

CREST RESOURCES INC.

Management's Discussion and Analysis of Financial Condition and Results of Operations

For the year ended May 31, 2022

This Management's Discussion and Analysis of Crest Resources Inc. ("Crest" or the "Company") ("MD&A") provides analysis of the Company's financial results for the year ended May 31, 2022 and should be read in conjunction with the accompanying audited financial statements and notes thereto for the year ended May 31, 2022 and 2021.

This MD&A is dated as at December 21, 2022.

The accompanying audited financial statements for the year ended May 31, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs"). All amounts are expressed in Canadian dollars, unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed "forward-looking statements". All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or events or conditions that "will", "would", "may", "could" or "should" occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company's proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

DESCRIPTION OF BUSINESS

Crest Resources Inc. was incorporated on November 23, 2017 under the laws of British Columbia. The address of the Company's corporate office is 2900 – 733 Seymour Street, Vancouver, British Columbia, Canada. The Company's principal business activity is the acquisition and exploration of mineral property assets in Canada and Australia, and the investment in mineral exploration and mining technology companies of merit with potential for favorable return on investment.

The Company's common shares commenced trading on the Canadian Securities Exchange on October 23, 2018, under the symbol "CRES".

The Company's mineral property assets are as follows:

- Allaru Project in Australia (60% owned);
- Whymper property (100% owned);
- Tan Nickel Property in Quebec (90% owned);
- Atlin-Ruffner Property in British Columbia (66.7% owned)
- Split Dome Copper Property in British Columbia (owned by subsidiary Volatus Capital Corp.);
- To Do and Lions Den Gold Property in British Columbia (owned by subsidiary Volatus Capital Corp.);
- Untapped Property in British Columbia (owned by subsidiary Volatus Capital Corp.);
- JD Property in British Columbia (owned by subsidiary Volatus Capital Corp.);
- Belle Property in British Columbia (owned by subsidiary Volatus Capital Corp.);
- More Creek in British Columbia (owned by subsidiary Volatus Capital Corp.);
- Lone Mountain in British Columbia (owned by subsidiary Volatus Capital Corp.);
- Williams EXT in British Columbia (owned by subsidiary Volatus Capital Corp.); and
- Bentley Property in British Columbia (owned by subsidiary Volatus Capital Corp.);

At the Company's Annual General and Special Meeting held December 17, 2021, the Company's shareholders approved a resolution authorizing the Company to expand its corporate objectives including to become an investment issuer.

The Company holds significant interests in the following companies:

- 1251797 B.C. Ltd. (66.67%) – a private company that holds 100% interest in the Atlin-Ruffner property in British Columbia.
- AusVan Battery Metals Pty Ltd (60%) – a private Australian company that has entered into a Property Purchase and Sale Agreement to acquire 100% interest in the Allaru Queensland Vanadium Shale project.
- Crest GP Canada Inc. (100%) – a private company that serves as General Partner to Crest SPV I Limited Partnership, a Limited Partnership created for the purpose of making and holding investments with a view to earning a profit.
- Crest Project Development Corp. (100%) – a private company that provides project engineering and development consulting services.
- Volatus Capital Corp. (51.4%) – a junior resource company trading on the Canadian Securities Exchange.
- Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd.) (63.3%) – a private company incorporated in British Columbia.
- Origen Resources Inc. (28.3%) – a junior resource company trading on the Canadian Securities Exchange
- Golcap Resources Corp. (31.1%) - a junior resource company trading on the Canadian Securities Exchange.

MINERAL PROPERTIES

Details of the Company's mineral property acquisition, exploration and evaluation activities are presented here:

	Newfoundland and Labrador, Canada				British Columbia, Canada					
	Gazebow North	Enterprise	Howell River	Newfoundland Syndicate	Split Dome Copper	To Do and Lions Den Gold	Untapped	JD Property	Belle Property	More Creek
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2021	36,280	-	52,000	412,815	-	-	-	-	-	-
Acquisition	51,200	-	8,726	-	362,172	1,200,598	956,494	261,292	125,035	106,715
Write off	(87,480)	-	(60,726)	(412,815)	-	-	-	-	-	-
Balance, May 31, 2022	-	-	-	-	362,172	1,200,598	956,494	261,292	125,035	106,715
Exploration expenditures										
Balance, May 31, 2021	-	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	105,843	171,395	88,403	1,495,749	-	151,205
Sale of property	-	-	-	-	-	-	-	-	-	-
Balance, May 31, 2022	-	-	-	-	105,843	171,395	88,403	1,495,749	-	151,205
Total acquisition costs and exploration expenditures										
May 31, 2021	36,280	-	52,000	412,815	-	-	-	-	-	-
May 31, 2022	-	-	-	-	468,015	1,371,993	1,044,897	1,757,041	125,035	257,920

