



**CREST RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**  
**(Unaudited)**

## **Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim 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 condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditors.

**CREST RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian dollars)

	February 28, 2021 (Unaudited)	May 31, 2020 (Audited)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 23,424	\$ 26,551
Restricted cash	5,025	5,000
Accounts receivable	317,711	2,874
Marketable securities (Note 4)	7,409,235	834,331
Prepaid expenses and advance (Note 5)	4,000	130,009
GST recoverable	-	12,966
Loans and notes receivable (Note 6)	451,330	22,739
	<b>8,210,726</b>	<b>1,034,470</b>
Investment in associates (Note 8)	8,735,799	505,308
Exploration and evaluation assets (Note 9)	1,439,692	1,187,697
	<b>\$ 18,386,217</b>	<b>\$ 2,727,475</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 865,610	\$ 701,127
GST payable	2,897	
Deferred revenue	150,000	137,500
Loans payable (Note 11)	196,036	106,361
	<b>1,214,543</b>	<b>944,988</b>
CEBA loan (Note 12)	40,000	40,000
	<b>1,254,543</b>	<b>984,988</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 13)	5,698,470	1,955,042
Reserves	171,054	234,407
Retained earnings (deficit)	11,211,186	(558,730)
Total equity attributable to the Company's shareholders	17,080,710	1,630,719
Non-controlling interests	50,964	111,768
Total equity	17,131,674	1,742,487
	<b>\$ 18,386,217</b>	<b>\$ 2,727,475</b>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)  
COMMITMENTS (Note 17)

Approved and authorized for issue on behalf of the Board on April 29, 2021

\_\_\_\_\_ Director \_\_\_\_\_ Director

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

**CREST RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Expressed in Canadian dollars)  
(Unaudited)

	Three months ended February 28,		Nine months ended February 28,	
	2021	2020	2021	2020
<b>REVENUE</b>				
Management fees	\$ 291,352	\$ 88,500	\$ 743,602	\$ 157,500
<b>EXPENSES</b>				
Bad debts	85,716	-	85,716	-
Bank charges	881	762	2,868	1,550
Business development	-	(2,270)	-	8,074
Consulting fees	113,200	34,000	302,838	84,000
Interest expense	14,132	5,388	34,149	7,992
Management fees (Note 14)	64,925	82,900	242,147	175,400
Marketing fees (Note 14)	7,976	22,039	15,332	40,576
Office	2,272	(504)	12,415	7,844
Professional fees	58,605	15,177	142,644	40,148
Rent	-	2,000	-	5,207
Salaries (Note 14)	-	11,756	16,043	49,718
Share-based payments (Note 13)	-	-	98,819	1,961
Transfer agent and filing fees	8,224	4,130	32,691	20,699
Travel	-	29,839	41	39,015
	(355,931)	(205,217)	(985,703)	(482,184)
<b>LOSS BEFORE OTHER ITEMS</b>	(64,579)	(116,717)	(242,101)	(324,684)
<b>OTHER ITEMS</b>				
Interest income	8,376	1,219	18,928	2,120
Recovery of expenses	-	-	74,713	-
Gain on disposals of mineral properties	822,128	51,900	5,962,980	51,900
Realized gain on disposals of marketable securities (Note 4)	59,683	160,482	240,863	132,776
Unrealized gain (loss) on marketable securities (Note 4)	808,155	27,477	1,463,819	(33,129)
Gain on deemed disposal of subsidiary (Note 10)	51	-	1,461,696	-
Gain on disposal of investment in associate (Note 10)	-	-	2,886,190	-
Share of loss from associates	-	(87,020)	(97,448)	(103,396)
	1,698,393	154,058	12,011,741	49,731
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>	\$1,633,814	\$ 37,341	\$ 11,769,640	\$ (274,953)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTED TO</b>				
Shareholders of the Company	\$1,634,311	\$ 37,341	\$ 11,769,916	\$ (274,953)
Non-controlling interests	(497)	-	(276)	-
	\$1,633,814	\$ 37,341	\$ 11,769,640	\$ (274,953)
<b>EARNINGS (LOSS) PER COMMON SHARE (basic and diluted)</b>	\$ 0.03	\$ 0.00	\$ 0.26	\$ (0.01)
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	48,551,469	33,239,971	44,903,450	27,445,534

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

**CREST RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**

(Expressed in Canadian dollars)  
(Unaudited)

	Common Shares		Reserves	Deficit	Non-controlling Interests	Total Equity
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
Balance, May 31, 2019	12,809,001	406,459	93,313	(258,478)	-	241,294
Shares issued for cash	18,768,333	1,242,625	-	-	-	1,242,625
Shares issued to acquire properties	2,600,000	246,500	-	-	-	246,500
Share issuance costs	-	(10,542)	-	-	-	(10,542)
Share-based payments	-	-	1,961	-	-	1,961
Acquisition of non-controlling interest	-	-	-	-	250,200	250,200
Net loss for the period	-	-	-	(274,953)	-	(274,953)
<b>Balance, February 29, 2020</b>	<b>34,177,334</b>	<b>1,885,042</b>	<b>95,274</b>	<b>(533,431)</b>	<b>250,200</b>	<b>1,697,085</b>
Balance, May 31, 2020	35,177,334	1,955,042	234,407	(558,730)	111,768	1,742,487
Shares issued for cash	6,895,000	689,500	-	-	-	689,500
Shares issued to acquire properties	26,995,673	2,986,752	-	-	-	2,986,752
Shares issued by subsidiary to acquire properties	-	-	-	-	60,000	60,000
Warrant exercises	414,520	47,078	-	-	-	47,078
Option exercises	200,980	20,098	-	-	-	20,098
Share-based payments	-	-	98,819	-	-	98,819
Shares issued by subsidiary for cash	-	-	-	-	376,850	376,850
Deemed disposal of subsidiary	-	-	(162,172)	-	(497,378)	(659,550)
Net income for the period	-	-	-	11,769,916	(276)	11,769,640
<b>Balance, February 28, 2021</b>	<b>69,683,507</b>	<b>5,698,470</b>	<b>171,054</b>	<b>11,211,186</b>	<b>50,964</b>	<b>17,131,674</b>

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

**CREST RESOURCES INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)  
(Unaudited)

	Nine months ended February 28,	
	2021	2020
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 11,769,641	\$ (274,953)
Items not involving cash:		
Accrued interest	(25)	-
Share-based payments	98,819	1,961
Gain on disposals of mineral properties	(5,962,980)	(51,900)
Realized gain on disposals of marketable securities	(240,863)	(132,776)
Unrealized (gain) loss on marketable securities	(1,463,820)	33,129
Share of loss from associates	97,449	103,936
Gain on deemed disposal of subsidiary	(1,461,645)	-
Gain on disposal of investment in associate	(2,886,190)	-
Changes in non-cash working capital balances:		
Amounts receivable	(314,837)	(141,661)
Prepaid expenses and advance	126,009	(5,000)
GST recoverable	10,613	-
Deferred revenue	12,500	-
Accounts payable and accrued liabilities	447,963	140,711
Notes payable	-	4,323
<b>Cash provided (used in) operating activities</b>	<b>232,634</b>	<b>(322,230)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of term deposit	-	(250,000)
Notes receivable	(78,592)	(72,265)
Exploration and evaluation assets	477,541	(115,708)
Proceeds from sales of mineral properties	601,000	-
Purchase of marketable securities	(2,133,849)	(730,000)
Proceeds from sales of marketable securities	589,143	-
Investment in associates	(438,710)	-
<b>Cash used in investing activities</b>	<b>(983,467)</b>	<b>(1,167,973)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	911,351	1,242,625
Share issuance costs	-	(10,541)
Cash disposed upon deemed disposal of subsidiary	(253,320)	-
Loans payable	89,675	103,344
<b>Cash provided by financing activities</b>	<b>747,706</b>	<b>1,335,428</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(3,127)</b>	<b>(154,775)</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>26,551</b>	<b>162,686</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 23,424</b>	<b>\$ 7,911</b>

