

**GOLDEN LAKE EXPLORATION INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
**(Expressed in Canadian Dollars)**

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of Golden Lake Exploration Inc.

**Opinion on the Financial Statements**

We have audited the accompanying financial statements of Golden Lake Exploration Inc. (the "Company"), which comprise the statements of financial position as at November 30, 2019 and 2018, and the statements of comprehensive loss, statements of changes in equity and cash flows for the year ended November 30, 2019 and the period from incorporation on May 17, 2018 to November 30, 2018, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019 and 2018, and its financial performance and its cash flows for the year ended November 30, 2019 and the period from incorporation on May 17, 2018 to November 30, 2018 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Information**

Management is responsible for the other information, which comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

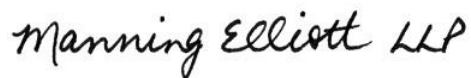
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

A handwritten signature in black ink that reads 'Manning Elliott LLP'.

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
March 24, 2020

**GOLDEN LAKE EXPLORATION INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT NOVEMBER 30**  
(Expressed in Canadian dollars)

	2019	2018
<b>ASSETS</b>		
CURRENT		
Cash	\$ 7,828	\$ 76,113
Amounts receivable	9,402	864
Prepays	850	-
	18,080	76,977
DEFERRED FINANCING COSTS	-	10,000
EXPLORATION AND EVALUATION ASSETS (Note 5)	140,000	91,285
	\$ 158,080	\$ 178,262

**LIABILITIES**

CURRENT		
Accounts payable and accrued liabilities	\$ 145,596	\$ 13,766

**SHAREHOLDERS' EQUITY**

SHARE CAPITAL (Note 6)	604,940	242,001
SUBSCRIPTION RECEIVED IN ADVANCE (Note 12)	50,000	-
CONTRIBUTED SURPLUS	134,009	22,500
DEFICIT	(776,465)	(100,005)
	12,484	164,496
	\$ 158,080	\$ 178,262

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)  
SUBSEQUENT EVENTS (Note 12)

Approved and authorized for issue on behalf of the Board on March 24, 2020

"Michael England" Director

"John Masters" Director

The accompanying notes are an integral part of these financial statements

**GOLDEN LAKE EXPLORATION INC.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE PERIODS ENDED NOVEMBER 30**  
(Expressed in Canadian dollars)

	<b>2019</b>	<b>2018</b>
	<b>(12 months)</b>	<b>(6 months)</b>
<b>EXPENSES</b>		
Advertising and promotion	\$ 23,268	\$ 6,835
Consulting fees	45,050	19,700
Management fees (Note 7)	101,650	21,000
Office and miscellaneous	15,323	6,709
Professional fees (Note 7)	168,519	13,612
Rent	18,601	9,649
Share-based payments (Note 7)	86,448	22,500
Transfer agent and filing fees	34,887	-
<b>LOSS BEFORE OTHER ITEMS</b>	<b>(493,746)</b>	<b>(100,005)</b>
<b>OTHER ITEMS</b>		
Write-off of exploration and evaluation asset (Note 5)	(182,714)	-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (676,460)</b>	<b>\$ (100,005)</b>
<b>LOSS PER SHARE (basic and diluted)</b>	<b>\$ (0.06)</b>	<b>\$ (0.02)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING</b>	<b>10,814,111</b>	<b>4,981,213</b>

The accompanying notes are an integral part of these financial statements

**GOLDEN LAKE EXPLORATION INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIODS ENDED NOVEMBER 30**  
(Expressed in Canadian dollars)

	Common Shares		Subscription received in advance	Contributed Surplus	Deficit	Total
	Number of Shares	Amount				
Balance, May 17, 2018	1	\$ 1	\$ -	\$ -	\$ -	1
Shares issued for cash	4,650,000	162,000	-	-	-	162,000
Shares issued for cash (flow-through)	4,000,000	80,000	-	-	-	80,000
Share-based payments	-	-	-	22,500	-	22,500
Net loss for the period	-	-	-	-	(100,005)	(100,005)
Balance, November 30, 2018	8,650,001	242,001	-	22,500	(100,005)	164,496
Shares issued for cash	3,500,000	237,939	-	25,061	-	263,000
Shares issued for corporate finance fee	100,000	-	-	-	-	-
Shares issued for mineral properties	1,100,000	125,000	-	-	-	125,000
Subscriptions received in advance	-	-	50,000	-	-	50,000
Share-based payments	-	-	-	86,448	-	86,448
Net loss for the year	-	-	-	-	(676,460)	(676,460)
Balance, November 30, 2019	13,350,001	\$ 604,940	\$ 50,000	\$ 134,009	\$ (776,465)	\$ 12,484

