TOCVAN VENTURES CORP.

FINANCIAL STATEMENTS

November 30, 2019

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.
The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.
The Company's independent auditor has not performed a review of these unaudited interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

January 28, 2020

TOCVAN VENTURES CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

		November 30, 2019		August 31, 2019
ASSETS				
CURRENT				
Cash	$	65,724	$	249,601
GST receivable		2,026		2,594
Due from related party (Note 6)		15,100		8,739
Prepaid expenses		–		350
TOTAL CURRENT ASSETS		82,850		261,284
Exploration and evaluation assets (Note 3)		542,785		120,016
TOTAL ASSETS	**$**	**625,635**	**$**	**381,300**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities (Note 4)	$	30,995	$	32,034
Due to related parties (Note 6)		9,365		9,333
TOTAL CURRENT LIABILITIES		40,320		41,367
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		780,506		465,506
Reserves (Note 5)		132,718		53,417
Deficit		(327,909)		(178,990)
TOTAL SHAREHOLDERS' EQUITY		585,315		339,933
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**625,635**	**$**	**381,300**

Nature and continuance of operations (Note 1)
Subsequent events (Notes 3 and 10)

"Derek Wood"
Director

"Greg Ball"
Director

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

TOCVAN VENTURES CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Three months ended November 30, 2019		Three months ended November 30, 2018
EXPENSES				
Advertising and promotion	$	8,196	$	–
Audit and accounting		–		8,000
Consulting		18,670		9,000
Legal		4,446		10,518
Meals and entertainment		3,611		–
Office and miscellaneous		4,025		1,379
Project investigation costs		–		–
Registration and transfer fees		12,357		16,485
Stock-based compensation (Notes 5 and 6)		79,301		8,872
Travel		18,313		2,505
Operating expenses		(148,919)		(56,759)
Net and comprehensive loss	**$**	**(148,919)**	**$**	**(56,759)**
Loss per share, basic and diluted	**$**	**(0.01)**	**$**	**(0.01)**
Weighted average number of shares outstanding – basic and diluted		**10,551,920**		**4,729,396**

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

TOCVAN VENTURES CORP.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(expressed in Canadian dollars)

	Number of Shares		Share Capital		Reserves		Deficit		Total Equity
Balance at August 31, 2018	**4,625,000**		**73,750**		**–**		**(18,152)**		**55,598**
Shares issued for cash	200,000		4,000		–		–		4,000
Stock-based compensation	–		–		8,872		–		8,872
Loss for the period	–		–		–		(56,759)		(56,759)
Balance at November 30, 2018	**4,825,000**		**77,750**		**8,872**		**(74,911)**		**11,711**
Shares issued for cash	5,000,000		500,000		–		–		500,000
Shares issued for exploration property	500,000		60,000		–		–		60,000
Share issuance costs	–		(172,244)		44,545		–		(127,699)
Loss for the period	–		–		–		(104,079)		(104,079)
Balance at August 31, 2019	**10,325,000**		**465,506**		**53,417**		**(178,990)**		**339,933**
Shares issued on exercise of options	482,500		48,250		–		–		48,250
Shares issued on exercise of warrants	67,500		6,750		–		–		6,750
Shares issued for exploration property	2,000,000		260,000		–		–		260,000
Share based compensation	–		–		79,301		–		79,301
Loss for the period	–		–		–		(148,919)		(69,618)
Balance at November 30, 2019	**12,875,000**	**$**	**780,506**	**$**	**132,718**	**$**	**(327,909)**	**$**	**585,315**

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

TOCVAN VENTURES CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		Three months ended November 30, 2019		Three Months ended November 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(148,919)	$	(56,759)
Items not involving cash:				
Stock based compensation		79,301		8,872
Changes in non-cash working capital items				
GST receivable		568		(378)
Due to related party		32		(2,692)
Due from related party		(6,361)		–
Prepaid expenses		350		(23,134)
Accounts payable and accrued liabilities		(1,080)		11,976
Net cash used in operating activities		(76,109)		(62,115)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of shares, net		55,000		4,000
Net cash provided by financing activities		55,000		4,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Exploration and evaluation asset expenditures		(162,769)		–
Net cash used in investing activities		(162,769)		–
Change in cash		(183,878)		(58,115)
Cash, beginning		249,602		60,631
Cash, ending	$	65,724	$	2,516
NON CASH TRANSACTIONS				
Shares issued for exploration property	$	260,000	$	–

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Tocvan Ventures Corp. (the "Company") was incorporated on May 23, 2018 under the Alberta Business Corporations Act. Effective March 1, 2019, the Company's shares are traded on the Canadian Securities Exchange ("CSE") under the symbol "TOC".