**SUPPLEMENT CASH FLOW INFORMATION (Note 18)**

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

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**CREST RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**  
(Expressed in Canadian dollars) (Unaudited)

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Crest Resources Inc. (the “Company”) was incorporated on November 23, 2017 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 1100 – 595 Howe Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets in Canada, Australia and Peru and the investment in mineral exploration and mining technology companies. As at February 28, 2021, the Company had not yet determined whether the Company’s mineral property assets contain 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.

The Company has net income of \$11,769,641 for the nine months ended February 28, 2021, and, as of February 28, 2021, the Company had retained earnings of \$11,211,186. However, the net income is derived primarily from the noncash transactions of the Company. 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. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company’s ability to raise new capital. These factors indicate a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

These condensed consolidated 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 condensed consolidated interim financial statements.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These condensed consolidated interim financial statements for the nine-month period ended February 28, 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2020 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company’s 2020 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from June 1, 2020. Note 2d) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 29, 2021.

The preparation of condensed consolidated interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

**CREST RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

a) Basis of consolidation

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following:

- (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) the ability to use its power over the investee to affect its returns.

The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company transactions, balances, income and expenses are eliminated on consolidation. The following is a list of the Company's operating subsidiaries:

Name of Entity	Jurisdiction of incorporation	Ownership interest as at February 28, 2021
Crest GP Canada Inc.	British Columbia, Canada	100%
Crest Project Development Corp.	British Columbia, Canada	100%
Crest SPV Limited Partnership	British Columbia, Canada	100%
1251797 B.C. Ltd	British Columbia, Canada	66.7%
AusVan Battery Metals Pty Ltd	Australia	60%
Carbon Foundry Corp.	British Columbia, Canada	50%
Chala Cobre y Oro S.R.L.	Peru	78.5%

b) Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distributions of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

c) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the functional currency of the Company, 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 condensed consolidated interim statement of financial position date are recognized in the condensed consolidated interim statement of comprehensive loss.



**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

d) New Accounting Standards, Interpretations and Amendments to Existing Standards

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after June 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these condensed consolidated interim financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2020 annual financial statements.

**4. MARKETABLE SECURITIES**

The Company holds common shares and warrants in various public companies. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price as at February 28, 2021 and are therefore classified as Level 1 within the fair value hierarchy.

The warrants are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model using observable inputs and are therefore classified as Level 2 within the fair value hierarchy.

**CREST RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**  
(Expressed in Canadian dollars) (Unaudited)

**4. MARKETABLE SECURITIES (continued)**

Continuity for the periods ended February 28, 2021:

	Balance, May 31, 2020	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, February 28, 2021
	\$	\$	\$	\$	\$	\$
<b>Common shares – Level 1</b>						
International Prospect Ventures	168,000	-	(237,550)	69,580	-	-
Troubadour Resources Inc.	80,000	-	(69,285)	(10,715)	-	-
International Samuel Exploration Corp.	52,157	-	(41,525)	(10,632)	-	-
Spey Resources Corp.	-	75,925	(84,398)	8,473	-	-
Cleghorn Minerals Ltd. (a) (b)	175,000	-	(53,183)	14,016	104,167	240,000
Clarity Gold Corporation	-	228,016	(111,960)	18,071	19,873	154,000
Ecomine Technology Inc.	-	571,883	-	-	11,450	583,333
Essex Minerals Inc.	250,000	307,205	(494,623)	119,259	298,159	480,000
Gold Mtn Mining	-	1,000	(757)	257	6,500	7,000
Opawica Explorations Inc.	-	693,125	(106,340)	32,554	320,661	940,000
Rain City Resources Inc.	-	66,084	-	-	261,916	328,000
Origen Resources Inc.	-	940,000	-	-	41,500	981,500
Core Asset Management Corp.	-	40	-	-	-	40
Viewpoint Gold Pty Ltd	-	350,677	-	-	-	350,677
OCP Holdings Ltd	-	2,144,419	-	-	-	2,144,419
EResources Technologies I LLC	-	360,000	-	-	-	360,000
Westminster Resources Ltd	-	31,500	-	-	26,775	58,275
	725,157	5,769,874	(1,199,651)	240,863	1,091,001	6,627,244
<b>Warrants – Level 2 Add</b>						
Cleghorn Minerals Ltd. (a) (b)	58,206	-	-	-	85,767	143,973
Volatus Capital Corp. (c)	50,968	-	-	-	181,685	232,653
Troubadour Resources Inc. (d)	-	-	-	-	19,418	19,418
Origen Resources Inc. €	-	-	-	-	43,510	43,510
Opawica Explorations Inc.(f)	-	300,000	-	-	42,438	342,438
	109,174	300,000	-	-	372,818	781,992
<b>Total</b>	<b>834,331</b>	<b>6,069,874</b>	<b>(1,199,651)</b>	<b>240,863</b>	<b>1,463,819</b>	<b>7,409,236</b>

**CREST RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**  
(Expressed in Canadian dollars) (Unaudited)

**4. MARKETABLE SECURITIES (continued)**

- (a) The Company purchased 1,000,000 units of Cleghorn Minerals Ltd. (“Cleghorn”) at a price of \$0.05 per unit for an aggregate price of \$50,000. Each unit consists of one common share of Cleghorn and one non-transferable share purchase warrant exercisable at \$0.10 per share for a period of 36 months. The fair value of the warrants was determined using the Black – Scholes option pricing model based on the following assumptions:

	Initial Measurement	February 28, 2021
Share price	\$0.06	\$0.09
Risk free interest rate	1.25%	0.24%
Expected life	3 years	2.08 years
Expected volatility	110.43%	79.00%
Expected dividend	Nil	Nil

As at February 28, 2021, the warrants were remeasured at a fair value of \$68,748 (May 31, 2020 - \$34,927).

- (b) On March 7, 2020, the Company entered into a mineral claim purchase agreement with Cleghorn to sell a 100% undivided interest in the Cleghorn Property (Note 9) in consideration of 1,500,000 units. Each unit comprises one common share and one-half of common share purchase warrant of Cleghorn. Each common share purchase warrant entitles the holder to acquire one common share of Cleghorn at a price of \$0.10 per common share for a period of 24 months. The fair value of the common shares was evaluated at \$60,000. The fair value of the warrants was evaluated at \$7,524 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.04
Risk free interest rate	0.44%
Expected life	2 years
Expected volatility	90.16%
Expected dividend	Nil

This transaction was completed on April 8, 2020 and a gain on sale of mineral properties of \$60,384 was recorded.

