses</b>	<b>20,884</b>	<b>17,703</b>	<b>38,587</b>	<b>16,929</b>	<b>55,516</b>
<b>Grand Total</b>	<b>53,023</b>	<b>44,454</b>	<b>97,477</b>	<b>52,973</b>	<b>150,450</b>



**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
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**Castille Mine Property**

(Figures in Canadian \$)

Particulars	Closing Balance (11/30/2020)	Addition during 2021	Closing Balance (Nov 30, 2021)	Addition during 2022	Closing Balance (August 31, 2022)
Mining Claims	13,904	22,005	35,909	31,570	67,479
Claim Fees	1,948	1,856	3,804	1,916	5,721
<b>Total Claim Expenses</b>	<b>15,852</b>	<b>23,861</b>	<b>39,713</b>	<b>33,486</b>	<b>73,199</b>
Consultancy	-	-	-	-	-
Geological Services	7,267	1,929	9,196	-	9,196
Technical report	-	-	-	63	63
Survey	9,495	2,235	11,730	255	11,985
Exploration	-	11,551	11,551	42	11,593
Drilling	-	2,030	2,030	-	2,030
Others	-	-	-	921	921
<b>Total Exploration Expenses</b>	<b>16,762</b>	<b>17,744</b>	<b>34,506</b>	<b>1,282</b>	<b>35,788</b>
<b>Grand Total</b>	<b>32,614</b>	<b>41,605</b>	<b>74,219</b>	<b>34,768</b>	<b>108,987</b>

**Cimarron Project**

(Figures in Canadian \$)

Particulars	Closing Balance (11/30/2020)	Addition during 2021	Closing Balance (Nov 30, 2021)	Addition during 2022	Closing Balance (August 31, 2022)
Mining Claims	-	32,691	32,691	46,451	79,141
Claim Fees	-	27,209	27,209	7,218	34,427
<b>Total Claim Expenses</b>	<b>-</b>	<b>59,899</b>	<b>59,899</b>	<b>53,669</b>	<b>113,568</b>
Consultancy	-	-	-	-	-
Geological Services	-	-	-	848	848
Technical report	-	-	-	386	386
Survey	-	17,514	17,514	64	17,578
Testing Fees	-	37,591	37,591	-	37,591
Exploration	-	63,026	63,026	981	64,007
Drilling	-	376,112	376,112	(2,487)	373,625
Storage	-	-	-	1,403	1,403
Others	-	12,822	12,822	2,015	14,837
<b>Total Exploration Expenses</b>	<b>-</b>	<b>507,065</b>	<b>507,065</b>	<b>3,210</b>	<b>510,275</b>
<b>Grand Total</b>	<b>-</b>	<b>566,964</b>	<b>566,964</b>	<b>56,879</b>	<b>623,843</b>
<b>Total</b>	<b>620,925</b>	<b>686,126</b>	<b>1,307,051</b>	<b>213,757</b>	<b>1,520,808</b>

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

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7. **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 Company obtained this exploration property on September 19, 2017. Consideration for the property consisted of \$125,430 CDN 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**

During the year ended November 30, 2020, the Company entered into a lease with an option to purchase 100% interest in the Divide 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. The Castile Mountain precious metal prospect is comprised of 8 unpatented lode claims covering 165 acres. The agreement is for a period of 10 years and includes payment of certain annual minimum royalty (See Note 7) commencing on April 2020 for \$34,760. The Company maintains an option to buy out the properties at any time for a sum of \$2,000,000 USD. However, in such a case, the Company would be obligated for a Royalty payout of 2% of the net sales realization.

During the year ended November 30, 2020, the Company made a payment of \$34,760 pursuant to an agreement with Geological Services Inc in respect of the Divide Mine and Castille Mine properties. Under the agreement, the Company is obligated to pay certain minimum annual payments that are recoverable from royalties payable at the rate of 2% of Net Sales Realisation that would accrue consequent to commencement of production in the future (See Note 17). These payments have been classified as Mining Claims as depicted as above.