The Company's head office address is Suite 820 – 1130 West Pender St., Vancouver, British Columbia V6E 4A4 Canada. The registered and records office address is Suite 730, 1015 – 4th Street SW, Calgary, Alberta, T2R 1J4 Canada.

The Company is primarily engaged in the acquisition, exploration and development of mineral properties. At November 30, 2019, the Company had not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At November 30, 2019, the Company had an accumulated deficit of $327,909 and expects to incur further losses, and require additional equity financing in the development of its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and basis of presentation

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended August 31, 2019.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

These financial statements were authorized for issue by the Board of Directors on January 28, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Use of estimates, assumptions and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. Significant areas requiring the use of management estimates relate to the recoverability of exploration and evaluation assets and deferred exploration costs, provisions for restoration and environmental obligations and contingent liabilities, stock-based compensation and deferred tax valuation allowance.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

1) the classification/allocation of expenses as exploration and evaluation expenditures or operating expenses;
2) the determination that the company will continue as a going concern for the next years; and
3) the determination whether there have been any events or changes in circumstances that indicate the impairment of its exploration and evaluation assets

c) Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option. Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Costs incurred once the Company has obtained the legal rights to explore an area are capitalized.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

From time-to-time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Exploration and evaluation expenditures (continued)

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Although the Company has taken steps that it considers adequate to verify title to exploration and evaluation assets which it has an interest in, these procedures do not guarantee the Company's title.

d) Income taxes

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

e) Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Impairment (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

f) Provision for closure and reclamation

The Company recognizes liabilities for statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there was no provision required for closure and reclamation as at November 30, 2019.

g) Share-based payment transactions

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

h) Basic and diluted loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of the diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The company has no dilutive instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Share issue costs

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

j) Financial instruments

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

The Company's financial instruments consist of cash, amounts receivable and accounts payable and accrued liabilities which are all classified at amortized cost.

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.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net (loss) income in the period in which they arise.

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 the twelve month expected credit losses. The Company shall recognize in the statements of net (loss) income, as 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Financial instruments (continued)

Derecognition
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of net (loss) income.

k) Revenue

Effective September 1, 2018, the Company adopted IFRS 15 Revenue from Contracts with Customers ("IFRS 15") on a retroactive basis in accordance with the transitional provisions. IFRS 15 replaces IAS 18 Revenue, IAS 11 Construction Contracts, and related interpretations on revenue. The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The new standard requires companies to follow a five-step model to determine if revenue should be recognized:

1. Identify the contracts with customers
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when the entity satisfies the performance obligation

The Company has concluded that there are no differences between the point of risks and rewards transfer and the point of transfer of control under IFRS 15. As such, no adjustment has been recorded to the comparative figures.

l) Recent Accounting Standards

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2018, or later periods.

IFRS 16, Leases
IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning on or after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets
Title to exploration and evaluation ("E&E") asset interests involve certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to its exploration and evaluation asset and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Total costs incurred on exploration and evaluation assets are summarized as follows:

Three months ended November 30, 2019

	Roger Creek Project	Pilar Project	Total
Acquisition Costs			
Balance, August 31, 2019	$ 85,000	$ –	$ 85,000
Cash	–	125,000	125,000
Shares issued	–	260,000	260,000
Balance, November 30, 2019	$ 85,000	$ 385,000	$ 470,000
Deferred exploration expenditures			
Balance, August 31, 2019	$ 35,016	$ –	$ 35,016
Geologist fees and assays	37,769	–	37,769
Balance, November 30, 2019	72,785	–	72,785
Total E&E, November 30, 2019	**$ 157,785**	**$ 385,000**	**$ 542,785**

Year ended August 31, 2019

		Roger Creek Project
Acquisition Costs		
Balance, August 31, 2018	$	-
Cash		25,000
Shares issued		60,000
Balance, August 31, 2019	$	85,000
Deferred exploration expenditures		
Balance, August 31, 2018		6,643
Geologist fees and assays		28,373
Balance, August 31, 2019	$	35,016
Total E&E, August 31, 2019	**$**	**120,016**