As at February 28, 2021, the fair value of the warrants was evaluated at \$75,226 (May 31, 2020 - \$23,279) using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.09
Risk free interest rate	0.24%
Expected life	1.08 years
Expected volatility	79.00%
Expected dividend	Nil

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(Expressed in Canadian dollars) (Unaudited)

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**4. MARKETABLE SECURITIES (continued)**

- (c) Pursuant to an agreement dated January 31, 2020, the Company sold its 100% interest in Split Dome copper property (Note 9) to Volatus Capital Corp. (“Volatus”) for consideration of 3,000,000 common shares of Volatus and 1,500,000 common share purchase warrants exercisable at a price of \$0.10 per share for a period of 36 months. The fair value of the common shares was evaluated at \$270,000. The fair value of the warrants was evaluated at \$93,443 using the Black – Scholes option pricing model based on the following assumptions:

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Share price	\$0.09
Risk free interest rate	1.44%
Expected life	3 years
Expected volatility	120%
Expected dividend	Nil

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This transaction was completed on February 5, 2020 and a gain on sale of mineral properties of \$145,343 was recorded. As at February 28, 2021, the fair value of the warrants was evaluated at \$232,653 using the Black – Scholes option pricing model based on the following assumptions:

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Share price	\$0.09
Risk free interest rate	0.24%
Expected life	1.92 years
Expected volatility	60%
Expected dividend	Nil

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- (d) On October 7, 2019, the Company has entered into a share subscription agreement to subscribed 2,000,000 Troubadour Resources Inc. shares at \$0.05. Each unit is comprised of one warrant share of the company. Each full warrant will entitle the company to purchase one additional share at a price of \$0.10 for a period of 24 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$19,418 using the Black – Scholes option pricing model based on the following assumptions:

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Share price	\$0.10
Risk free interest rate	0.24%
Expected life	1.01 years
Expected volatility	24%
Expected dividend	Nil

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**4. MARKETABLE SECURITIES (continued)**

- (e) On January 12, 2021, the Company has entered into a share subscription agreement to subscribed 4,200,000 Origen Resources Inc. shares at \$0.23. The company will entitle to purchase 416,666 additional shares at a price of \$0.20 for a period of 12 months from the date of the issue of the warrants. The fair value of the warrants was evaluated at \$43,510 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.23
Risk free interest rate	0.26%
Expected life	0.87 years
Expected volatility	32%
Expected dividend	Nil

- (f) Pursuant to an agreement dated February 11, 2021, the Company sold its 100% interest in Lil D'Espoir Lake property, Chapel Island Property and Richard Copper Property to Opawica Explorations Inc. ("Opawica) for consideration of 2,000,000 common shares of Opawica and 1,000,000 common share purchase warrants exercisable at a price of \$0.31 per share for a period of 24 months. The fair value of the common shares was evaluated at \$600,000.

This transaction was completed on February 11, 2021 and a gain on sale of mineral properties of \$861,265 was recorded. As at February 28, 2021, the fair value of the warrants was evaluated at \$342,438 using the Black – Scholes option pricing model based on the following assumptions:

Share price	\$0.30
Risk free interest rate	0.24%
Expected life	1.90 years
Expected volatility	28%
Expected dividend	Nil

**5. PREPAID EXPENSES AND ADVANCE**

	February 28, 2021	May 31, 2020
	\$	\$
Investment subscription (a)	-	126,800
Others	4,000	3,209
	4,000	130,009

- (a) On October 29, 2019, the Company entered into an investment agreement with EcoMine Technologies Corporation ("EcoMine") to acquire or help place an aggregate 4,000,000 common shares at a price of \$0.25 per share for a total investment of \$1,000,000. The shares will be acquired or placed by way of private placement in four tranches. As at May 31, 2020, the Company advanced \$126,800 to EcoMine for common shares subscriptions.

During the nine-month period ended February 28, 2021, the Company received 1,000,000 common shares of EcoMine and helped place an additional 1,000,000 common shares for EcoMine.

**CREST RESOURCES INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED FEBRUARY 28, 2021 AND 2020**  
(Expressed in Canadian dollars) (Unaudited)

**6. LOANS AND NOTES RECEIVABLE**

	<b>Core Asset Management Corp.</b>	<b>Exploits Gold Corp.</b>	<b>Origenic Resources Inc.</b>	<b>Opawica Explorations Inc.</b>	<b>Total</b>
	\$	\$	\$	\$	\$
Balance, May 31, 2020	-	-	-	22,739	22,739
Addition	33,914	37,842	350,000	-	421,756
Accrued interest	-	-	5,236	1,599	6,835
Balance, February 28, 2021	33,914	37,842	355,236	24,338	451,330

During the nine months ended February 28, 2021, the Company advanced \$33,914 to Core Asset Management Corp. for working capital purposes. The amount is due on demand, unsecured and non-interest-bearing.

During the nine months ended February 28, 2021, the Company advanced \$37,842 to Exploit Gold Corp. for working capital purposes. The amount is due on demand, unsecured and non-interest-bearing.

Pursuant to a loan agreement dated October 1, 2019, and as amended on January 14, 2020, between the Company as lender and Opawica Explorations Inc. ("OPW") as borrower, the Company agreed to lend up to \$30,000 (the "Loan") to OPW on terms that the Loan plus accrued interest at 10.0% per annum shall be payable on demand. During the nine months ended February 28, 2021, the Company accrued interest income of \$1,599.

On September 1, 2020, the Company completed the sale of 1,000,000 common shares of Exploits Gold Corp. ("Exploits Gold") to Origenic Resources Inc. ("Origenic") for consideration in a promissory note of \$350,000 bearing an interest at a rate of 6% per annum and payable on demand (Note 10). The shares are pledged as collateral for the promissory note. The Company accrued interest income of \$5,236 for the nine months ended February 28, 2021.

**7. ASSIGNMENT OF DEBT**

On September 16, 2019, pursuant to a Debt Assignment Agreement with WMR, the Company assumed \$473,748 in liabilities payable to certain creditors and in consideration for the assumption the Company issued a note receivable of the same amount. One of the creditors is a director of the Company who is owed \$123,000 and he is also a director of another creditor who is owed \$196,748. The Company issued promissory notes to evidence the assignment of liabilities, payable at face value in cash or in kind on or before three years, accrue interest at a rate of 2.0% per annum and a good faith payment of \$150 which is payable to each creditor on or around December 25 of each year the liability is outstanding.

During the current period, by a letter agreement dated August 11, 2020 (the "Termination Letter"), the parties agreed to terminate the Debt Assignment Agreement. Pursuant to the Termination Letter, the Company is released from all obligations in respect of the promissory notes and the creditors will look to WMR for repayment of the promissory notes. The Company has agreed to pay the annual interest of 2% on the promissory notes for 11 months. As a result of the Termination Letter, the Company offset the liabilities payable against the note receivable as at May 31, 2020.

As at February 28, 2021, the accrued interest owing on the assignment of debt was \$11,855 (2020 - \$Nil), which was included in accounts payable and accrued liabilities on the condensed consolidated interim statements of financial position.

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**8. INVESTMENT IN ASSOCIATES**

Volatus Capital Corp.

On September 25, 2019, the Company acquired 2,000,000 common shares of Volatus from a single arm's length vendor at a price of \$0.04 per share for total consideration of \$80,000. On October 7, 2019, the Company acquired another 1,600,000 common shares of Volatus from two arm's length vendors at a price of \$0.075 per share for total consideration of \$120,000. Immediately following the acquisition of the common shares, the Company owned a total of 3,600,000 common shares or approximately 25.9% of the issued and outstanding shares of Volatus.