	British Columbia						Peru	Quebec	Australia	Total
	Lone Mountain	Williams EXT	Bentley	Atlin-Ruffner	Red Metal Ridge	Whymper	Chala Copper	Tan Nickel Property	Allaru Project	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs										
Balance, May 31, 2021	-	-	-	60,000	69,116	76,210	149,046	3,197	518,488	1,377,152
Acquisition	547,992	219,196	41,099	-	-	16,485	79,826	-	-	3,976,830
Write off	-	-	-	-	(69,116)	-	(228,872)	-	-	(859,009)
Balance, May 31, 2022	547,992	219,196	41,099	60,000	-	92,695	-	3,197	518,488	4,494,973
Exploration expenditures										
Balance, May 31, 2021	-	-	-	-	100,269	-	48,795	-	281,124	430,188
Acquisition	86,414	112,859	50,693	-	-	-	-	-	235,019	2,497,580
Sale of property	-	-	-	-	(100,269)	-	(10,069)	-	-	(110,338)
Write off	-	-	-	-	-	-	(38,726)	-	-	(38,726)
Balance, May 31, 2022	86,414	112,859	50,693	-	-	-	-	-	516,143	2,778,704
Total acquisition costs and exploration expenditures										
May 31, 2021	-	-	-	60,000	169,385	76,210	197,841	3,197	799,612	1,807,340
May 31, 2022	634,406	322,055	91,792	60,000	-	92,695	-	3,197	1,034,631	7,273,677

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 Company has the option to earn the remaining 49% interest in Red Metal by issuing a total of 800,000 common shares of the Company to the Optionors, making cash payments totaling \$140,000, and incurring a total of \$500,000 in exploration expenditures.

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.

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

During the year ended May 31, 2022, the Company decided to abandon and wrote off the balance of \$169,385.

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 former President, CEO and director, who held an 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 former 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 now 73.5%.

The Company entered into an option agreement on the Saucos I and Saucos 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 pandemic.

The Company entered into an agreement on the 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 pandemic.

The Company entered into a due diligence agreement on the 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% royalty. 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 pandemic.

During the year ended May 31, 2022, the Company decided to abandon and wrote off the balance of \$38,726.

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.

During the year ended May 31, 2022, the Company decided to abandon and wrote off the balance of \$60,726.

d) 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 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 the Allaru Project. Pursuant to the assignment agreement, AHoldings assigns and transfers to the Company all of its right, title and interest in the term sheet and the Allaru Project to the Company for a consideration of \$450,000, which is included in accounts payable and accrued liabilities as at May 31, 2021. The Allaru Project is a resource stage Vanadium and High Purity Alumina (“HPA”) deposit located in central Queensland, Australia.

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, paid) 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) (ii) \$100,000 cash by the earlier of the date AusVan is publicly listed on a Relevant Stock Exchange and October 20, 2020 (iii) \$350,000 within 10 business of completing certain millstone 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.

Covering 810 km², the Allaru Project is located 80 km north of Julia Creek in central Queensland, Australia. The base metals mining center of Mt. Isa and regional airport is located 230 km to the west. The Mt. Isa rail network passes through Julia Creek with connections to Charters Towers and Townsville and Port Abbot at Bowen. The area has a hot dry climate with flat lying topography used for cattle grazing and is easily accessible by road and near existing power.

Geology

Centered on the Euroka Ridge separating the Carpentaria and Eromanga Sedimentary Basin in North-west Queensland, the Allaru Project displays many similar characteristics to the nearby advanced Debella Vanadium + HPA Project; a near surface, flat lying and locally oxidized vanadium enriched shale. The Allaru Project is hosted by Cretaceous sedimentary rocks of the Toolebuc Formation. The Toolebuc Formation is composed primarily of banded limestone and shales, is widely distributed and laterally stable across the Project. The Vanadium mineralization is concentrated in the Toolebuc B and D beds. The Toolebuc B bed ranges in thickness from 0.3m to 3.0m in thickness, averaging 2.8m, and the Toolebuc D bed ranges in thickness from 1.3m to 4.1m in thickness, averaging 2.8m.

- Historical JORC Inferred Resource (2018) of 618 Mt at 0.45% V2O5 *
- With an exploration target of 880 - 1,100 Mt at 0.45% V2O5 within a range of 0.36-0.50% V2O5
 - *The JORC inferred resource completed for Vecco in 2018 by John T. Boyd Company is historic in nature and the inferred resource model was defined with stratigraphic surface defined in Vulkan 3-D software using the Delaunay triangulation algorithm. While nothing has come to the attention of AusVan that causes it to question the accuracy or reliability of the estimate, neither AusVan nor the Company has independently validated the estimate and therefore is not to be regarded as reporting, adopting or endorsing those estimates. Further review will be required to publish a current resource calculation. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and the Company is not treating the historical estimate as a current mineral resource.
- Standard Processing Flowsheet for Toolebuc Formation Vanadium shale returns up to 95% vanadium recovery with atmospheric leach technology

- Detailed processing flow sheet and processing IP that supports a clear pathway to V2O5 production.

The Company is focused on drilling the up-dip extension of the known resource to identify Vanadium-enriched shales at shallower depths and within an oxidized environment that will be amenable to atmospheric leach processes that are less expensive to build and operate than most sulphide, “fresh” Vanadium shale deposits.

e) Whymper Project

On February 28, 2020 the Company staked gold claims near Lake Cowichan on Vancouver Island, British Columbia. On June 14, 2021 51% of the rights, title and interest in the Whymper Property was sold to 1255929 B.C. Ltd for \$15,000 and 2,000,000 shares of the purchaser.