3. EXPLORATION AND EVALUATION ASSETS (continued)

Rogers Creek, British Columbia

On May 23, 2018, the Company entered into a purchase agreement with Carube Copper Corp. ("the Vendor") to earn an 80% interest in certain mineral claims known as the Rogers Creek property (the "Property") in the province of British Columbia. To acquire the 80% interest, the Company agreed to:

i. pay $25,000 to the Vendor within five days after being listed on the CSE (the "Listing Date") (paid March 1, 2019);
ii. issue a total of 500,000 common shares to the Vendor on the Listing Date (issued March 7, 2019);
iii. issue 200,000 common shares to Vendor, and complete $100,000 in exploration within 30 days of the first anniversary of Listing Date;
iv. issue 200,000 common shares to Vendor, and complete $300,000 in exploration within 30 days of the second anniversary of Listing Date;
v. issue 200,000 common shares to Vendor, and complete $400,000 in exploration within 30 days of the third anniversary of the Approval Date; and
vi. Issue 200,000 common shares to Vendor, and complete $1,000,000 in exploration within 30 days of the fourth anniversary of the Approval Date.

If the Company determines that the Property is not economically viable after assessing the results of the $200,000 expenditure, at the Company's sole discretion it can terminate the option to purchase by giving written notice to Vendor at least 30 days before the first anniversary.

Once the Company has earned its 80% interest in the Property, the Company will have the option to participate with the Vendor in repurchasing any net smelter royalties ("NSRs") held by third parties. Should the Company and the Vendor decide to purchase third party NSRs, the Company will be required to fund 80% of the cost of repurchase.

On September 16, 2019, the purchase agreement was amended, and the Company is only required to incur $100,000 in exploration expenditures prior to February 28, 2020 (the first anniversary of the Listing Date).

Pilar Project, Mexico

On September 22, 2019 the Company signed an option agreement to acquire 51% of the Pilar Gold Project in the state of Sonora, Mexico (the "Pilar Project"). Colibri Resource Corp. ("Colibri") of $25,000.

To acquire 51% of the project the Company agreed to:

i. Pay a deposit of Colibri Resource Corp. ("Colibri") of $25,000 (paid).
ii. Pay $100,000 after completing a due diligence program (paid)
iii. Issue Colibri 2,000,000 treasury shares (issued).
iv. Complete $250,000 in exploration and pay $50,000 by November 21,2020 (the first anniversary of the agreement).
v. Complete $350,000 in exploration by November 21, 2021;
vi. Issue 1,000,000 Common Shares to Colibri and pay $75,000 to Colibri on second anniversary date of the Agreement (November 21, 2021).
vii. Complete $400,000 in exploration by November 21, 2022;
viii. Issue 1,000,000 Common Shares to Colibri and pay $75,000 to Colibri on third anniversary date of the Agreement (November 21, 2022).
ix. Complete $500,000 in exploration by November 21, 2023;
x. Issue 1,000,000 Common Shares to Colibri and pay $75,000 to Colibri on forth anniversary date of the Agreement (November 21, 2023).
xi. Complete $500,000 in exploration expenditures by November 21, 2024);

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (continued)

Pilar Project, Mexico (continued)
Once the Company has fulfilled the above commitments it will have earned into a 51% interest in the property and will have a six-month option to decide to purchase the remaining 49% interest in the property or establish a joint venture agreement with Colibri. The option to acquire the additional interest will require a $2,000,000 cash payment and granting Colibri a 2% NSR. 1% of which can be repurchased for an additional cash payment of $1,000,000.

On November 25 2019, 2,000,000 shares were issued as payment on completion of due diligence on the Pilar property pursuant to the Property Option Agreement dated September 22, 2019 between the Company and Colibri. $100,000 was also pursuant to this agreement. (Note 5)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		November 30, 2019		August 31, 2019
Accounts payable	$	20,955	$	22,035
Accrued liabilities		10,000		10,000
	$	**30,955**	**$**	**32,035**

5. SHARE CAPITAL

Authorized
The authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of shares designated as preferred shares.

Share issuances

Three months ended November 30, 2019

On October 28, 2019 25,000 shares were issued when 25,000 agent warrants at $0.10 per warrant were exercised for total proceeds of $2,500.

On October 30, 2019 14,250 shares were issued when 14,250 agent warrants at $0.10 per warrant were exercised for total proceeds of $1,425.