On January 30, 2020 the Company obtained regulatory approval for the purchase of 900,000 common shares of Volatus held in escrow at a price of \$0.01 per common share for total consideration of \$9,000.

On February 5, 2020, the Company sold its 100% interest in Split Dome copper property (Note 9) to Volatus for consideration of 3,000,000 common shares of Volatus and 1,500,000 common share purchase warrants as described in Note 4 (c). On February 5, 2020, the Company acquired a further 500,000 common shares of Volatus through open market transactions at a price of \$0.08 per share for a total cost of \$40,420. Immediately following the acquisition of the shares, the Company owned and controlled a total of 8,000,000 common shares or approximately 47.3% of the issued and outstanding shares of Volatus.

Effective April 22, 2020, Volatus consolidated its common shares on a three old for one new basis.

On May 20, 2020, the Company participated in a non-brokered private placement indirectly through its wholly-owned subsidiary, Crest Project Development Corp., and purchased 2,000,000 common shares of Volatus at a price of \$0.075 per share for total cost of \$150,000.

On June 3, 2020, the Company purchased 500,000 common shares of Volatus at a price of \$0.15 per share for total cost of \$75,000, indirectly through its subsidiary Exploits Gold. This was deemed to be disposed when the Company lost control of Exploits Gold on July 7, 2020 (Note 10).

Volatus Capital Corp. (continued)

On June 5, 2020, the Company entered into a loan agreement to borrow \$150,000 from Volatus for the purpose of staking mineral claims in the province of Newfoundland and Labrador and other corporate purposes. The loan bears interest at 2% per month, is payable on demand after four months and is secured by the mineral claims to be staked. The loan has been settled on August 11, 2020. On August 18, 2020, the Company entered into another loan agreement with Volatus to borrow \$50,000 from Volatus for the purpose of staking mineral claims in Newfoundland and Quebec. The loan bears interest at 2% per month, is payable on demand after March 10, 2021 and as further consideration for extending the loan, Volatus will receive a 5% ownership interest in the property to be staked.

On June 3, 2020, the Company entered into a mineral property sale agreement with Volatus. Pursuant to the agreement, the Company sold 100% of its interests in the Lion's Den, Peak Gold Properties and its rights to acquire two additional mineral claims in Toodoggone region of British Columbia for total cash consideration of \$35,000 and 3,500,000 common shares of Volatus with a total fair value of \$1,050,000 (Note 9).

On June 19, 2020, the Company purchased an additional 799,000 common shares of Volatus at a price of \$0.35 for cash totaling \$282,369.

On November 6, 2020, the Company sold its 100% interest in the Lunar Frog property to Volatus for 1,500,000 common shares of Volatus with a total fair value of \$330,000 (Note 9).

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**8. INVESTMENT IN ASSOCIATES (continued)**

Volatus is a mineral resource company focused on the exploration and development of mineral property assets. As at February 28, 2021, the Company had 25% of equity interest in Volatus. Management has determined that the Company has significant influence over Volatus and accordingly is using the equity method to account for this investment.

The following table summarizes the change in investment in Volatus for the period ended February 28, 2021:

	\$
Balance, May 31, 2020	505,308
Consideration paid	357,369
Sale of mineral properties	1,380,000
Disposal	(75,000)
Equity loss on investment	(12,967)
Balance, February 28, 2021	<b>2,154,709</b>

Exploits Discovery Corp. ("Exploits Discovery") (formerly Mariner Resources Corp.)

On July 22, 2020, the Company sold its interests in Middle Ridge South Gold Property for cash consideration of \$204,000 and 1,530,000 common shares of Exploits Discovery with a fair value of \$260,100 (Note 9).

On July 27, 2020, the Company purchased 1,250,000 common shares of Exploits Discovery for a unit price of \$0.12 per share in cash.

On August 5, 2020, the Company sold interests in Middle Ridge and True Grit to Exploits Discovery for a consideration of 5,822,000 common shares of Exploits Discovery with a fair value of \$2,154,140 (Note 9).

On September 18, 2020, the Company sold 5,000,000 common shares of Exploits Gold in exchange for 5,000,000 common shares of Exploits Discovery with a fair value of \$3,000,000 (Note 10).

On October 19, 2020, the Company has sold a 40.3% interest in the Dog Bay gold property to four arm's-length parties for gross proceeds of \$112,000 and a 29.7% interest for 1,840,000 common shares of Exploits Discovery with a fair value of \$1,048,800 (Note 9).

Exploits Discovery is a mineral resource company focused on the exploration and development of mineral property assets. The CEO of the Company is one of the directors of Exploits Discovery. As at February 28, 2021, the Company had a 28.9% equity interest in Exploits Discovery. Management has determined that the Company has significant influence over Exploits Discovery and accordingly is using the equity method to account for this investment.

The following table summarizes the change in investment in Exploits Discovery for the period ended February 28, 2021:

	\$
Balance, May 31, 2020	-
Consideration paid	150,000
Sale of mineral properties	3,463,040
Sale of equity investment	3,000,000
Equity loss on investment	(38,292)
Balance, February 28, 2021	<b>6,574,748</b>



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**9. EXPLORATION AND EVALUATION ASSETS**

Newfoundland and Labrador, Canada									
	Chapel Island / Lil D'Espoir Lake	True Grit / Middle Ridge	Gazeebow North	Dog Bay	Enterprise	Jonathan's Pond	Mt. Peyton	Mt. Peyton Extension	Howell River
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, May 31, 2020	-	-	-	-	-	120,103	180,103	38,675	-
Acquisition	33,735	60,150	36,280	75,837	19,890	30,000	231,602	6,000	52,000
Sale of property	(33,735)	(60,150)	-	(75,837)	(19,890)	(150,103)	(411,705)	(44,675)	-
Balance, February 28, 2021	-	-	36,280	-	-	-	-	-	52,000
<b>Exploration expenditures</b>									
Balance, May 31, 2020	-	-	-	-	-	4,045	4,045	-	-
Sale of property	-	-	-	-	-	(4,045)	(4,045)	-	-
Balance, February 28, 2021	-	-	-	-	-	-	-	-	-
<b>Total acquisition costs and exploration expenditures</b>									
May 31, 2020	-	-	-	-	-	124,148	184,148	38,675	-
February 28, 2021	-	-	36,280	-	-	-	-	-	52,000

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**9. EXPLORATION AND EVALUATION ASSETS (continued)**

	British Colombia			Lunar Frog	Peru	Quebec		Australia	Total
	Atlan- Ruffner	Red Metal Ridge	Lion's Den		Chala Copper	Richard Copper	Stargold Properties	Allaru Project	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition costs</b>									
Balance, May 31, 2020	-	44,500	47,311	-	91,958	-	-	518,488	1,041,138
Acquisition	60,000	21,416	-	100,000	51,966	5,000	69,000	-	852,876
Sale of property	-	-	(47,311)	(100,000)	-	(5,000)	-	-	(948,406)
Balance, February 28, 2021	60,000	65,916	-	-	143,924	-	69,000	518,488	945,608
<b>Exploration expenditures</b>									
Balance, May 31, 2020	-	100,269	-	-	38,199	-	-	-	146,558
Addition	-	-	-	-	-	-	-	355,616	355,616
Sale of property	-	-	-	-	-	-	-	-	(8,090)
Balance, February 28, 2021	-	100,269	-	-	38,199	-	-	355,616	494,084
<b>Total acquisition costs and exploration expenditures</b>									
May 31, 2020	-	144,769	47,311	-	130,157	-	-	518,488	1,187,696
February 28, 2021	60,000	166,185	-	-	182,123	-	69,000	874,104	1,439,692

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

**a) Red Metal Ridge Property (Sayward, British Columbia)**

Pursuant to an option agreement (the "Agreement") dated January 5, 2018, and as amended on October 30, 2019 and November 28, 2019 for a total fee of \$10,000, the Company was granted an option to acquire a 100% undivided interest in two stages in the Red Metal Ridge property ("Red Metal") located near Sayward in British Columbia.