On November 1, 2021, the Company entered into a sales agreement to sell the remaining 49% of the rights, title and interest in the Whymper Property to Auratus Resources Corp. (formerly known as 1255929 B.C. Ltd) for a consideration of \$250,000. Subsequent to this transaction, Auratus Resources Corp owned 100% of the rights, title and interest in the Whymper Property and as at February 28, 2022 a sale was negotiated with Cayenne Capital Corp. which has not yet closed.

f) Tan Nickel Property (Quebec)

Pursuant to a staking agreement dated May 3, 2021, the Company engaged the Vice President of Business Development of the Company to stake mineral claims Quebec by which ownership is held 90% by the Company and 10% by the now former Vice President of Business Development.

g) Atlin-Ruffner (British Columbia)

The Company owns 66.7 % of 1251797 BC Ltd, which owns 100% of 28 claims covering the historic Atlin-Ruffner mine. The mine is about 23 kilometres northeast of Atlin. The occurrence has been an intermittent producer of silver and lead from 1916 to 1981, being operated by numerous companies.

Historic and unclassified reserves from the two zones from which underground development and production has taken place are reported to be 113,638 tonnes grading 600 grams per tonne silver and 5.0 per cent lead.

The reserves noted here are historic in nature and 1251767 BC Ltd 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.

h) 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.

During the period, Opawica Resources Inc. cancelled the option and returned the property to the Company. During the year ended May 31, 2022, the Company decided to abandon.

i) Volatus Capital Corp properties

For additional information regarding the mineral properties being developed by Volatus Capital Corp. please refer to the public filings found on SEDAR (<https://sedar.com>) filed by Volatus Capital Corp., which include Management Discussion and Analysis reports.

INVESTMENTS IN MINERAL EXPLORATION COMPANIES

Part of the Company's strategy to diversify its portfolio of mineral exploration assets and enhance company value to shareholders is to invest in securities of other mineral exploration companies that Management considers to be compelling opportunities that are liquid, carry higher risk than term deposits held at a financial institution but potentially yield a higher rate of return, and are less risky than investment in exploration and evaluation activities on the Company's principal property. With that goal, the Company has acquired various equity securities and debt instruments during the period and to the date of this report, as follows.

Marketable Securities

During the year ended May 31, 2022, the Company acquired common shares of publicly traded mining exploration companies for investment purposes. A summary table of the Company's investments in marketable securities is as follows:

	FMV Balance, May 31, 2021	Transfer from (to) Associates	Additions	Disposals	Realized gain (loss) on disposals	Unrealized gain (loss) on changes in fair value	FMV Balance, May 31, 2022
	\$		\$	\$	\$	\$	\$
Common shares – Level 1							
Atacama Copper Corp	-	-	500	(505)	5	-	-
Atomic Minerals Corp	-	-	14,155	(13,845)	(310)	-	-
Cavu Mining Corp	-	-	247,321	(218,157)	(29,164)	-	-
Clarity Gold Corp.	-	-	141,612	(89,363)	(52,249)	-	-
Cleghorn Minerals Ltd.	276,000	-	185,952	-	-	(130,962)	330,990
Cognetivity Neurosciences Ltd	-	-	465,308	(363,265)	(102,043)	-	-
Core Assets Corp	-	-	621,777	(805,461)	321,083	329,680	467,079
Essex Minerals Inc.	39,599	-	156,526	(144,899)	(49,927)	(1,299)	-
Exploits Discovery Corp	-	2,075,570	159,040	(3,274,475)	1,039,865	-	-
Forty Pillars Mining Corp	-	-	90,000	(43,228)	43,228	(71,311)	18,689
Global Li-ion Graphite Corp	-	-	40,430	(34,620)	(5,810)	-	-
Go Metals Corp	-	-	65,013	(73,879)	8,866	-	-
Headwater Gold Inc	-	-	234,262	(194,030)	(40,232)	-	-
Inflection Res Ltd	-	-	165	(125)	(40)	-	-
Komo Plant Based Food Inc	-	-	10,095	(9,945)	(150)	-	-
Medallion Resource Ltd	-	-	33,092	(37,853)	4,761	-	-
Mountain Boy Minerals Ltd	-	-	133,060	(100,179)	(32,881)	-	-
Nevgold Corp	-	-	1,782,250	(591,541)	82,520	221,671	1,494,900
Opawica Explorations Inc	1,316,000	-	948,504	(989,893)	964	(690,617)	584,958
Origen Resources Inc	1,761,667	(1,592,695)	578,151	(709,886)	(1,780)	(35,457)	-
Penbar Capital Ltd	-	600	1,000	(1,848)	848	-	600
Playground Ventures Inc	-	-	149,711	-	-	(120,327)	29,384
Rain City Resources Inc	369,045	-	156,006	(70,035)	(152,055)	(302,961)	-
Ranchero Gold Corp	-	-	275	(142)	(133)	-	-
Ready Set Gold Corp	-	-	775,464	(256,260)	(229,922)	(56,582)	232,700
Sabre Gold Mines Corp	-	-	35,744	(32,160)	(3,584)	-	-
Solis Minerals Ltd. (formerly Westminster Resources Ltd.)	-	-	99,184	(82,214)	(16,970)	-	-
Troubadour Resources Inc	-	-	55,000	(108,894)	53,894	-	-
Val-D'or Mining Corp	-	-	307,592	(302,219)	(5,373)	-	-
Vertical Exploration Inc	31,200	-	119,094	(172,117)	15,436	6,387	-
Westbridge Energy Corp	-	-	55,854	(51,534)	(4,320)	-	-
Xrapplied Technologies Inc	-	-	148,043	(76,554)	(71,489)	-	-
Zimtu Capital Corp	-	-	177,212	(143,754)	(33,458)	-	-
Total	3,793,511	483,475	7,987,392	(8,992,880)	739,580	(851,778)	3,159,300

SELECTED ANNUAL INFORMATION

The table below presents selected financial data for the Company's annual financial statements for each of the two most recently completed financial years. The financial data provided is prepared in accordance with IFRS and is presented in Canadian dollars.