**Option to purchase: Cimarron Project – Nevada**

During February 2021, the Company entered into an option to purchase 100% interest in the Cimarron Project, located in Nevada. The agreement is a third-party agreement with Nevada Select Royalty Inc., a Nevada Corporation. The Cimarron Project comprises of 13 unpatented lode claims and certain data in possession of Nevada Select Royalty Inc. The agreement is for a period of 4 years and includes payment of certain annual minimum royalty (See Note 17) commencing on February 2021 for \$31,748. The Company maintains an option to buy out the properties at any time for a sum of \$200,000. Upon exercise of the option, the Company would be obligated for a Royalty payout of 2.5% of the net sales realization. The Company presently owns 31 claims.

During the year ended November 30, 2021, the Company made a payment of \$31,748 pursuant to an agreement with Nevada Select Royalty Inc in respect of the Cimarron properties. During the year ended November 30, 2021, the Company made a payment of \$22,005 and \$22,005 pursuant to an agreement with Geological Services Inc in respect of the Divide Mine and Castille Mine properties respectively. Under the agreement, the Company is obligated to pay certain minimum annual payments (See Note 17). The output is also subject to a royalty of 2.5%. These payments have been classified as Mining Claims as depicted as above.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
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**8. 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

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 paid a finders fee of \$34,896 and 116,320 warrants, with an estimated fair value of \$34,896, as compensation to qualified finders. Each warrant is exercisable at a price of \$0.40 for three-year from the date of issuance. Using the residual method, the fair value of shares was estimated to be \$nil and the fair value of the warrants was estimated to be \$2,090,990. See Note 8 (d) for the assumptions applied in the Black-Scholes pricing model in determining the fair value of the warrants.

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 whole warrant 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, with an estimate fair value of \$3,777, as compensation to qualified finders. Each warrant is exercisable at a price of \$1.25 for two-year from the date of issuance.

Using the residual method, the fair value of shares was estimated to be \$234,342 and the fair value of the warrants was estimated to be \$62,958. See Note 8 (d) for the assumptions applied in the Black-Scholes pricing model in determining the fair value of the warrants.

During the quarter ended August 31, 2022, the Company made the following share issuance.

Issuance date	Number of Units	Units consisting of Shares	Units consisting of Warrants	Warrants issued as Finders fee	Share issuance costs in cash	Share issuance costs: Warrants Issued	Value of Share Issue @ \$0.15	Net Value Received
	Nos	Nos	Nos	Nos	\$	\$	\$	\$
June 10 2022	1,176,667	1,176,667	1,176,667	46,666	8,050	4,667	176,500	168,450
July 27 2022	1,266,666	1,266,666	1,266,666	70,000	10,500	1,400	190,000	179,500
August 29 , 2022	445,000	445,000	445,000	26,100	3,915	2,610	66,750	62,835
<b>Total</b>	<b>2,888,333</b>	<b>2,888,333</b>	<b>2,888,333</b>	<b>142,766</b>	<b>22,465</b>	<b>8,677</b>	<b>433,250</b>	<b>410,785</b>

The value of the warrants issued as finders' fee and the share issuance costs have been booked as cost for issuance of shares and have been offset from the proceeds from issuance of shares.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
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**8. Share capital** (continued from previous page)

c. Repurchased

During the year ended November 30, 2020, the Company repurchased 300,000 shares (2019: 375,000 shares) for \$26,784 (2019: \$33,850) from Kingsmere Mining Ltd. The repurchased shares were cancelled.

d. Equity reserve – Warrants

During the year ended November 30, 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) 10,493 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. Fair value of these warrants was estimated to be \$117,927. See Note 8 (d) for the assumptions applied in the Black-Scholes pricing model in determining the fair value of the warrants.
- f) 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.
- g) During the year ended November 30, 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.
- h) During the year ended November 30, 2021, 36,500 warrants were exercised pursuant to which an amount of \$7,971 was transferred from the warrant reserve to share capital.

During the 9 months ended August 31, 2022,

- i) 2,888,333 warrants were issued as part of the private placement;
- j) During the 9 months ended August 31, 2022, 142,766 warrants were issued as part of finders' fees.