Under the Agreement and its subsequent amendments, the Company has the option to acquire an initial 51% undivided interest (earned) in Red Metal by paying \$5,000 (paid) in cash upon execution of the Agreement.

The Optionors will retain a 3% Net Smelter Returns royalty on Red Metal. 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.

Second option refused on November 27, 2020. The underlying vendor has the right to repurchase the 51% interest for \$5,000

**b) Chala Copper Property (Chala, Peru)**

Pursuant to a staking syndicate agreement dated November 26, 2019, the Company acquired ownership of a 68.5% interest in four mineral claims known as the Chala Copper Project located east of Chala, Peru for consideration of funding an exploration program with a value of USD \$50,000. The claims were acquired through a staking syndicate that includes the Company's President, CEO and director, who held 18% interest in the claims. The Company has expended \$21,958 in staking costs on the claims.

Pursuant to an agreement dated March 12, 2020, the Company acquired an additional 5% interest in the Chala Copper Project from the CEO of the Company, for consideration of 1,000,000 common shares of the Company (issued on May 25, 2020 with a fair value of \$70,500). The Company's total interest in the property is 73.5%.

The Company entered into an option agreement on the Sauco I and Sauco II claims in the Department of La Libertad Peru on September 20, 2020 with a payment of USD \$6,600. The option agreement envisions payments of USD \$450,000 over 3 years with a 2% royalty that can be bought for USD \$ 2,000,000. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID-19 crisis.

The Company Entered into an agreement on Sausal Cooper claim in the Department of La Libertad Peru on September 20, 2020 with a payment of USD\$4,800. The option agreement envisions payments of USD \$1,000,000 over 3 years with a 2% royalty that can be bought for USD \$ 2,000,000. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID 19 crisis.

The Company entered into a due diligence agreement on Surupampa III 2009 claim in the Department of La Libertad Peru on September 19, 2020 with a payment of USD \$4,800. The option agreement envisions payments of USD \$1,000,000 over 3 years with a 2%. Close of the due diligence period is 4 months after the secession of travel restrictions on international and local travel in relation to the COVID 19 crisis.

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

**c) Howell's River (Newfoundland and Labrador)**

Pursuant to a staking agreement dated August 24, 2020, the Company engaged three consultants including the Vice President of Business Development of the Company to stake mineral claims in Newfoundland and Labrador by which ownership is held 80% by the Company, 5% by the Vice President, 10% by the other consultants and 5% by Volatus as a fee for extending a loan to the Company to stake the claims.

**d) Gazeebow North (Newfoundland and Labrador)**

Pursuant to a staking agreement dated July 7, 2020, the Company engaged two consultants including the Vice President of Business Development of the Company to stake mineral claims in Newfoundland and Labrador by which ownership is held 90% by the Company, 5% by the Vice President and 5% by the other consultant.

**e) Enterprise (Newfoundland and Labrador)**

The Company has staked 308 mineral claims in Newfoundland and Labrador known as the Enterprise property.

The Enterprise Property was optioned to Opawica Resources Inc. on October 26, 2020. Opawica may earn an initial 80-per-cent interest in the property by paying an aggregate of \$1.45-million cash and incurring \$5-million in work expenditures over a four-year period as follows: (i) \$250,000 cash due upon signing the agreement, (paid);

Second anniversary: \$450,000 cash payment and \$1-million in exploration expenditures.

Third anniversary: \$250,000 cash payment and \$2-million in exploration expenditures.

Fourth anniversary: \$500,000 cash payment and \$2-million in exploration expenditures.

Upon completing the above payments and expenditures, Opawica shall be deemed to have exercised the option and shall be entitled to an undivided 80% right, title and interest in and to the property, subject to the 2.5-per-cent NSR retained by the Company. Subsequent to the exercise date, Opawica may earn an additional 20-per-cent interest in the property by paying market price in cash or in kind based on an independent valuation of the property.

**f) Allaru Project (formerly known as Arizona Project) (Queensland, Australia)**

On March 9, 2020, the Company entered into an assignment agreement with Aeternum Holdings Ltd. ("Aholdings"), a related party by reason of a former common director. Aholdings was assigned a non-binding term sheet with Vecco Industrial Pty Ltd ("Vecco"), the owner of Arizona Queensland Vanadium Shale Project (the "Allaru" Project) to acquire to Allaru Project. Pursuant to the assignment agreement, Aholdings assigned and transferred to the Company all of its rights, title and interest in the term sheet and the Allaru Project to the Company for consideration of \$450,000, which is included in accounts payable and accrued liabilities as at February 28, 2021. The Allaru Project is a resource stage Vanadium and High Purity Alumina ("HPA") deposit located in central Queensland, Australia.

**9. EXPLORATION AND EVALUATION ASSETS (continued)****f) Allaru Project (formerly known as Arizona Project) (Queensland, Australia) (continued)**

On April 20, 2020, AusVan Battery Metals Pty Ltd ("AusVan"), the Company's Australian subsidiary, entered into a sales and purchase agreement with Vecco to acquire a 100% interest in the Allaru Project for the following consideration: (i) \$37,091 (AUD \$32,000) as reimbursement for EMP rents; (ii) \$50,000 cash within 45 days after the Completion Date (10 business days after the final condition precedent has been satisfied or waived, or such other date as agreed to in writing by the parties); (iii) \$100,000 cash by the earlier of the date AusVan is publicly listed on a Relevant Stock Exchange and October 20, 2020; (iv) \$350,000 within 10 business days of completing certain milestones to be achieved within 18 months of the Completion Date; and (v) share consideration equal to 40% of AusVan's issued capital on a fully diluted basis. In addition, AusVan must meet a minimum project expenditure of: (i) \$75,000 within 8 months of the Completion Date (incurred \$31,397); (ii) \$500,000 during the period commencing on the Completion Date and ending on the day that is 12 months after the Completion Date; and (iii) another \$500,000 during the following 12 months.

**g) Atlin-Ruffner (British Columbia)**

The Atlin Ruffner mine, composed primarily of the Ruffner and Big Canyon claim groups, is located on Crater Creek which drains west into the Fourth of July Creek. The mine is about 23 kilometres northeast of Atlin. The occurrence has been an intermittent producer from 1916 to 1981, being operated by numerous companies.

The occurrence lies completely within the Middle Jurassic Fourth of July Creek batholith which covers about 780 square kilometres northeast of Atlin. It is composed of both monzonitic and quartz dioritic phases and in the area of the Atlin Ruffner mine is composed of feldspar porphyritic quartz syenite to granite. The batholith has intruded into Carboniferous-Jurassic Cache Creek Complex rocks.