	Year ended May 31, 2022 (audited)	Year ended May 31, 2021 (audited) (restated) (see Prior Year Restatement section below)	Year ended May 31, 2020 (audited)
Revenue	\$ 320,780	\$ 1,028,242	\$ 90,000
Net Comprehensive Income (Loss)	3,510,129	2,386,849	(334,012)
Total assets	19,980,711	17,789,196	2,727,475
Total liabilities	2,004,259	8,430,049	984,988
Share capital	7,431,046	7,149,194	1,955,042
Retained earnings (Deficit)	6,197,939	2,217,220	(558,730)

OPERATIONS

Year ended May 31, 2022

During the year ended May 31, 2022, the Company reported a net income of \$3,510,129 compared to a net income (restated) of \$2,386,849 for the year ended May 31, 2021.

Operating expenses for the year ended May 31, 2022

Included in the determination of the operating loss difference between the periods included:

- \$nil (2021 - \$5,038,582) for a prior year bonus award;
- \$507,510 (2021- 384,001) for consulting fees;
- \$62,490 (2021 - \$112,403) for director fees;
- \$60,726 (2021 – \$698,147 for exploration and evaluation;
- \$367,542 (2021 - \$300,647) for management fees;
- \$128,509 (2021 – 43,827) for office expenses;
- \$376,509 (2021 - \$170,938) for professional fees;
- \$294,552 (2021 - \$31,378) for rent;
- \$nil (2021 - \$1,712,228) for share-based payments

Prior year bonus award related to the restatement and the portfolio shares transferred, plus the accounting revaluation, as at May 31, 2021 See the section “PRIOR YEAR RESTATEMENT – Bonus Shares” for more detail.

Higher rent expense was due to the Company paying for a greater portion of the office space, after certain investee companies grew too big and required their own office space. The Company terminated this office lease subsequent to May 31, 2022.

Share based payments was due to the restatement and the bonus award of the 14.5 million Crest shares into 2021. See the section “PRIOR YEAR RESTATEMENT – Bonus Shares” for more detail.

Other items for the year ended May 31, 2022

Included in the determination of the operating loss difference between the periods included:

- \$137,471 (2021 - \$24,203) from interest income;
- \$nil (2021 - \$5,906,698) from gains on disposal of mineral properties;
- \$4,821,895 (2021 - \$1,993,994) from realized and unrealized gains on marketable securities and investments
- \$nil (2021 - \$1,461,696) from gain on deemed disposal of subsidiary;
- \$4,553,680 (2021 – \$2,968,096) from gain on disposal of investment in associates;
- \$3,345,517 (2021 – 944,342) from share of loss from equity;
- \$279,689 (2021 - \$nil) from a bonus recovery;
- \$844,112 (2021 - \$nil) from the write off of property;

Prior year had more mineral property disposals, whereas current year had greater marketable securities dispositions.

Increased realized gains on marketable securities were also due to increased performance in the Company’s portfolio during the current year.

There was no significant disposals of a subsidiary in the current year.

Certain significant investments were sold, such that percentage ownership in said investments, declined, changing classification from investment in associates to marketable securities. Also increased performance in said investments resulted in higher gain on disposal of investment in associates.

A greater proportion of the Company’s investments were classified as investment in associates, resulting in great share of loss of those investments. Bonus recovery related to the revaluation of portfolio shares transferred to bonus recipients. June 1 2021 was considered effective date, but actual transfers happened over a period of time, which under IAS 37 resulted in this bonus recovery. See the section “PRIOR YEAR RESTATEMENT – Bonus Shares” for more detail.

Several mineral properties were written off/abandoned in the current year due to exploration results below expectations, especially in a newly-inflationary macro-economic environment.

SUMMARY OF QUARTERLY RESULTS

	May 31, 2022 (unaudited) (see Prior Year Restatement section below)	February 28, 2022 (unaudited)	November 30, 2021 (unaudited)	August 31, 2021 (unaudited)
Revenue	\$ 45,188	\$ 87,984	\$ 101,380	\$ 86,228
Net Income (Loss)	(91,721)	(1,816,272)	2,306,963	3,111,159
Total assets	19,980,711	20,184,653	21,800,789	21,238,251
Total liabilities	2,004,259	1,195,278	1,004,852	2,220,707
Share capital	7,431,046	6,688,091	6,670,716	7,163,284
Retained earnings	6,197,939	12,346,067	14,213,894	(728,575)

	May 31, 2021 (unaudited)	February 28, 2021 (unaudited)	November 30, 2020 (unaudited)	August 31, 2020 (unaudited)
Revenue	\$ 372,140	\$ 291,352	\$ 42,750	\$ 322,000
Net Income (Loss)	(7,018,364)	(743,112)	5,077,798	5,070,527
Total assets	17,789,196	18,386,217	14,424,370	9,251,247
Total liabilities	8,430,049	2,177,600	1,290,273	1,164,841
Share capital	7,149,194	7,149,194	2,811,718	2,752,765
Retained earnings	2,217,220	8,834,260	10,099,865	4,434,259

Please refer to the “PRIOR YEAR RESTATEMENT” section below for additional information regarding the 2021 fiscal year.

