GOLDEN LAKE EXPLORATION INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED FEBRUARY 29, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	February 29, 2020	November 30, 2019
ASSETS		
CURRENT		
Cash	$ 291,936	$ 7,828
Amounts receivable	-	9,402
Prepaids	-	850
	291,936	18,080
Exploration and evaluation assets (Note 4)	155,880	140,000
	$ 447,816	$ 158,080
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 28,751	$ 145,596
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	1,194,965	604,940
Subscription received in advance	-	50,000
Contributed surplus	160,909	134,009
Deficit	(936,809)	(776,465)
	419,065	12,484
	$ 447,816	$ 158,080

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 10)

Approved and authorized for issue on behalf of the Board on April 15, 2020

"Michael England " Director

"John Masters " Director

The accompanying notes are an integral part of these condensed interim financial statements

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended	
	February 29, 2020	February 28, 2019
EXPENSES		
Advertising and promotion	$ 13,870	$ 3,126
Consulting fees	44,887	-
Management fees (Note 6)	45,000	9,000
Office and miscellaneous	12,146	3,078
Professional fees (Note 6)	13,447	7,200
Rent	-	5,180
Share-based payments (Note 6)	26,900	32,940
Transfer agent and filling fees	4,094	8,646
NET LOSS AND COMPREHENSIVE LOSS	$ (160,344)	$ (69,170)
LOSS PER SHARE (basic and diluted)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARE OUTSTANDING	18,624,726	8,650,001

The accompanying notes are an integral part of these condensed interim financial statements

GOLDEN LAKE EXPLORATION INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED NOVEMBER 30
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Common Shares										
	Number of Shares		Amount		Subscription received in advance		Contributed Surplus		Deficit		Total
Balance, November 30, 2018	8,650,001	$	242,001	$	-	$	22,500	$	(100,005)	$	164,496
Share-based payments	-		-		-		32,940		-		32,940
Net loss for the period	-		-		-		-		(69,170)		(69,170)
Balance, February 28, 2019	8,650,001		242,001		-		55,440		(169,175)		128,266
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	-		-		-		53,508		-		53,508
Net loss for the period	-		-		-		-		(607,290)		(607,290)
Balance, November 30, 2019	13,350,001		604,940		50,000		134,009		(776,465)		12,484
Shares issued for cash	6,000,000		600,000		(50,000)		-		-		550,000
Shares issuance cost	-		(9,975)		-		-		-		(9,975)
Share-based payments	-		-		-		26,900		-		26,900
Net loss for the period	-		-		-		-		(160,344)		(160,344)
Balance, February 29, 2020	19,350,001	$	1,194,965	$	-	$	160,909	$	(936,809)	$	419,065

The accompanying notes are an integral part of these condensed interim financial statements

GOLDEN LAKE EXPLORATION INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three months ended February 29, 2020	Three months ended February 28, 2019
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss for the period	$ (160,344)	$ (69,170)
Items not involving cash:		
Share-based payments	26,900	32,940
Changes in non-cash working capital balances:		
Accounts receivable	10,419	(438)
Prepaid	850	-
Accounts payable and accrued liabilities	(117,862)	440
Cash used in operating activities	(240,037)	(36,228)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(15,880)	(7,460)
Cash used in investing activities	(15,880)	(7,460)
FINANCING ACTIVITIES		
Proceeds from share issuance	550,000	-
Share issuance cost	(9,975)	-
Cash provided by financing activities	540,025	-
CHANGE IN CASH DURING PERIOD	284,108	(43,688)
CASH, BEGINNING OF PERIOD	7,828	76,113
CASH, END OF PERIOD	$ 291,936	$ 32,425
SUPPLEMENTAL CASH DISCLOSURES		
Shares issued for exploration and evaluation asset	$ -	$ -
Write-off of exploration and evaluation asset	$ -	$ -
Corporate finance fee	$ -	$ -
Income taxes and interest paid	$ -	$ -

The accompanying notes are an integral part of these condensed interim financial statements

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 February 29, 2020, 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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

As at February 29, 2020, the Company has not generated any revenues and has incurred accumulated losses of $936,809 (November 30, 2019 - $776,465). 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 condensed interim 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

The condensed interim 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 November 30, 2019.