The dikes usually host the mineralization, and clearly predate the mineralization, as in many cases brecciated dike rock fragments are found in the quartz-carbonate-sulphide assemblages that constitute the ore. Mineralization includes varying amounts of sphalerite, galena, arsenopyrite, pyrite, pyrrhotite, chalcopyrite, pyrargyrite (with trace amounts of tetrahedrite, molybdenite, scheelite, and cassiterite) in a quartz-calcite gangue. Across the mineralized veins/shears which typically are 1 to 2 metres in width, there is a crude segregation of sulphide mineralogy, from sphalerite-rich hangingwall, through a galena-rich core, to an arsenopyrite-rich footwall. High grade silver values are commonly associated with galena-rich zones, and gold values with arsenopyrite-rich zones. Four major vein/shear systems have been identified to date, with underground development and production having taken place on two of them.

Historic and unclassified reserves from the two zones from which underground development and production has taken place are 113,638 tonnes grading 600 grams per tonne silver and 5.0 per cent lead\* (BC Minfile: Assessment Report 18646).

The reserves noted here are historic in nature and the company has not done sufficient work to verify that an NI 43-101 resource exists on the property. This historic reserve should not be relied upon.

**9. EXPLORATION AND EVALUATION ASSETS (continued)**

**h) Richard Copper (Quebec)**

On December 1, 2020, the Company has entered into an agreement to purchase 100% interest in four claims known as the Richard Copper project, subject to an existing 1% net smelter return royalty, located in Quebec from Urbangold Minerals Inc. ("Urbangold") in consideration for 50,000 common shares of Crest, which shares are subject to a statutory four month hold period from the date of issue.

The Richard Copper project is located 35 km north of Rouyn Noranda and consists of four claims bisected by the Lynhurst Fault and Deformation zone. The host rock is a brecciated/porphyritic rhyolite and holds potential VMS base metal, (copper and gold) mineralization. Historical work has been conducted on the Richard Copper project from 1947 to 1992, which will be compiled and digitised prior to the 2021 field season.

The Richard Copper Project was sold on February 12, 2021.

**i) Stargold Properties (Quebec)**

On February 2, 2021, the Company has entered into an Option Agreement with UrbanGold Minerals Inc. (UrbanGold") to acquire certain mining claims located in NTS 32B05 and 32B12, approximately 160 kilometres northeast of the Town of Val d'Or, in the Province of Quebec (the "Claims").

Pursuant to the terms of the Option Agreement, Crest shall have the right until the third anniversary of the Option Agreement to acquire 100% of UrbanGold's interest in the Claims by:

- (a) making a total cash payment of \$25,000 to UrbanGold on the Closing Date (as defined in the Option Agreement);
- (b) issuing common shares in the capital stock of the Company (the "Option Shares") as follows:
  - (i) 400,000 Option Shares to UrbanGold on the Closing Date;
  - (ii) 400,000 Option Shares to UrbanGold within one year of the Closing Date;
  - (iii) 400,000 Option Shares to UrbanGold within two years of the Closing Date;
  - (iv) 1,250,000 Option Shares to UrbanGold within three years of the Closing Date.

**j) Stargold Properties (Quebec) (continued)**

A portion of the claims is subject to a 1% royalty. Upon completion of the Option, UrbanGold will transfer a 100% stake in the Claims to Crest. At that time, Crest will grant a royalty to Urbangold equal to 1% of the net smelter returns on the Claims that are not subject to the existing royalty.

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**10. DEEMED DISPOSAL OF SUBSIDIARY**

On July 7, 2020, Exploits Gold, previously 58% owned by the Company, completed a private placement and issued 2,098,002 common shares at a price of \$0.15 per share and 310,750 flow-through shares at a price of \$0.20 per share, for total cash proceeds of \$376,850. As a result, the equity interest the Company held in Exploits Gold was reduced to 49.83% and it was determined that the Company had lost control over Exploits Gold but had retained significant influence. In accordance with IFRS 10 *Consolidated Financial Statements*, the investment in Exploits Gold was deemed to have been disposed of on July 7, 2020, and the retained interest was revalued at its fair value of \$1,350,000 and this fair value was deemed to be the cost on the initial recognition of the investment as an associate. On the deemed disposal date, the net assets of \$531,895 (including cash of \$253,320), reserve of \$162,172 and non-controlling interest of \$481,369 were derecognized, resulting in a gain on deemed disposal of subsidiary of \$1,461,645 for the nine months ended February 28, 2021.

On September 1, 2020, the Company sold 1,000,000 common shares of Exploits Gold to Origenic in exchange for \$350,000 promissory note (Note 6). On September 18, 2020, the Company sold 3,000,000 common shares of Exploits Gold to Origenic in exchange for 4,200,000 common shares of Origenic with a fair value of \$840,000 (Note 4).

On September 18, 2020, the Company sold 5,000,000 common shares of Exploits Gold to Exploits Discovery in exchange for 5,000,000 common shares of Exploits Discovery with a fair value of \$3,000,000 (Note 8).

During the nine months ended February 28, 2020, the Company recognized a gain on disposal of investment in associate of \$2,886,190 for the 9,000,000 common shares of Exploits Gold that were held by the Company and a share of loss from associate of \$46,190.

**11. LOANS PAYABLE**

On November 20, 2019, the Company entered into a loan agreement to borrow \$100,000 from Volatus. The principal amount of the loan plus accrued interest at 12% per annum is payable on demand after November 20, 2020. The Company has pledged its short-term investments in the value of \$112,000 as collateral against repayment of the loan and accrued interest. The principal and interest amount of \$108,525 were fully repaid in August 2020.

On June 5, 2020, the Company entered into a loan agreement to borrow \$150,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after October 5, 2020. The loan was used to stake certain mineral claims in Newfoundland and is secured by the claims. The principal amount of \$141,475 was repaid in August 2020. As at February 28, 2020, the principal balance owing on the loan was \$8,525 (2020- \$Nil) and accrued interest payable was \$9,511 (2020 - \$Nil).

On June 23, 2020, the Company entered into a loan agreement to borrow \$100,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after November 20, 2020. The loan was used to stake certain mineral claims in Newfoundland and as a fee for providing the loan, Volatus will receive a 5% interest in the True Grit and Middle Ridge claims. As at February 28, 2021, the principal balance owing on the loan was \$100,000 (2020- \$Nil) and accrued interest payable was \$16,933 (2020 - \$Nil).

On August 18, 2020, the Company entered into a loan agreement to borrow \$50,000 from Volatus. The principal amount of the loan plus accrued interest at 2% per month is payable on demand after February 18, 2021. The loan was used to stake certain mineral claims in Newfoundland and Quebec and as a fee for providing the loan, Volatus will receive a 5% interest in the Howells River claims. As at February 28, 2021, the principal balance owing on the loan was \$50,000 (2020- \$Nil) and accrued interest payable was \$6,467 (2020 - \$Nil).

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## **12. CEBA LOAN**

On April 23, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of \$40,000. The CEBA is a government guaranteed loan of up to \$40,000 that is interest-free until December 31, 2022. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount (\$10,000) is eligible for forgiveness contingent on the business repaying \$30,000 on or before December 31, 2022. If the business cannot pay back the loan by December 31, 2022, it can be converted into a 3-year term loan at an interest rate of 5%. As at February 28, 2021, the principal balance owing on the loan was \$40,000 (May 31, 2020 - \$40,000).