The accompanying notes are an integral part of these financial statements

**GOLDEN LAKE EXPLORATION INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIODS ENDED NOVEMBER 30**  
(Expressed in Canadian dollars)

	<b>2019</b>	<b>2018</b>
	<b>(12 months)</b>	<b>(6 months)</b>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (676,460)	\$ (100,005)
Items not involving cash:		
Share-based payments	86,448	22,500
Write-off of exploration and evaluation asset	182,714	-
Changes in non-cash working capital balances:		
Accounts receivable	(8,538)	(864)
Prepaid	(850)	-
Accounts payable and accrued liabilities	131,830	13,766
<b>Cash used in operating activities</b>	<b>(284,856)</b>	<b>(64,603)</b>
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(106,429)	(91,285)
<b>Cash used in investing activities</b>	<b>(106,429)</b>	<b>(91,285)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from share issuance	350,000	242,001
Share issuance cost	(77,000)	-
Deferred finance costs	-	(10,000)
Subscription received in advance	50,000	-
<b>Cash provided by financing activities</b>	<b>323,000</b>	<b>232,001</b>
<b>CHANGE IN CASH DURING PERIOD</b>	<b>(68,285)</b>	<b>76,113</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>76,113</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 7,828</b>	<b>\$ 76,113</b>
<b>SUPPLEMENTAL CASH DISCLOSURES</b>		
Shares issued for exploration and evaluation asset	\$ 125,000	\$ -
Write-off of exploration and evaluation asset	\$ 182,714	\$ -
Corporate finance fee	\$ 10,000	\$ -
Income taxes and interest paid	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
(Expressed in Canadian dollars)

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1. NATURE OF OPERATIONS

Golden Lake Exploration Inc. (the “Company”) was incorporated on May 17, 2018 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 1240 – 789 West Pender Street, Vancouver, V6C 1H2, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2019, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

As at November 30, 2019, the Company has not generated any revenues and has incurred accumulated losses of \$776,465 (2018 - \$100,005). 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 these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on March 24, 2020.

b) Basis of presentation

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of November 30, 2019, the Company held no cash equivalents.

d) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written-down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

e) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share-based payments (continued)

The fair value of warrants issued to agents in connection with private placements (“Agent Warrants”) is recognized on the date of issue as a share issue cost. The Company uses the Black Scholes option pricing model to estimate the fair value of Agent Warrants issued.

f) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

g) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates (“the functional currency”), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of loss and comprehensive loss.

h) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
(Expressed in Canadian dollars)

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning, restoration and similar liabilities (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

j) 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 period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

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

k) Share issuance costs

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

**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial instruments

On December 1, 2018, the Company adopted all of the requirements of IFRS 9 – Financial Instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9; therefore, the Company’s accounting policy with respect to financial liabilities is unchanged.

The Company completed an assessment of its financial assets and liabilities as at December 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

<b>Financial Assets and Liabilities</b>	<b>Original Classification IAS 39</b>	<b>New Classification IFRS 9</b>
Cash	Fair value through profit and loss	Fair value through profit and loss
Accounts payable	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not result in any material changes to the Company’s financial statements.

(i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets’ classification, as described below:

Fair value through profit or loss (“FVTPL”): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include cash.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include accounts payable and accrued liabilities.

Fair value through other comprehensive income (“FVOCI”): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

(ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company’s accounts payable and accrued liabilities are classified as other financial liabilities. The Company does not currently have any FVTPL financial liabilities.