On November 4 2019, 212,500 shares were issued when 212,500 options at $0.10 per option were exercised by directors of the company for total proceeds of $21,250. (Note 6)

On November 8 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by a director of the company for total proceeds of $13,500. (Note 6)

On November 14 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by a director of the company for total proceeds of $13,500. (Note 6)

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)
Share issuances (continued)
Three months ended November 30, 2019 (continued)

On November 26 2019, 2,000,000 shares were issued at a fair value of $0.13 per share as payment on completion of due diligence on the Pilar property pursuant to the Property Option Agreement dated September 22, 2019 between the Company and Colibri Resource Corp. (Note 3)

On November 26, 2019, 28,250 shares were issued when 28,250 agent warrants at $0.10 per warrant were exercised for total proceeds of $2,825.

Year ended August 31, 2019
On March 7, 2019, the Company issued 500,000 common shares at $0.12 per share, a fair value of $60,000, as the first payment on the Property (Note 3).

On February 28, 2019, the Company completed its Initial Public Offering ("IPO") and issued 5,000,000 units at $0.10 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share at a price of $0.20 per share until August 31, 2020.

In connection with the IPO, the Company incurred share issuance costs of $127,699 in professional fees and $44,545 by issuing 500,000 agents warrants to purchase 500,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at $0.20. The Company calculated stock-based compensation of $44,545 using the Black Scholes option pricing model with the following assumptions: Unit price - $0.10; Exercise price - $0.10; Expected life – 3 years; Expected volatility – 183.5%; risk free interest rate – 1.78%. The agent warrants and the underlying share purchase warrant are exercisable until February 28, 2022.

On October 15, 2018, the Company issued 200,000 common shares at a price of $0.02 per share for proceeds of $4,000.

Stock Options
The Company has a rolling stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted Average Exercise Price
Balance at August 31, 2018	–	$ –
Granted	482,500	0.10
Balance at August 31, 2019	482,500	0.10
Exercised	(482,500)	0.10
Granted	550,000	0.15
Exercisable at November 30, 2019	550,000	$ 0.15

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)
Stock Options (continued)

As at November 30, 2019, the following incentive stock options are outstanding:

Number of Stock Options	Exercise Price		Expiry Date
550,000	$	0.15	October 24, 2024
550,000			

On October 26, 2019, the Company granted 550,000 fully vested stock options to certain directors and officers of the Company and to consultants which entitle the holder to purchase one common share for each option held at a price of $0.15 per share up to October 24, 2024. (Note 6)

In connection with this grant, the Company calculated stock-based compensation of $79,301 using the Black Scholes option pricing model with the following assumptions: Share price - $0.15; Exercise price - $0.15; Expected life – 5 years; Expected volatility – 183.5%; risk free interest rate – 1.46%. (Note 6)

On October 16, 2018, the Company granted 482,500 fully vested stock options to certain directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of $0.10 per share up to October 16, 2023. (Note 6)

In connection with this grant, the Company calculated stock-based compensation of $8,872 using the Black Scholes option pricing model with the following assumptions: Share price - $0.02; Exercise price - $0.10; Expected life – 5 years; Expected volatility – 183.5%; risk free interest rate – 2.40%.

Warrants
On February 28, 2019 the Company issued 500,000 agent warrants to purchase 500,000 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant to purchase one common share at $0.20. The agent warrants and the underlying share purchase warrant are exercisable until February 28, 2022.

In connection with these agent warrants, the Company calculated stock-based compensation of $44,545, recorded as share issuance costs, using the Black Scholes option pricing model with the following assumptions: Share price - $0.10; Exercise price - $0.10; Expected life – 3 years; Expected volatility – 183.5%; risk free interest rate – 1.78%.

A summary of the Company's agent warrants are as follows:

	Number of Agent Warrants	Weighted Average Exercise Price	
Balance November 30, 2018	–	$	–
Issued	500,000		0.10
Balance at August 31, 2019	500,000	$	0.10
Exercised	(115,400)		
Balance at November 30, 2019	384,600	$	0.10

The agent warrants have an expiry date of February 28, 2022.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)
Warrants (continued)

On February 28, 2019, as part of the units issued in the IPO, the Company issued 5,000,000 warrants to purchase 5,000,000 common shares at a price of $0.20 per share. The warrants are exercisable until August 31, 2020.

In the first quarter, as part of the units issued on exercise of agent warrants, the Company issued 115,400 warrants to purchase 115,400 common shares at a price of $0.20 per share. These warrants are exercisable until February 28, 2022.