## **13. SHARE CAPITAL**

### **a) Authorized**

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

### **b) Escrow shares**

On July 30, 2018, the Company entered into an escrow agreement, whereby 2,500,000 common shares will be held in escrow and are scheduled for release in accordance with the terms of the escrow agreement. Pursuant to the escrow agreement, the shares will be released as follows: 10% on the Listing Date (October 22, 2018), and 15% will be released in 6, 12, 18, 24, 30 and 36 months thereafter.

As at February 28, 2021, there were 750,000 escrow shares outstanding.

### **c) Issued and Outstanding as at February 28, 2021: 69,683,507 common shares.**

The Company had the following share capital transactions during the nine-month period ended February 28, 2021:

- (i) On July 16, 2020, the Company issued 1,000,000 common shares for consideration of the acquisition of a 100% interest, subject to a 1% net smelter returns royalty, in the Lunar Frog gold property located approximately 170 kilometres east-southeast of Dease Lake in the Toodoggone district of northern British Columbia. The shares issued are restricted from trading until November 17, 2020 (Note 9).
- (ii) On July 28, 2020, the Company completed a non-brokered private placement (the "Offering") to raise gross proceeds of \$689,500 through the sale of 6,895,000 common shares priced at \$0.10 per common share. The shares issued were restricted from trading until November 29, 2020.
- (iii) During the nine months ended February 28, 2021, the Company issued 665,500 warrants at exercise prices of \$0.10 and \$0.075, respectively for a total consideration of \$67,076.



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**13. SHARE CAPITAL (continued)**

- (iv) On July 25, 2019, the Company completed the first tranche of a non-brokered private placement and issued 10,400,000 units at a price of \$0.06 per unit (the "Units") for gross proceeds of \$660,000. On July 31, 2019, the Company completed the final tranche of the non-brokered private placement and issued 600,000 Units at a price of \$0.06 per Unit for gross proceeds of \$36,000. Each Unit consists of one common share and one common share purchase warrant exercisable into one further common share at a price of \$0.075 for a period of five years from the date of issuance. The securities issued were restricted from trading until November 26, 2019. There was no value allocated to the warrants under the residual method.
- (v) On August 19, 2019, the Company completed the first tranche of a non-brokered private placement and issued 2,200,000 common shares at a price of \$0.075 per common share for gross proceeds of \$165,000. The securities issued were restricted from trading until December 20, 2019. On September 10, 2019, the Company completed the second tranche of the non-brokered private placement and issued 2,700,000 common shares at a price of \$0.075 per common share for gross proceeds of \$202,500. The securities issued were restricted from trading until January 11, 2020. On September 23, 2019, the Company completed the third tranche of the non-brokered private placement and issued 2,250,000 common shares at a price of \$0.075 per common share for gross proceeds of \$168,750. The securities issued were restricted from trading until January 24, 2020. On November 1, 2019, the Company completed the fourth tranche of the non-brokered private placement and issued 618,333 common shares at a price of \$0.075 per common share for gross proceeds of \$46,375. The securities issued were restricted from trading until March 2, 2020. A director of the Company purchased 1,250,000 shares.
- (vi) On September 12, 2019, the Company issued 1,500,000 common shares with a fair value of \$0.115 per common share for a total of \$172,500 as partial consideration to acquire 75% interest in Split Dome as disclosed in Note 9. The securities issued were restricted from trading until January 13, 2020. Two directors of the Company each received 500,000 shares.
- (vii) On December 15, 2020, the Company has acquired a total of 10,566,667 common shares (36%) of the issued and outstanding share capital of OCP Holdings Ltd. (formerly Ore Capital Partners Ltd.), a private investment holding company from each of 1247814 B.C. Ltd., Garry Stock, and Jason Cubitt Holdings Inc., for consideration of 18,647,123 common shares of the Company at a deemed price of \$0.115 per share.
- (viii) On December 8, 2020, the Company has acquired a total of 1,333,333 common shares (6.4%) of the issued and outstanding share capital of Ecomine Technologies Corp. ("Ecomine"), a private mining technology company, from each of Michael Collins and Aeternum Asset Advisors Inc. ("AAA"), for consideration of 2,898,550 common shares of the Company at a deemed price of \$0.115 per share.
- (ix) On December 1, 2020, the Company has entered into an agreement to purchase 100% interest in four claims known as the Richard Copper project, in consideration for 50,000 common shares of Crest. (Note 9)
- (x) On January 22, 2021, the Company has entered into a Share Purchase and Sale Agreement to acquire all of the issued and outstanding shares of EResource Technologies I, LLC, a Silicon Valley based company in consideration for 4,000,000 common shares of the Company at a deemed price of \$0.09 per share.
- (xi) On February 1, 2021, the Company has entered into an Option agreement with UrbanGold Minerals Inc to acquire certain mining claims located in NTS 32B05 and 32B12, approximately 160 kilometres northeast of the Town of Val d'Or, in the Province of Quebec. (Note 9)

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**d) Stock Options**

The Company has a Stock Option Plan (the “Plan”) for directors, officers, employees and consultants of the Company. Options are exercisable for periods of up to ten years, as determined by the Board of Directors of the Company, to purchase common shares of the Company at a price not less than the discounted market price on the date of the grant. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis.

A summary of the Company’s stock options at February 28, 2021 and February 28, 2020 and the changes for the periods then ended is presented below:

	<b>February 28, 2021</b>		<b>February 28, 2020</b>	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	300,000	\$0.10	525,000	-
Granted	2,975,000	\$0.10	-	\$0.10
Cancelled	-	\$0.10	(225,000)	-
Ending balance	3,275,000	\$0.10	300,000	\$0.10

The Company had the following stock option transactions during the period ended February 28, 2021:

- I. On June 1, 2020, the Company granted 2,975,000 stock options to certain directors, officers, employees and consultants of the Company that are exercisable at a price of \$0.065 per common share until June 1, 2025.

The Company had the following stock option transactions during the nine months ended February 28, 2021:

- I. On June 1, 2019, 75,000 options exercisable at \$0.10 per share were cancelled; on July 4, 2019, 75,000 options exercisable at \$0.10 per share were cancelled; and on April 30, 2020, 75,000 options exercisable at \$0.10 per share were cancelled.

The weighted average fair value at grant date of 2,975,000 options granted during the period ended February 28, 2021 was \$0.0332 per option. The fair value of the stock options was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	\$0.10
Risk free interest rate	0.39%
Expected life	4.83 years
Expected volatility	76%
Expected forfeiture rate	Nil
Expected dividends	Nil

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**13. SHARE CAPITAL (continued)**

**d) Stock Options (continued)**

Details of stock options outstanding and exercisable as at February 28, 2021 are as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Outstanding</b>	<b>Exercisable</b>
July 13, 2023	\$0.10	200,000	200,000
April 4, 2023	\$0.12	100,000	50,000
June 1, 2025	\$0.065	2,975,000	193,375
		<b>3,275,000</b>	<b>443,375</b>

The weighted average remaining contractual life of stock options outstanding at February 28, 2021 was 2.79 years (February 28, 2020: 3.15 years).

During the nine-month period ended February 28, 2021, the Company recognized \$98,819 (2020 - \$1,961) in share-based compensation expense related to these stock options.