PRIOR YEAR RESTATEMENT

For the year ended May 31, 2021, management has determined that the consolidated financial statements needed to be restated to correct for the accounting for the following matters. These matters include the mis-classification of investments by prior management, as well as inaccuracies, by prior management, in the timing of recognition for both share-based compensation and consulting income, which are considered significant deficiencies in the Company’s internal controls. The Company has already made significant changes at the management level to rectify these internal control deficiencies.

Adjustments were made for the year ended May 31, 2021 to correct the following:

- Record \$1,453,869 as share based compensation for the issuance of 14,538,689 Crest shares originally contemplated under the now dissolved RSU plan (see further detail below);
- Record a bonus provision of \$5,038,582 for the future transfer of 2,473,023 Exploits Discovery shares, 2,000,000 Opawica shares and 2,000,000 Origen shares originally contemplated under the now dissolved RSU plan (see further detail below);
 - This consists of an amount of \$2,376,926 of bonus value as of January 1, 2021, plus
 - an amount of \$2,661,656, being the fair market value increase to May 31, 2021, of the aforementioned shares to be transferred in the future.
- Record the Company’s share of income under equity method of accounting for its interest in OCP Holdings Ltd. of \$443,209 with the carrying value of \$2,588,186 as at May 31, 2021;
- Record the expensing of the \$360,000 asset acquisition of E-Resources Technologies LLC;
- Recognize the immediate vesting of options granted during the year ended May 31, 2021, an amount of \$95,000, as share based compensation;
- Recognize \$50,000 consulting income from Exploits Discovery, earned in the prior year per the signed MOU;
- Record the Company’s share of loss under the equity method of accounting for Cayenne Capital Corp. of \$33,405 with the carrying value of \$240,595 as at May 31, 2021; and,
- Re-classification of Ecomine Technology Inc. from marketable securities to investments.

Bonus Shares

On January 1, 2021, the Company contemplated granting an award, in recognition of past service, to various management, directors and consultants, calculated based in relation to the increase in value of the Company’s investments over the prior fiscal year. The Company allocated 14,538,689 Crest common shares from treasury, as well as 2,473,024 Exploits Discovery Corp. common shares, 2,000,000 Opawica Exploration Inc. common shares, and 2,000,000 Origen Resources Inc. common shares owned by the Company, for a total bonus award valued at \$3,830,795 and proceeded to obtain tax advice to achieve the intended award. The Company concluded that the planned award under the RSU plan would result in unintended immediate tax impact to recipients and that distribution of bonus shares outside of the RSU plan would be the most appropriate award. On May 25, 2021, the

Company suspended the RSU plan.

On June 1, 2021, the Company approved a bonus identical in value and share amounts to the originally contemplated RSU award, granting 14,538,689 Crest common shares from treasury, 2,473,024 Exploits Discovery Corp. common shares, 2,000,000 Opawica Exploration Inc. common shares, and 2,000,000 Origen Resources Inc. common shares owned by the Company as a bonus to the various management, directors and consultants as originally intended.

Under IFRS 2: Share Based Payments, the grant date of the Crest common shares award would be January 1, 2021 with measurement price of \$0.10 per share as the expectation of the award was created on that date and the Company intended granting of the award for accounting purposes. As a consequence, the Company restated \$1,453,869 as share based compensation to be recorded for the year end May 31, 2021.

Under IAS 37: Provisions, Contingent Liabilities and Contingent Assets, the Company determined that a provision should have been recognized for the year ended May 31, 2021 as the expectation of the award was established on January 1, 2021. Furthermore, since the approval of the award was on June 1, 2021, the Company is able to reliably estimate the ultimate settlement of the award using the quoted market prices of the shares transferable as at May 31, 2021. As a consequence, the Company restated a bonus provision to be recorded for the year end May 31, 2021 of \$5,038,582 for the transfer of 2,473,023 Exploits shares, 2,000,000 Opawica shares and 2,000,000 Origen shares. For clarity, the amount of \$5,038,582 consists of the original January 1 RSU award of \$2,376,926, plus the change in fair market value from January 1 to May 31, 2021 of \$2,661,656.

Equity Accounting/Investment in associates

For OCP Holdings Ltd. and Cayenne Capital Corp., the Company originally categorized these as investments at FVTPL but it was determined that the shareholdings controlled by the Company were greater than 20%, with other factors also indicative of significant influence existing, and as a consequence, the restatement corrects for the equity method of accounting in the year ended May 31, 2021. For the investment in OCP Holdings Ltd, this resulted in a share of income from equity-accounted investment of \$443,209, and for the investment in Cayenne Capital Corp, this resulted in share of loss from equity-accounted investment of \$33,405, with the overall result a share of income from equity-accounted investments of \$409,804.