Details of common share purchase warrants outstanding are as follows:

	31-Aug-22		30-Nov-21	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	7,572,596	0.41	68,500	0.6
Granted	3,031,099	0.30	7,608,596	0.41
Cancelled	-	-	-	-
Exercised	-	-	-36,500	0.4
Expired	-	-	-68,000	0.6
Outstanding - end of period	10,603,695	0.38	7,572,596	0.41

**Commented [GJ2]:** We need to make sure that July finders warrant is 70,000

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**8. Share capital** (continued from previous page)

As at August 31, 2022, the following share purchase warrants were outstanding:

Expiry date	As at August 31, 2022		As at November 30, 2021	
	Number of Warrants	Exercise price	Number of Warrants	Exercise price
Mar-23	185,375	\$0.41	185,375	\$1.25
Dec-23	7,050,288	\$0.41	7,050,288	\$0.40
Jan-24	336,933	\$0.41	336,933	\$0.60
Jun-24	1,223,333	\$0.30		
Jul-24	1,336,666	\$0.30		
Aug-24	471,100	\$0.30		
	10,603,695	\$0.38	7,572,596	0.41

The fair value of the warrants issued noted above were estimate based on the following ranges of key assumptions:

Warrants Reserve	9 months ended August 31, 2022
Exercise Price	\$0.30 to \$1.25
Expected Life	2 to 3 years
Dividend Yield	Nil
Volatility	94% to 128%
Risk Free Interest Rate	0.19% to 3.60%
Fair Value	\$0.30 to \$0.36

**9. 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 year ended November 30, 2020, the Company did not issue any stock options. During the year ended November 30, 2020, 75,000 stock options have expired and consequently, their fair value of \$10,949 initially recorded under contributed surplus has been credited to deficit.

During the year ended November 30, 2020, 100,000 options were exercised at \$0.40. The fair value of \$14,600 initially recorded under contributed surplus has been credited to the share capital account.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

9. **Share-based payments** (continued from previous page)

<b>Stock Options</b>	<b>9 months ended August 31, 2022</b>	Year ended November 30, 2021
Outstanding at the beginning of the year	<b>1,650,000</b>	-
Options granted	<b>200,000</b>	1,950,000
Options Expired	-	(300,000)
Options Exercised	-	-
Outstanding at the end of the year	<b>1,850,000</b>	1,650,000

On March 16, 2021, the Company issued 1,550,000 incentive stock options to key management and directors at \$1.02 and 400,000 incentive stock options to consultants at \$1.02. The stock options were modified effected on July 9, 2021, whereby the Company issued 1,550,000 incentive stock options at \$0.41 to key management and directors and 400,000 incentive stock options to consultants at \$0.50. These stock options shall vest quarterly over 12 months and shall be valid for 5 years. Accordingly, under IFRS 2, the transaction has been classified as a "modification of share-based payment" an amount of \$1,226,449 has been considered as share-based compensation during the year. 412,500 of these options were vested at the November 30, 2021, year end.

During December 2021, the Company issued 200,000 stock options to the CEO, at \$0.40, vesting quarterly over 1 year and shall be valid for 5 years.

Under IFRS 2, an amount of \$208,515 has been considered as share-based compensation during the nine months ended August 31, 2022.

10. **Loss per share**

Loss per share has been calculated using the weighted average number of common shares outstanding for the 9 months ended August 31, 2022 and for 9 months ended August 31, 2021 as follows:

	<b>9 months ended</b>	
	<b>August 31, 2022</b>	August 31, 2021
Net loss for the year attributable to shareholders	<b>513,287</b>	337,045
Weighted average number of common shares outstanding	<b>21,007,221</b>	19,777,219
Basic and diluted loss per share	<b>0.03</b>	0.04

For the 9 months ended August 31, 2022, and for the 9 months ended August 31, 2021, 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.