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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments (continued)

(iii) Impairment of financial assets

IFRS 9 introduces a new three-stage expected credit loss model for calculating impairment for financial assets. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure requirements about expected credit losses and credit risk.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*Significant accounting estimates*

- i. the measurement of deferred income tax assets and liabilities; and
- ii. the inputs used in accounting for share-based payments.

*Significant accounting judgments*

- i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;
- ii. the determination of categories of financial assets and financial liabilities; and
- iii. the evaluation of the Company's ability to continue as a going concern.

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**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
(Expressed in Canadian dollars)

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4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended October 31, 2019, and have not been early adopted in preparing these financial statements.

New accounting standards effective for annual periods on or after November 1, 2019:

IFRS 16 – Leases

IFRS 16 replaces IAS 17, “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, “Revenue from Contracts with Customers”.

The Company does not expect the adoption of IFRS 16 to have a material impact on the Company’s future results and financial position.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The Company does not expect the adoption of IFRIC 23 to have a material effect on the Company’s future results and financial position.

**GOLDEN LAKE EXPLORATION INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIODS ENDED NOVEMBER 30, 2019 AND 2018**  
(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Golden Lode Project	Jewel Ridge Project	Total
<b>Acquisition Costs:</b>			
Balance, November 30, 2018	\$ 5,000	\$ -	\$ 5,000
Cash	5,000	25,000	30,000
Shares issued	10,000	115,000	125,000
Write-off of mineral property	(20,000)	-	(20,000)
Balance, November 30, 2019	-	140,000	140,000
<b>Deferred Exploration Costs:</b>			
Balance, beginning of year	\$ 86,285	\$ -	\$ 86,285
Additions	76,429	-	76,429
Write-off of mineral property	(162,714)	-	(162,714)
Balance, November 30, 2019	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>

	Golden Lode Project	Jewel Ridge Project	Total
<b>Acquisition Costs:</b>			
Balance, May 17, 2018	\$ -	\$ -	\$ -
Cash	5,000	-	5,000
Shares issued	-	-	-
Balance, November 30, 2018	5,000	\$ -	5,000
<b>Deferred Exploration Costs:</b>			
Balance, May 17, 2018	\$ -	\$ -	\$ -
Additions	86,285	-	86,285
Balance, November 30, 2018	86,285	-	86,285
<b>Total</b>	<b>\$ 91,285</b>	<b>\$ -</b>	<b>\$ 91,285</b>

**Golden Lode Project**

Pursuant to an option agreement dated July 4, 2018 (the "Agreement"), with Rich River Exploration and Craig A. Lynes, collectively, the "Optionors", the Company was granted an option to acquire a 100% undivided interest in the Golden Lode Project (the "Property") located north of Christina Lake area in Nanaimo, British Columbia.

In accordance with the Agreement, the Company has the option to acquire first 51% undivided interest (earned) in the Property by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

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5. EXPLORATION AND EVALUATION ASSETS (continued)

**Golden Lode Project (continued)**

	Common Shares	Cash	Exploration Expenditures
Upon execution of the Agreement (paid)	-	\$ 5,000	\$ -
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing") (paid and issued)	100,000	5,000	-
On or before May 8, 2020	100,000	20,000	100,000
On or before May 8, 2021	100,000	30,000	100,000
On or before May 8, 2022	300,000	100,000	300,000
<b>Total</b>	<b>600,000</b>	<b>\$ 160,000</b>	<b>\$ 500,000</b>

The Property is comprised of five mineral claims. The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production. During the year ended November 30, 2019, the Company wrote-off its interest in the property resulting in a loss of \$182,714.

**Jewel Ridge Project**

Pursuant to an option agreement dated November 1, 2019 (the "Agreement"), with Greencastle Resources Ltd. and its affiliate Greencastle U.S.A. Ltd., (together the "Optionor"), the Company was granted an option to acquire 100% undivided interest in the Jewel Ridge Project (the "Property") located near Eureka in Nevada.