Asset Acquisition

The Company invested in E-Resources Technologies LLC to which upon further review, is considered an acquisition for accounting purposes as there were no identifiable inputs, processes or ability to create outputs acquired. The development of the project did not materialize and the conditions for such impairment of the project existed at May 31, 2021 and as a result, the restatement corrects the expensing of the entire asset acquisition cost amount in the year ended May 31, 2021.

Investment

For Ecomine Technology Inc., the Company originally categorized the investment as marketable securities which upon further review, is a private company and not a marked to market level 1 investment. The restatement corrects the categorizing of the amount from marketable securities to investments.

The effects of the restatement on the consolidated statement of financial position as at May 31, 2021 is summarized below.

Consolidated Statement of Financial Position as at May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
Assets			
Current			
Cash	6,061	-	6,061
Restricted cash	5,025	-	5,025
Accounts receivable	234,282	-	234,282
Marketable securities	4,376,844	(583,333)	3,793,511
Investments	3,325,673	(2,195,644)	1,130,029
Prepaid expenses and advances	31,731	-	31,731
GST recoverable	39,366	-	39,366
Loans and note receivable	424,546	-	424,546
	8,443,528	(2,778,977)	5,664,551
Equipment	3,160	-	3,160
Investment in associates	7,485,364	2,828,781	10,314,145
Exploration and evaluation assets	1,807,340	-	1,807,340
	17,739,392	49,804	17,789,196
Liabilities			
Current			
Accounts payable and accrued liabilities	1,541,837	-	1,541,837
Bonus payable	-	5,038,582	5,038,582
Deferred Revenue	226,250	(50,000)	176,250
Tax payable	1,010,862	-	1,010,862
Loans payable	622,518	-	622,518
	3,401,467	4,988,582	8,390,049
CEBA loan	40,000	-	40,000
	3,441,467	4,988,582	8,430,049
Shareholders' equity			
Share capital	5,695,325	1,453,869	7,149,194
Reserves	235,594	95,000	330,594
Retained earnings	8,704,867	(6,487,647)	2,217,220
Total shareholders' equity	14,635,786	(4,938,778)	9,697,008
Non-controlling interest	(337,861)	-	(337,861)
	14,297,925	(4,938,778)	9,359,147
Total liabilities and shareholders' equity	17,739,392	49,804	17,789,196

Impact on the Consolidated Statements of Comprehensive Income for the year ended May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
REVENUE			
Contractor fees	50,000	50,000	100,000
EXPENSES			
Bonus award	-	5,038,582	5,038,582
Share based payments	163,359	1,548,869	1,712,228
	163,359	6,587,451	6,750,810
OTHER ITEMS			
Share gain/loss from equity	(1,354,146)	409,804	(944,342)
Write off of investment	-	(360,000)	(360,000)
	(1,354,146)	49,804	(1,304,342)
IMPACT TO COMPREHENSIVE INCOME AFTER TAX			
	8,874,494	(6,487,647)	2,386,849
Attributable to shareholders	9,263,597	(6,487,647)	2,775,950
Attributable to non-controlling interests	(389,101)	-	(389,101)
	8,874,494	(6,487,647)	2,386,849
EARNINGS PER COMMON SHARE			
(basic)	0.17	(0.12)	0.05
(fully diluted)	0.15	(0.12)	0.03

Impact on the Consolidated Statements of Cash Flows for the year ended May 31, 2021:

	Previously reported \$	May 31, 2021 restatement \$	Restated \$
OPERATING ACTIVITIES			
Net income for the year	8,874,496	(6,487,647)	2,386,849
Items not involving cash:			
Share based payments	163,359	1,548,869	1,712,228
Write off of investment	-	360,000	360,000
Share of loss (gain) from equity-accounted investments	1,354,146	(409,803)	944,342
Changes in non-cash working capital balances:			
Deferred revenue	88,750	(50,000)	38,750
Bonus payable/award	-	5,038,582	5,038,582

CASH FLOWS

The Company is still considered to be in the exploration and development stage and as such does not earn any significant revenue. Total cash (used) provided by operating activities was (\$6,630,751) during the year ended May 31, 2022 compared to \$120,516 cash provided in operating activities for the 2021 comparative year. The increase in cash used in operating activities was mainly from the increase in business activity during the year.

Total cash provided (used) by investing activities was \$6,325,377 during the year ended May 31, 2022 compared to (\$1,565,369) cash used in investing activities for the 2021 comparative year. The increase in cash provided by investing activities was mainly from the increase in business activities during the year, mirroring the cash used in operating activities above.

Total cash provided by financing activities was \$278,231 (2021 - \$1,424,363) during the year ended May 31, 2022. The decrease was due to less reliance on share issuance in the current year.

LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and attainment of profitable operations. Management has been successful in raising equity financing in the past. However, there is no assurance that it will be able to do so in the future.

Factors that could impact on the Company's liquidity are monitored regularly and include market changes and economic downturns that affect the market price of the Company's trading 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.

The Company's cash (indebtedness) balance at May 31, 2022 was (\$21,082) compared to \$6,061 at May 31, 2021, and its short-term investments was \$3,159,300 compared to \$3,793,511 at May 31, 2021. The Company had a working capital surplus of \$3,760,094 (2021 – working capital deficit \$2,725,498) at May 31, 2022.

