GGL RESOURCES CORP.

Financial Statements

November 30, 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
GGL Resources Corp.

Opinion

We have audited the accompanying financial statements of GGL Resources Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has incurred operating losses since incorporation and will require additional funding to carry on as a going concern. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The financial statements for the year ended November 30, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on March 26, 2019.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Glenn Parchomchuk.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

March 23, 2020

GGL Resources Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at November 30, 2019 and 2018

	Note	**November 30, 2019 $**	November 30, 2018 $
Assets			
Current assets			
Cash and cash equivalents	3	207,016	211,355
Receivables and prepayments	4	34,574	46,684
Marketable securities	5	1	95,001
		241,591	353,040
Non-current assets			
Mineral property interests	6	2,070,022	2,295,488
Reclamation deposits	7	76,400	76,400
Property and equipment	8	22,036	27,819
Total assets		**2,410,049**	2,752,747
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		52,311	51,056
Accounts payable to related parties	11	24,854	41,295
Total liabilities		**77,165**	92,351
Shareholders' equity			
Share capital	9	37,784,747	37,474,159
Contributed surplus	9	226,488	179,613
Commitment to issue shares	9	40,182	-
Deficit		(35,718,533)	(34,993,376)
Total shareholders' equity		**2,332,884**	2,660,396
Total liabilities and shareholders' equity		**2,410,049**	2,752,747

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Approved on behalf of the Board of Directors on March 23, 2020:

"W. Douglas Eaton" **Director** *"David Kelsch"* **Director**

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

GGL Resources Corp.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

For the years ended November 30, 2019 and 2018

	Number of shares #	Share capital $	Contributed surplus $	Commitment to issue shares $	Accumulated other comprehensive loss $	Deficit $	Total Shareholders' equity $
December 1, 2017	22,096,949	37,474,159	61,474	-	(69,999)	(34,407,355)	3,058,279
Reclassification on adoption of IFRS 9	-	-	-	-	69,999	(69,999)	-
Re-allocated on expiration of warrants	-	-	(11,250)	-	-	11,250	-
Share-based payments	-	-	129,389	-	-	-	129,389
Loss and comprehensive loss for the year	-	-	-	-	-	(527,272)	(527,272)
November 30, 2018	22,096,949	37,474,159	179,613	-	-	(34,993,376)	2,660,396
December 1, 2018	22,096,949	37,474,159	179,613	-	-	(34,993,376)	2,660,396
Private placement units issued	4,687,500	339,125	46,875	-	-	-	386,000
Flow-through premium liability	-	(11,000)	-	-	-	-	(11,000)
Share issue costs	-	(17,537)	-	-	-	-	(17,537)
Shares for services - commitment to issue	-	-	-	40,182	-	-	40,182
Loss and comprehensive loss for the year	-	-	-	-	-	(725,157)	(725,157)
November 30, 2019	**26,784,449**	**37,784,747**	**226,488**	**40,182**	**-**	**(35,718,533)**	**2,332,884**

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

GGL Resources Corp.

Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended November 30,

	Note	**2019** **$**	2018 $
Expenses			
General administrative expenses	8	27,934	29,130
Insurance		16,222	16,718
Investor relations and shareholder information		5,750	6,592
Management, administrative and corporate development fees	11	130,957	140,219
Office rent	11	18,000	18,000
Professional fees	11	62,704	77,168
Property examination costs	8	23,110	44,180
Share-based payments	9,11	-	129,389
Transfer agent and filing fees		11,574	12,938
Loss from operating expenses		**(296,251)**	(474,334)
Interest income		2,956	7,062
License fee	6(d)	30,000	-
Gain (loss) on marketable securities	5	15,000	(60,000)
Settlement of flow-through premium liability	9(b),15	11,000	-
Fair value adjustment on commitment to issue shares	9	(2,119)	-
Write-off of mineral property interests	6	(485,468)	-
Write-off of property and equipment	8	(275)	-
Loss and comprehensive loss for the year		**(725,157)**	(527,272)
Loss per share			
Weighted average number of common shares outstanding			
- basic #	10	**24,485,648**	22,096,949
- diluted #	10	**24,485,648**	22,096,949
Basic loss per share $	10	**(0.03)**	(0.02)
Diluted loss per share $	10	**(0.03)**	(0.02)

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

GGL Resources Corp.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended November 30,