**Commented [GJ3]:** Can we review. Outstanding August 2022 is 23,261,498 and august 2021 20,373,165

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**11. Related party transactions**

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:

Key Managerial Personnel	Account Head	Expenditure		Accounts Payable & Accrued Liabilities	
		9 months ended		As at	
		August 31, 2022	August 31, 2021	August 31, 2022	Nov 30, 2021
		\$	\$	\$	\$
Chief Financial Officer	Professional fees	82,025	89,205	3000	-
	Marketing fees	1,763	875	-	-
Chief Executive Officer	Professional fees	80,500	75960	-	-
	Director Fees	4,500			
Corporation in which erstwhile CEO is an Officer				-	-
Stock Works Agency Inc. :	Professional fees	-	24,000	-	29,925
	Marketing Fees		725	-	
Ubika	Marketing Fees	8,800	50,183	-	1,417
VP of Exploration	Land	25,247	149,731	-	
	Marketing Fees	2,500			
Dimitrios (James) Liakopoulos	Director Fees	45,000	33,000	5069	32,235
Wei-Tek	Director Fees	6,750	6,750	1500	7,500
Louis Lapointe	Director Fees	6,750	6,750	-	2,250
Jim MacKenzie	Director Fees	6,750	6,750	-	2,250

**Shares and Warrants Purchased**

	9 months ended			9 months ended		
	31-Aug-22			31-Aug-21		
	Units Nos	Warrants Nos	Value \$	Units Nos	Warrants Nos	Value \$
Dimitrios (James) Liakopoulos	100,000	100,000	15,000	50,000	50,000	15,000
Christopher Wensley	70,000	70,000	10,500			
Gisele Joubin / CJ Corporate Management Inc	53,334	53,334	8,000			
SCA Capital PTY Ltd	-	-	-	166,667	166,667	50,000
Ubika	-	-	-	56,667	56,667	17,000
Jim MacKenzie	36,667	36,667	5,500	13,667	13,667	4,100

**13. Capital management policies and procedures**

The Company's objectives in managing capital are 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 8 and in the statement of changes in equity. The Company is not subject to any externally imposed capital requirements.

**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
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**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 August 31, 2022		As at November 30, 2021	
	Carrying Amount	Carrying Amount	Carrying Amount	Fair Value
<b>Financial assets</b>				
Cash and cash equivalents	291,070	291,070	507,205	507,205
Other receivables	22,562	22,562	12,009	12,009
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	168,249	168,249	68,942	68,942

The carrying value of cash and cash equivalents, 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 \$313,632 at August 31, 2022 (November 30, 2021: \$519,214). 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	
	August 31, 2022	November 30, 2021
	\$	\$
Accounts payable and accrued liabilities	168,249	68,942
<b>Total Liabilities</b>	<b>168,249</b>	<b>68,942</b>

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.



**Crestview Exploration Inc.**  
**Notes to the Consolidated Financial Statements**  
*For the 9 months ended August 31, 2022*

**16. Commitments**

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\$
2023	75,000	50,000	125,000	163,888
2024	100,000	45,000	145,000	190,110
2025	150,000	45,000	195,000	255,665
2026	150,000	-	150,000	196,665

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 1.3111.

**17. Subsequent events**

On September 1, the Company entered into an option agreement (the "Agreement") with the Falcon Mine Group ("FMG"), whereby Crestview has optioned to purchase 100% of the Falcon Project ("Falcon" or the "Property").

The Falcon project comprises of eighty-seven (87) unpatented lode claims and six (6) patented claims associated with the historic Falcon mine. The property is situated just 2 km's south of Crestview's flagship Rock Creek prospect and a similar distance southwest of Crestview's Divide prospect.

The terms of the agreement are as follows: 1.5% Net Smelter Royalty (NSR); payment of \$500,000 (US\$); and 2,000,000 CRS shares payable as follows:

- Initial payment of \$10,000 within 10 days after the Effective Date
- 1st Anniversary of \$40,000 and 200,000 CRS shares on or before December 15, 2023
- 2nd Anniversary of \$75,000 and 300,000 CRS shares on or before December 15, 2024
- 3rd Anniversary of \$100,000 and 400,000 CRS shares on or before December 15, 2025
- 4th Anniversary of \$125,000 and 500,000 CRS shares on or before December 15, 2026
- 5th Anniversary of \$150,000 and 600,000 CRS shares on or before December 15, 2027, upon which the Option Exercise will be complete

The Agreement provides that Crestview will conduct a minimum of \$250,000 of exploration activities over the term of the option agreement. The agreement also provides a buyout option of the 1.5% NSR for an additional \$2,000,000.