The Company does not have any commitments for capital expenditures.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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:

	Year ended May 31, 2022	Year ended May 31, 2021
	\$	\$
Bonus award (Note 21)	-	4,510,271
Bonus recovery (Note 21)	(279,689)	-
Salaries and benefits	36,000	37,043
Management fees	478,405	300,647
Professional fee	73,070	37,500
Share-based payments (Note 21)	-	1,222,720
	307,786	6,108,181

The Company entered into an Executive Management Agreement with the former 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 year ended May 31, 2022, the Company incurred \$20,000 (2021 - \$99,000) in management fees to the former CEO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former CEO of \$Nil (2021 - \$31,650).

During the year ended May 31, 2022, the Company incurred \$252,000 (2021 - \$Nil) in management fees to a former interim CEO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former CEO of \$47,797 (2021 - \$Nil).

The Company entered into a Consulting Agreement with a company controlled by the former CFO of the Company. As compensation for the accounting and bookkeeping services provided. During the year ended May 31, 2022, the Company incurred \$73,070 (2021 - \$30,000) in fees to the company controlled by the CFO. During the year ended May 31, 2022, 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 May 31, 2022, accounts payable and accrued liabilities include amounts due to the company controlled by the CFO of \$32,086 (2021 - \$18,375), which are due on demand, unsecured and non-interest bearing.

The Company entered into a Consulting Agreement with a former CFO of the Company. As compensation for the CFO services provided, the CFO will receive a monthly fee of \$1,000. During the year ended May 31, 2022, the Company incurred \$12,000 (2021 - \$12,000) in fees to the former CFO. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the CFO of \$4,200 (2021 - \$5,250), which are due on demand, unsecured and non-interest bearing.

During the year ended May 31, 2022, the Company incurred \$69,500 (2021 - \$Nil) in management fees to a director of the Company. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the director of \$22,500 (2021 - \$Nil).

During the year ended May 31, 2022, the Company incurred \$108,905 (2021 - \$Nil) in management fees to the former vice president of Business Development of the Company. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the vice president of \$13,309 (2021 - \$Nil).

The Company entered into an Officer and Consulting Agreement with the former 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 former 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 year ended May 31, 2022, the Company incurred \$15,000 (2021- \$84,000) in management fees to the former VP. As at May 31, 2022, accounts payable and accrued liabilities include amounts due to the former VP of \$23,150 (2021 - \$28,050), which are due on demand, unsecured and non-interest bearing.

The Company had entered into an Employment Agreement with the former Corporate Secretary of the Company effective April 18, 2020 for no fixed term. As compensation for services, 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 year ended May 31, 2022, the Company incurred \$41,000 (2021 - \$27,000) in salary and benefits to the Corporate Secretary.

On October 5, 2020, the Company granted 275,000 stock options to a director and officers of the Company that are exercisable at a price of \$0.12 per common share until October 5, 2025.

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

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

As at May 31, 2022, the Company had \$12,000 payable (2021 - \$73,163 receivable) balance to a director of the Company.

On June 1, 2021, the Company has issued to certain directors, a former CEO, officers, and consultants an aggregate of 14,538,689 common shares in the capital stock of the Company as bonuses in relation to the increase in value and significant performance of the Company's investments. The common shares issued are subject to a four month hold period expiring October 2, 2021. On June 1, 2021, 5,023,175 of these shares to the former CEO were returned to treasury. Please refer to Note 21 Prior Year Restatement.

The Company has also transferred an aggregate of 2,473,024 common shares of Exploits Discovery Corp., 2,000,000 common shares of Opawica Explorations Inc. and 2,000,000 common shares of Origen Resources Inc., all held by the Company, to certain directors, officers and consultants as bonuses. On September 16, 2021, 1,000,000 Exploits Discovery Corp. shares were returned. On February 25, 2022, 691,309 Origen Resources Inc shares were returned. Please refer to Note 21 Prior Year Restatement.

On July 26, 2021, the Company has loaned \$14,100 to Christopher Huggins, the former President and COO of the Company on terms that the loan plus accrued interest at 3.0% per annum shall be payable on demand. During the year ended May 31, 2022, the Company accrued interest income of \$112 and \$14,100 of loan principal has been repaid.

On May 24, 2022, the Company entered into an agreement to borrow \$20,000 from a Company controlled by the Chief Executive Officer. The loan has been repaid as of the date of this MD&A.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims. The Company is committed to certain management contracts as described under transactions with related parties above.

RISK FACTORS

The Company is in the business of evaluating and investing in early-stage to mid-level emerging mineral projects growth companies. Such investments are highly speculative and involves a high degree of risk. There is a probability that the investments made by the Company in will not result in adequate returns and potential write-offs due to both external factors related to the unique business risk factors related to the individual investments.

Reliance on Key Personnel

The Company's success depends, in large part, upon the continuing contributions of its personnel. The loss of the service of several key people within a short period of time could have a material adverse effect upon the Company's financial condition and operations. The Company's future success is also dependent upon its continuing ability to attract and retain other highly qualified personnel. Competition for such personnel is intense, and the Company's

inability to attract and retain additional key employees could have a material and adverse effect on the Company's financial condition and operations.