	Note	**2019** $	2018 $
Operating activities			
Loss and comprehensive loss for the year		(725,157)	(527,272)
Adjustments for:			
Share-based payments		-	129,389
Depreciation - general and administrative		40	90
Depreciation - property examination costs		5,468	6,865
Shares for services - commitment to issue		17,168	-
(Gain) loss on marketable securities		(15,000)	60,000
Settlement of flow-through premium liability		(11,000)	-
Fair value adjustment on commitment to issue shares		2,119	-
Write-off of mineral property interests		485,468	-
Write-off of property and equipment		275	-
Net change in non-cash working capital items	13	(12,945)	33,306
		(253,564)	(297,622)
Financing activities			
Issue of units for cash		386,000	-
Share issue costs		(17,537)	-
		368,463	-
Investing activities			
Proceeds from sale of marketable securities		110,000	-
Exploration incentive received		24,120	-
Deferred exploration and evaluation expenditures		(253,358)	(631,197)
		(119,238)	(631,197)
Decrease in cash and cash equivalents		**(4,339)**	(928,819)
Cash and cash equivalents, beginning of year		**211,355**	1,140,174
Cash and cash equivalents, end of year		**207,016**	211,355
Supplemental cash flow information	13		

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

1. Nature of operations and going concern

GGL Resources Corp. (the “Company”) was incorporated in British Columbia on May 25, 1981 under the provisions of the British Columbia Company Act and has extra territorial registration in the Northwest Territories and Nunavut. The Company is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “GGL”. The Company’s address is 1016 - 510 West Hastings Street, Vancouver, BC, V6B 1L8. The Company’s records office and registered address is 1710 - 1177 West Hastings Street, Vancouver, BC, V6E 2L3, Canada.

The Company’s principal business activity is the acquisition, exploration and evaluation of mineral properties. The Company is in the process of exploring its mineral property interests and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, obtaining the necessary permits to mine, and on future profitable production or proceeds from the disposition or option of the mineral property interests. The carrying amounts of mineral property interests are based on costs incurred to date, less impairments, and do not necessarily represent present or future values.

These financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on property option or sale proceeds, loans and share capital financing to cover its operating expenses.

As at November 30, 2019, the Company had working capital of $164,426 (November 30, 2018 - $260,689) and shareholders’ equity of $2,332,884 (November 30, 2018 - $2,660,396). The Company will continue to seek the funding necessary to enable it to carry on as a going concern, but management cannot provide assurance that the Company will be able to raise additional debt and/or equity capital. If the Company is unable to raise additional funds in the immediate future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favorable terms and/or pursue other remedial measures or cease operations. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts in these financial statements are presented in Canadian dollars which is the functional currency of the Company.

Certain prior year figures within the statements of loss and comprehensive loss were reclassified to conform to the current year’s presentation.

2. **Significant accounting policies** (continued)

(b) Financial instruments

New accounting standard IFRS 9 - *Financial Instruments* became effective on December 1, 2018, however, the Company early adopted the standard effective December 1, 2017, and applied the standard retrospectively without restatement of comparative amounts. As a result, the Company changed its accounting policy for financial assets retrospectively on assets that were recognized at the date of application. The impact to the Company's financial statements was to reclassify its available-for-sale marketable securities to fair value through profit or loss ("FVTPL"), which resulted in a reclassification of $69,999 from accumulated other comprehensive loss to deficit on December 1, 2017. Future changes in the fair value of marketable securities are recorded directly in profit or loss.

All financial instruments are recognized initially at fair value on the date at which the Company becomes a party to the contractual provisions of the instrument.

Classification and measurement

The Company classifies its financial instruments in the following categories based on the purpose for which the asset was acquired: FVTPL, amortized cost, fair value through other comprehensive income ("FVOCI"), and other financial liabilities. As noted above, the impact of the adoption of IFRS 9 changed the measurement approach of marketable securities, effective December 1, 2017. The Company's financial assets and financial liabilities are classified and measured as follows:

- Cash and cash equivalents and marketable securities are classified and measured at FVTPL;
- Other receivables are classified and measured at amortized cost, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method, less provision for impairment; and
- Accounts payable and accrued liabilities, and accounts payable to related parties are classified and measured as other financial liabilities, initially at FVTPL, and subsequently at amortized cost using the effective interest rate method.

Impairment of financial assets

An 'expected credit loss' ("ECL") model applies to financial assets measured at amortized cost, but not to investments in marketable securities. The Company's financial assets measured at amortized cost and subject to the ECL model include other receivables. The adoption of the ECL impairment model had no impact on the carrying amounts of the Company's financial assets on the transition date given the receivables are substantially all current.

(c) Mineral property interests

The acquisition costs of mineral property interests and any subsequent exploration and evaluation costs are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs incurred prior to obtaining ownership, or the right to explore a property, are expensed as incurred as property examination costs. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units ("CGU") for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the year the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the year the transaction takes place. No initial value is assigned to any retained royalty interest. The royalty interest is subsequently assessed for value by reference to developments on the underlying mineral property.

2. Significant accounting policies (continued)

(c) Mineral property interests (continued)

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management's assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition and deferred exploration and evaluation costs are written-off to profit or loss.