The condensed interim 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 condensed interim financial statements were authorized for issue in accordance with a resolution from the Board of Directors on April 15, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of presentation

The condensed interim 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 condensed interim 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 condensed interim financial statements.

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 February 29, 2020, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Share-based payments (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning, restoration and similar liabilities (continued)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) 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:

Financial Assets and Liabilities	**Original Classification IAS 39**	**New Classification IFRS 9**
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.

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.

m) Change in account standards

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 adoption of IFRS 16 did not 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 adoption of IFRIC 23 did not have a material effect on the Company's future results and financial position.

(Expressed in Canadian dollars)

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.

4. EXPLORATION AND EVALUATION ASSETS

	Jewel Ridge Project	Total
Acquisition Costs:		
Balance, November 30, 2019	$ 140,000	$ 140,000
Cash	-	-
Shares issued	-	-
Write-off of mineral property	-	-
Balance, February 29, 2020	140,000	140,000
Deferred Exploration Costs:		
Balance, November 30, 2019	$ -	$ -
Additions	15,880	15,880
Write-off of mineral property	-	-
Balance, February 29, 2020	15,880	15,880
Total	$ 155,880	$ 155,880

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Golden Lode Project	Jewel Ridge Project	Total
Acquisition Costs:			
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
Deferred Exploration Costs:			
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	-	-	-
Total	$ -	$ 140,000	$ 140,000

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
Total	5,000,000	$ 155,000	$ 750,000

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.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

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:

	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
Total	600,000	$ 160,000	$ 500,000

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.

5. 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% every six months from date of listing. At February 29, 2020, there were 1,125,001 (November 30, 2019 – 1,125,001) common shares held in escrow.

c) Issued and Outstanding:

During the period ended February 29, 2020, the Company closed 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. 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.

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).

(Expressed in Canadian dollars)

5. 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 period ended February 29, 2020, the Company:

i) 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.The fair value of these options was calculated to be $9,500.

ii) 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.The fair value of these options was calculated to be $17,400.

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

iii) 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.

iv) 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.

v) 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, November 30, 2018	–	$	–
Issued	1,075,000		0.11
Balance, November 30, 2019	1,075,000		0.11
Issued	400,000		0.16
Balance, February 29, 2020	1,475,000	$	0.12

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

d) Stock options (continued)

As at February 29, 2020, the following options were outstanding and exercisable:

	Number		**Exercise price**
October 1, 2020	225,000	$	0.11
December 7, 2021	150,000	$	0.17
February 20, 2022	250,000	$	0.15
September 12, 2022	450,000	$	0.11
December 14, 2023	400,000	$	0.10
Total outstanding	1,475,000		

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 February 29, 2020 and February 28, 2019, respectively, are as follows:

	February 29, 2020	February 28, 2019
Share price	$ 0.16	$ 0.10
Risk-free dividend rate	1.55%	2.04%
Expected life of options	2.00 years	5 years
Dividend rate	0.00%	0.00%
Annualized volatility	150%	120%

e) Warrants

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

	Number		**Weighted average exercise price**
Balance, November 30, 2018	-	$	-
Issued	350,000		0.10
Balance, November 30, 2019	350,000		0.10
Issued	6,000,000		0.10
Balance, February 29, 2020	6,350,000	$	0.10

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

e) Warrants (continued)

As at February 29, 2020, the following warrants were issued and outstanding:

	Number		**Exercise price**
May 7, 2021	350,000	$	0.10
December 11, 2021	6,000,000	$	0.15
Total outstanding	6,350,000		

6. 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:

		Three months period ended February 29, 2020		**Three months period ended February 28, 2019**
Management fees	$	45,000	$	-
Share-based payments		-		32,940
Total	$	45,000	$	32,940

During the period ended February 29, 2020, the Company:

i) paid or accrued management fees of $45,000 (2019 - $Nil) to a company owned by CEO and CFO of the Company, for management services provided by the officers.

ii) granted Nil (2018 – 400,000) stock options to its directors resulting in share-based compensation of $Nil (2018 – $32,940).

Included in accounts payable and accrued liabilities at February 29, 2020 is $2,138 (November 30, 2019 - $50,093) owed to companies owned by officers of the Company.

7. 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.

8. 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 February 29, 2020 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	291,936	–	–	291,936

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at February 29, 2020 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.

8. 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.

9. COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 4.

10. SUBSEQUENT EVENT

Subsequent to February 29, 2020, the Company 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.