Dependence on Management Team

The Company currently depends on certain key management team members to identify business and investment opportunities. The management team is also relied upon to oversee the core marketing, business development, operational and fundraising activities. If one or more of our management team members is unable or unwilling to continue their positions with the Company, the Company may not be able to replace team members easily. Failure to attract and retain qualified employees or the loss or departure in the short-term of any member of senior management may result in a loss of organizational focus, poor operating execution, or an inability to identify and execute potential strategic initiatives. This could, in turn, materially and adversely affect the Company's business, financial condition and results of operations.

Lack of Availability of Growth Opportunities

The Company's business plan includes growth through identification of suitable investment or acquisition opportunities, pursuing such opportunities, consummating investments or acquisitions, and effectively generating returns on such investments or acquisitions. If the Company is unable to manage its growth effectively, its business, operating results, and financial condition could be adversely affected.

Suitable Investment Candidates

The Company expects a significant and major portion of its future growth to come from high-quality capital investments and acquisitions. There is no assurance that the Company can successfully identify suitable investment candidates. If suitable candidates are identified, however, the Company may not be able to complete an investment or acquisition on terms that are beneficial and acceptable to the Company. In addition, the Company competes with other entities to acquire quality investments and acquisitions. Some of its competitors may have greater financial resources than the Company does and may be able to outbid the Company for these investment or acquisition targets. If the Company is unable to complete investments or acquisitions, its growth strategy may be impeded and its earnings or revenue growth may be negatively affected.

If the Company succeeds in making investments or acquiring investment targets or a portion thereof, the investment or acquired companies may not perform to the Company's expectations for various reasons. Should an investment or acquired entity fail to perform to the Company's expectations, the Company's business, prospects, results of operations and financial condition may be materially and adversely affected.

Limited Diversification of Investments

As the Company will be focusing on investments in the emerging growth sectors and, hence, concentrating its invested funds in limited sectors, the Company is subject to greater risk in one or more of its future investments should these sectors experience a downturn. A decline in emerging growth sectors will likely have a material adverse effect on the Company's business, results from operations, and financial condition. In addition, the Company is more exposed to business cycles than it would be if it owned a high number of investments diversified over various industries with differing business cycles in different geographic areas.

Foreign Taxes and Double Taxation

The Company may invest into companies based in foreign jurisdictions and may be subject to double taxation on its foreign investments, which will reduce the return on investments and the profitability, if any, of the Company.

Conflicts of Interest

The Company may, in the future, raise further funds through the sale of securities to other companies which may be associated with the directors or officers of the Company, and, as such, the directors and officers of the Company may increase their ownership and/or control positions in the Company without an equal opportunity to participate in such financings being granted to other shareholders. Under certain circumstances, shareholder approval of such action may be required. As certain directors and officers are involved with other companies, there may be potential conflicts of interest limiting the amount of time managing the affairs of the Company.

Inability to Perform Accurate Due Diligence

The Company will be investing in start-up companies and may not have the resources or may not be able to perform detailed due diligence, which may result in a partial or complete loss of investments.

Lack of Capital

Until revenues exceed expenses, the Company raises the necessary capital through private placements and other financing tools. There can be no assurance that management will be successful in raising the necessary capital required to fund ongoing activities.

Ukraine Conflict

In late February 2022, a conflict commenced in Ukraine. In response, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the conflict and related impact of imposed sanctions on the Company's business cannot be reasonably estimated at this time. While the Company expects direct impacts of the conflict in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations of the Company.

PROPOSED TRANSACTIONS

The Company is continuously engaged in the search for potential joint venture partners, mineral property acquisitions and financings. Other than the proposed acquisition of the Leigh Creek Magnesite project as disclosed in Company news releases dated June 2, 2022 and Nov 11, 2022, subsequent to the year ending May 31, 2022, there are currently no proposed asset or business acquisitions or dispositions.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at May 31, 2022, the Company has 94,474,022 common shares issued and outstanding (May 31, 2021 – 69,683,507).

As at May 31, 2022, the Company has 10,425,000 common share purchase warrants exercisable at \$0.075 per share until July 25, 2024 (May 31, 2021 – 10,625,000).

As at May 31, 2022, the Company has 1,125,000 stock options outstanding (May 31, 2021 – 4,150,000).

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Company and all the information in this Management's Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Management has prepared the financial information presented fairly, in all material respects. Management has prepared the financial information presented elsewhere in the Management's Discussion and Analysis and has ensured that it is consistent with that in the financial statements.

The Company maintains systems of internal accounting and administrative controls in order to provide, on a reasonable basis, assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded. During the current year audit, certain misclassifications were discovered in the prior year-audit, requiring restatement – see Prior Year Restatement, above. Also, significant material weakness of internal accounting and administrative control deficiencies by prior management were noted in financial record-keeping, which required additional efforts to rectify. The Company notes that it has taken significant steps to address these deficiencies and made several changes to both its management team and its financial reporting function, including the retention of a new CEO, CFO and a new accounting firm to improve bookkeeping and accounting internal controls.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. That Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and one of its members are independent directors. The Audit Committee meets at least once a year with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditors' report. The Audit Committee reports its finding to the Board for consideration when approving the financial statements for issuance to the shareholders, the engagement or reappointment of the external auditors.

CREST RESOURCES INC.

Jason Cubitt

Chief Executive Officer