In accordance with the Agreement, the Company has the option to acquire 100% interest in the property by making the following considerations:

	Common Shares	Cash	Exploration Expenditures
Upon execution of the Agreement (paid and issued)	1,000,000	\$ 25,000	\$ -
November 5, 2020	2,000,000	35,000	150,000
November 5, 2021	2,000,000	45,000	250,000
November 5, 2022	-	50,000	350,000
<b>Total</b>	<b>5,000,000</b>	<b>\$ 155,000</b>	<b>\$ 750,000</b>

The Optionor will retain a 4% Net Smelter Returns ("NSR") royalty on the mining claims comprising the Property described as "GM Squared claims" under the Agreement. The Company has the right to purchase all of the NSR for \$8,000,000. In addition, following the exercise of the option and acquisition of the Property, the Optionor shall reserve a royalty of 3% on NSR on the mining claims comprising the Property described as "Rainbow claims". The Company has the option, up to seven years, to purchase 2% of the royalty for \$2,000,000. The Company shall pay to the Optionor advance royalty payments of \$50,000 per annum payable forty-eight months after the closing date and such payments are to be deducted from any royalty payments payable under Rainbow claims.



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6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. At November 30, 2019, there were 1,125,001 (2018 – 1,500,000) common shares held in escrow.

c) Issued and Outstanding:

During the year ended November 30, 2019, the Company:

- (i) issued 3,500,000 common shares at a price of \$0.10, pursuant to a prospectus offering for gross proceeds of \$350,000. In connection to the prospectus offering, the Company paid \$87,000 finders fees and issued 350,000 finder's warrants with a fair value of \$25,061.
- (ii) issued 100,000 common shares as a corporate finance fee with a fair value of \$10,000 pursuant to a prospectus offering.
- (iii) issued 100,000 common shares with a value of \$10,000 pursuant to the acquisition for the Golden Lode Property (Note 5).
- (iv) issued 1,000,000 common shares with a value of \$115,000 pursuant to the acquisition for the Jewel Ridge Property (Note 5).

During the period from incorporation on May 17, 2018 to November 30, 2018, the Company:

- (i) issued an incorporation share for \$1.
- (ii) issued 1,500,000 common shares at a price of \$0.005 per share for gross proceeds of \$7,500. The fair value of the 1,500,000 common shares was estimated to be \$30,000. Accordingly, the Company recorded share-based payments of \$22,500 and a corresponding increase to contributed surplus.
- (iii) issued 4,000,000 flow-through common shares at a price of \$0.02 per share for gross proceeds of \$80,000. For the purposes of the calculating the tax effect of any premium related to the issuance of the flow-through shares, the Company reviewed recent financings and compared it to determine if there was a premium paid on the shares. As a result of the review the Company did not recognize any premium on the flow-through shares issued.
- (iv) issued 100,000 common shares at a price of \$0.02 per share for gross proceeds of \$2,000
- (v) issued 3,050,000 common shares at a price of \$0.05 per share for gross proceeds of \$152,500.

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6. SHARE CAPITAL (continued)

d) Stock options

The Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12 month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

During the year ended November 30, 2019, the Company:

- i) granted 400,000 stock options to directors and former officers of the Company at an exercise price of \$0.10, expiring on or before December 14, 2023. The fair value of these options was calculated to be \$36,448.
- ii) granted 450,000 stock options to certain directors and consultants of the Company at an exercise price of \$0.11, expiring on or before September 12, 2022. The fair value of these options was calculated to be \$38,100.
- iii) granted 225,000 stock options to consultants of the Company at an exercise price of \$0.11, expiring on or before October 1, 2020. The fair value of these options was calculated to be \$11,900.

A summary of change in stock options is as follows:

	Number	Weighted average exercise price
Balance, May 17, 2018 and November 30, 2018	–	\$ –
Issued	1,075,000	0.11
Balance, November 30, 2019	1,075,000	\$ 0.11

As at November 30, 2019, the following options were outstanding and exercisable:

	Number	Exercise price
October 1, 2020	225,000	\$ 0.11
September 12, 2022	450,000	\$ 0.11
December 14, 2023	400,000	\$ 0.10
Total outstanding	1,075,000	

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6. SHARE CAPITAL (continued)

d) Stock options (continued)

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model during the periods ended November 30, 2019 and 2018, respectively, are as follows:

	<b>2019</b>	<b>2018</b>
Share price	\$ 0.11	\$ -
Risk-free dividend rate	1.76%	-
Expected life of options	3.33 years	-
Dividend rate	0.00%	-
Annualized volatility	150%	-

e) Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	<b>Number</b>	<b>Weighted average exercise price</b>
Balance, May 17, 2018 and November 30, 2018	-	\$ -
Issued	350,000	0.10
Balance, November 30, 2019	350,000	\$ 0.10

As at November 30, 2019, the following warrants were issued and outstanding:

	<b>Number</b>	<b>Weighted average exercise price</b>
May 7, 2021	350,000	\$ 0.10

The inputs used in the Black-Scholes calculation for the 2019 warrants are as follows:

	<b>2019</b>	<b>2018</b>
Share price	\$ 0.10	\$ -
Risk-free dividend rate	1.58%	-
Expected life of warrants	2	-
Dividend rate	0.00%	-
Annualized volatility	150%	-

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7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management is comprised of the Company's directors and executive officers. The Company has incurred the following key management personnel cost from related parties:

	<b>2019</b> <b>(12 months)</b>	<b>2018</b> <b>(6 months)</b>
	\$	\$
Management fees	65,000	-
Professional fees	5,000	-
Share-based payments	86,448	22,500
<b>Total</b>	<b>156,448</b>	<b>22,500</b>

During the year ended November 30, 2019, the Company:

- a) paid or accrued management fees of \$60,000 (2018 - \$Nil) to a company owned by CEO and CFO of the Company, for management services provided by the officers.
- b) paid or accrued management fees of \$5,000 (2018 - \$Nil) to a company owned by a former director of the Company.
- c) paid or accrued professional fees of \$5,000 (2018 - \$Nil) to a company owned by a former officer of the Company.

Included in accounts payable and accrued liabilities at November 30, 2019 is \$50,093 (2018 - \$Nil) owed to companies owned by officers of the Company.

During the year ended November 30, 2019, the Company granted 1,075,000 stock options to its officers resulting in share-based compensation of \$86,448. During the period ended November 30, 2018, the Company issued 1,500,000 common shares with estimated fair value of \$30,000 to directors and officers of the Company. Accordingly, the Company recorded an amount of \$22,500 as share-based payments for the period ended November 30, 2018.

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8. INCOME TAXES

The Company has losses carried forward approximately \$509,000 available to reduce income taxes in future years which expire in 2039.

The Company has not recognized any deferred income tax assets. The Company recognizes deferred income tax assets based on the extent to which it is probable that sufficient taxable income will be realized during the carry forward periods to utilize all deferred tax assets.

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	<b>2019</b>	<b>2018</b>
	<b>(12 months)</b>	<b>(6 months)</b>
Canadian statutory income tax rate	27%	26.7%
	\$	\$
Income tax recovery at statutory rate	(182,644)	(26,702)
Effect of income taxes of:		
Permanent differences and other	(9,736)	5,776
Change in deferred tax assets not recognized	192,380	20,926
Deferred income tax recovery	-	-

The temporary differences that give rise to significant portions of the deferred tax assets not recognized are presented below:

	<b>2019</b>	<b>2018</b>
	<b>(12 months)</b>	<b>(6 months)</b>
	\$	\$
Non-capital loss carry forwards	137,608	20,926
Mineral properties	49,333	-
Share issuance cost	26,365	-
Deferred tax assets not recognized	(213,306)	(20,926)
	-	-

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9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 2019 are as follows:

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
	\$	\$	\$	\$
Cash	7,828	-	-	7,828

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short - term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

11. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.

12. SUBSEQUENT EVENTS

Subsequent to November 30, 2019, the Company:

- i) closed the a non-brokered private placement of 6,000,000 units at a price of \$0.10 per unit for an aggregate gross proceeds of \$600,000, of which subscriptions of \$50,000 were received during the year ended November 30, 2019. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of \$0.15, expiring on or before December 11, 2021.
- ii) granted 150,000 stock options to a consultant of the Company at an exercise price of \$0.17, expiring on or before December 7, 2020.
- iii) granted 250,000 stock options to a consultant of the Company at an exercise price of \$0.15, expiring on or before February 20, 2022.
- iv) granted 300,000 stock options to a director and consultants of the Company at an exercise price of \$0.15, expiring on or before March 3, 2022.