	Number of Regular Warrants	Weighted Average Exercise Price
Balance November 30, 2018	–	$ –
Issued	5,000,000	0.20
Balance at August 31, 2019	5,000,000	$ 0.20
Issued	115,400	0.20
Balance at November 30, 2019	5,115,400	$ 0.20

At November 30, 2019 the following warrants are outstanding:

Number of Warrants	Type	Exercise Price	Expiry Date
5,000,000	Regular	$ 0.20	August 31, 2020
115,400	Regular	0.20	February 28, 2022
384,600	Agent	0.10	February 28, 2022
5,500,000			

6. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the three months ended November 30, 2019 and 2018 was as follows:

	Three months ended November 30, 2019	Three months ended November 30, 2018
Stock-based compensation	72,092	8,872
	$ 72,092	$ 8,872

6. RELATED PARTY TRANSACTIONS (continued)

Related party balances

At November 30, 2019, $14,365 was owed from the Company's CEO for advances on expenses (August 31, 2019 - $7,637).

At November 30, 2019, $735 was owed from a company that is controlled by a director (November 30, 2019 - $nil) for an advance on expenses (August 31, 2019 - $1,102).

At November 30, 2019, $9,365 was owed to a director of the Company for consulting expenses. (August 31, 2019 - $9,333).

These amounts are unsecured, non-interest bearing and due on demand.

Share issuances

During the period ended August 31, 2018, the Company issued 1,250,000 common shares to directors of the Company, at a price of $0.005 for proceeds of $6,250.

During the period ended August 31, 2018, the Company issued 500,000 common shares to directors of the Company, at a price of $0.02 for proceeds of $10,000.

On November 4 2019, 212,500 shares were issued when 212,500 options at $0.10 per option were exercised by directors of the company for total proceeds of $21,250. (Note 5)

On November 8 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by directors of the company for total proceeds of $13,500. (Note 5)

On November 14 2019, 135,000 shares were issued when 135,000 options at $0.10 per option were exercised by directors of the company for total proceeds of $13,500. (Note 5)

Options

On October 26, 2019, the Company granted 500,000 fully vested stock options to certain directors and officers of the Company which entitle the holder to purchase one common share for each option held at a price of $0.15 per share up to October 24, 2024. (Note 5)

In connection with this grant, the Company calculated stock-based compensation of $72,092 using the Black Scholes option pricing model with the following assumptions: Share price - $0.15; Exercise price - $0.15; Expected life – 5 years; Expected volatility – 183.5%; risk free interest rate – 1.46%. (Note 5)

7. CAPITAL MANAGEMENT

The Company considers its capital to consist of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through debt and equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

8. FINANCIAL INSTRUMENTS

a) Fair Value

The Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	November 30, 2019	August 31, 2019
Financial assets at amortized cost (i)	$ 17,126	$ 11,333
Financial liabilities at amortized cost (ii)	$ 40,320	$ 41,368

(i) GST receivable and due from related parties
(ii) Due to related parties, accounts payable and accrued liabilities

b) Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, which is held with a high credit quality financial institution and GST receivable from the Government of Canada. As such the Company's credit risk exposure is minimal.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above.

The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuances when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits.

d) Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is not exposed to significant foreign exchange risk.

e) Interest Rate Risk

Interest rate risk is the risk that arises from fluctuating interest rates. The Company is not exposed to significant interest rate risk.

f) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

10. SUBSEQUENT EVENTS

On December 1, 2019, the Company granted 400,000 fully vested stock options to the COO of the Company which entitles the holder to purchase one common share for each option held at a price of $0.15 per share up to December 1, 2024.

On January 10, 2020, 47,900 agent warrants at $0.10 per warrant were exercised for 47,900 units. The Company received total proceeds of $4,790. Each unit consists of one common share and one warrant to purchase one common share at $0.20 until February 28, 2022.

On January 28, 2020 the Company announced it will be proceeding with a non-brokered private placement of up to 5,333,333 units (the "Units") at $0.15 per Unit for gross proceeds of up to $800,000. Each Unit is comprised of one common share of the Company (a "Share") and 1/2 share purchase warrant. Each full warrant will entitle the holder to acquire one additional Share in the capital of the Company at a price of $0.30 for a period of 18 months from the date the Units are issued.

On January 28, 2020, 14,000 agent warrants at $0.10 per warrant were exercised for 14,000 units. The Company received total proceeds of $1,400. Each unit consists of one common share and one warrant to purchase one common share at $0.20 until February 28, 2022.