**e) Warrants**

A summary of the Company's share purchase warrants at February 28, 2021 and the changes for the period then ended is presented below:

	<b>Warrants</b>	
	<b>Number</b>	<b>Weighted Average Exercise Price (\$)</b>
Outstanding, May 31, 2020	11,385,900	0.100
Issued	1,281,000	0.075
Exercised	(665,500)	0.088
Expired	(145,400)	0.100
Outstanding, February 28, 2021	10,625,000	0.075

As at February 28, 2021, the Company had outstanding and exercisable warrants as follows:

<b>Expiry Date</b>	<b>Number of Shares</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Period</b>
July 25, 2024	10,025,000	\$ 0.075	3.65 years
July 31, 2024	600,000	\$ 0.075	3.67 years
	<b>10,625,000</b>	<b>\$ 0.075</b>	<b>3.66 years</b>

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**14. RELATED PARTY TRANSACTIONS AND BALANCE**

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 Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer (“CEO”) and chief financial officer (“CFO”) of the Company. Key management personnel compensation is comprised of the following:

	<b>Period ended February 28, 2021</b>	<b>Period ended February 28, 2020</b>
	\$	\$
Salaries and benefits	16,043	37,962
Management fees	242,147	92,500
Professional fee	25,000	-
Share-based payments	98,819	1,961
	<b>382,009</b>	<b>132,423</b>

The Company has entered into an Executive Management Agreement with the CEO of the Company effective May 15, 2020 for a five-year term. As compensation for the services to be provided, the CEO will receive a monthly fee of \$8,500. During the nine months ended February 28, 2021, the Company incurred \$75,000 (2020 - \$48,300) in management fees to the CEO. As at February 28, 2020, accounts payable and accrued liabilities include amounts due to the CEO of \$31,650 (2020 - \$39,137), which are due on demand, unsecured and non-interest bearing.

The Company has entered into a Consulting Agreement with a company controlled by the CFO of the Company. As compensation for the services provided, the company controlled by the CFO will receive a monthly fee of \$2,500. During the nine months ended February 28, 2021, the Company incurred \$22,500 (2020 – \$22,500) in fees to the company controlled by the CFO. During the nine-month period ended February 28, 2021, the Company granted 100,000 options to the company controlled by the CFO exercisable at a price of \$0.12 per share until April 4, 2023, with a fair value of \$981 and vesting over a period of four years as to 25% per year. As at February 28, 2021, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of \$13,125 (2020 - \$2,653), which are due on demand, unsecured and non-interest bearing.

**14. RELATED PARTY TRANSACTIONS AND BALANCE (continued)**

The Company has entered into a Consulting Agreement with the CFO of the Company. As compensation for the services provided, the CFO will receive a monthly fee of \$1,000. During the nine-month period ended February 28, 2021, the Company incurred \$9,000 (2020 - \$Nil) in fees to the CFO. As at February 28, 2021, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of \$5,250 (2020 - \$Nil), which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Officer and Consulting Agreement with the Vice President, Business Development ("VP") of the Company effective January 16, 2020 for a term to end on May 15, 2020 and subsequently extended to continue on a monthly basis. As compensation for the services to be provided, the VP will receive a monthly fee of \$8,000 plus applicable taxes, of which \$5,000 is payable in cash and \$3,000 is accrued and applied towards the purchase of equity securities of the Company. During the nine-month period ended February 28, 2021, the Company incurred \$72,000 (2020 - \$Nil) in management fees to the VP. As at February 28, 2021, accounts payable and accrued liabilities include amounts due to the VP of \$16,495 (2020 - \$Nil), which are due on demand, unsecured and non-interest bearing.

The Company has entered into an Employment Agreement with the former Corporate Secretary of the Company effective April 18, 2020 for no fixed term. As compensation for the services to be provided, the Corporate Secretary will receive a monthly fee of \$4,500 of which \$3,000 is to be paid in cash and \$1,500 is to be accrued and applied towards the purchase of equity securities of the Company. During the nine months ended February 28, 2021, the Company incurred \$15,275 (2020 - \$37,962) in salary and benefits to the Corporate Secretary. As at February 28, 2021, accounts payable and accrued liabilities include \$20 (2020 - \$Nil) in amounts owing to the Corporate Secretary.

On June 1, 2020, the Company granted 2,975,000 stock options to certain directors, officers, employees and consultants of the Company that are exercisable at a price of \$0.065 per common share until June 1, 2025.

The President, CEO and a Director of the Company was party to the Peruvian staking agreement as described in Note 9.

The Vice President, Business Development of the Company was party to certain Newfoundland and Labrador staking agreements as described in Note 9.

**15. 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 properties. 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.

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**16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**Fair Values and Classification of Financial Instruments

The Company's financial instruments consist of cash, restricted cash, marketable securities, accounts receivable, loans and notes receivable, accounts payable, and loans payable and CEBA loan. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	February 28, 2021	May 31, 2020
Cash	Amortized costs	23,424	26,551
Restricted cash	Amortized costs	5,025	5,000
Marketable securities	FVTPL	7,409,235	834,331
Accounts receivable	Amortized cost	317,711	2,874
Loans and notes receivable	Amortized cost	451,330	22,739
Accounts payable	Amortized cost	865,609	701,127
Loans payable and CEBA loan	Amortized cost	236,036	146,361

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).

Marketable securities are measured at fair value on a recurring basis using level 1 inputs. Investments in warrants are measured on a recurring basis using level 2 inputs. The continuity and valuation techniques that are used to determine the fair value of the investments in warrants are described in Note 4.

The fair value of the Company's cash, restricted cash, accounts receivable, notes receivable, accounts payable and accrued liabilities and loans payable approximates their carrying value as at February 28, 2021 and May 31, 2020 because of the demand nature or short-term maturity.

Financial risk management objectives and policies

The risks associated with the Company's 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 in a timely and effective manner.

*(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.

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**16. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**

(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. As at February 28, 2021, the Company's maximum credit risk is the carrying value of cash, accounts receivable and notes receivable.

(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. Factors that could impact on the company's liquidity are monitored regularly and include market changes, gold price changes, and economic downturns that affect the market price of the company's marketable securities for the purposes of raising financing. The current state of equity markets presents a challenge to raise financing and management believes that this condition will continue over the next twelve months.

Contractual undiscounted cash flow requirements of financial liabilities at February 28, 2021 are as follows:

	Less than 1 year \$	Between 1 – 5 years \$	More than 5 years \$	Total \$
Accounts payable and accrued liabilities	846,027	-	-	846,027
Loan payable	185,245	40,000	-	225,245
	1,031,272	40,000	-	1,071,272

(v) *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The COVID-19 pandemic and its economic consequences are on extenuating impact on the current volatility of financial markets. Market conditions will cause fluctuations in the fair value of the company's marketable securities. The Company's ability to raise capital to fund exploration, development or investing activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the company.

**17. COMMITMENTS**

The Company is committed to certain cash payments, share issuances, management agreements and exploration expenditures in connection with the acquisition of its mineral property claims as described in Note 9.

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**18. SUPPLEMENTAL CASH FLOW INFORMATION**

During the nine-months period ended February 28, 2021, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

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Shares and subsidiary shares issued to acquire mineral properties	Note 9
Marketable securities received for interest in associates	Note 4, 8 & 10
Promissory note received for interest in associates	Note 10
Marketable securities and equity investment in associates received as consideration for sale of mineral properties	Note 4 & 9

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There were no amounts of cash paid for income taxes for the periods presented.