Should a project be put into production, the costs of acquisition, exploration and evaluation will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds estimated reserves, an impairment provision is recorded.

When entitled, the Company records refundable mineral exploration tax credits or incentive grants on an accrual basis and as a reduction of the carrying value of the mineral property interest. When the Company is entitled to non-refundable exploration tax credits, and it is probable that they can be used to reduce future taxable income, a deferred income tax benefit is recognized.

(d) Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation of the property and equipment is provided over the estimated useful lives of the assets on a declining-balance basis, unless otherwise noted, at the following annual rates:

Office furniture	20%
Exploration equipment	20%

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The useful lives are reviewed annually.

(e) Impairment

(i) Financial assets

Impairment provisions for receivables are recognized based on the simplified approach within IFRS 9 using the lifetime ECL. During this process, the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables. For receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within profit or loss. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written-off against the associated provision.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, this reversal is recognized in profit or loss.

(ii) Non-financial assets

Non-financial assets are reviewed at each reporting period by management for indicators that the carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the CGU level, which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount. The Company's mineral property interest impairment policy is more specifically discussed in Note 2(c) above.

2. Significant accounting policies (continued)

(f) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

Warrants issued on a standalone basis are valued using the Black-Scholes model.

(g) Flow-through share private placements

As an incentive to complete private placements the Company may issue common shares, which by agreement are designated as flow-through shares. Such agreements require the Company to spend the funds from these placements on qualified exploration expenditures and renounce the expenditures and income tax benefits to the flow-through shareholders, resulting in no exploration deductions for tax purposes to the Company.

The shares are usually issued at a premium to the trading value of the Company's common shares. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability.

The deferred income tax liability and reversal of the flow-through share premium liability are recorded on a pro-rata basis as the required exploration expenditures are completed.

(h) Share-based payments

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in contributed surplus as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis.

Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Over the vesting period, share-based payments are recorded as an operating expense and as contributed surplus. When options are exercised the consideration received is recorded as share capital and the related share-based payments originally recorded as contributed surplus are transferred to share capital. When an option is cancelled, exercised, or expires, the initial recorded value is reversed from contributed surplus and credited to deficit.

2. **Significant accounting policies** (continued)

(i) Environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. The estimated costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are determined, and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates, using a pre-tax rate that reflects the time value of money, are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted at each reporting date for the unwinding of the discount rate, for changes to the current market-based discount rate, and for changes to the amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged to profit or loss as extraction progresses.

The Company has no known restoration, rehabilitation or environmental costs, of any significance, related to its mineral property interests.

(j) Foreign currency transactions

The presentation and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(k) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

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

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

(l) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company for the years presented, except if their inclusion proves to be anti-dilutive.

2. **Significant accounting policies** (continued)

(m) Use of estimates and critical judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares and/or warrants received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the underlying asset value of the shares, or value of the claims under option or sale. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the shares received.

(ii) The determination of the fair value of stock options or warrants using the Black-Scholes model requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

(iii) Depreciation expenses are allocated based on the economic lives of capital assets and depreciation rates. Should the economic life or depreciation rate differ from the initial estimate, an adjustment would be made in the statements of loss and comprehensive loss.

Judgments

(i) Recorded costs of mineral property interests are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that changes in future conditions could result in material differences between the recorded costs and the present or future values of the properties. Management is required, at each reporting date, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects, and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

2. Significant accounting policies (continued)

(n) Standards issued but not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after January 1, 2019. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

Effective for annual periods beginning on or after January 1, 2019:

- New standard IFRS 16 - *Leases*

  IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016, and will replace IAS 17, Leases. It is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attract interest, together with a new asset.

  The Company does not have any leases and accordingly there will be no material reporting changes as a result of adopting the new standard.

- New Interpretation IFRIC 23 - *Uncertainty over Income Tax Treatments*

  On June 7, 2017, the IASB issued IFRIC Interpretation 23 - *Uncertainty over Income Tax Treatments*. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019.

  There will be no material reporting changes on adoption of the Interpretation.

(Expressed in Canadian Dollars)

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	November 30, 2019	November 30, 2018
	$	$
Cash	37,016	41,355
Guranteed investment certificates	170,000	170,000
	207,016	211,355

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	November 30, 2019	November 30, 2018
	$	$
Sales tax recoverable	4,001	7,906
Other receivables	15,670	24,654
Prepaid expenses	14,903	14,124
	34,574	46,684

As at November 30, 2019, other receivables include accrued British Columbia Mining Exploration Tax Credits of $14,281 (November 30, 2018 - $24,120) relating to the McConnell Creek project (Note 6(a)(vii)).

5. Marketable securities

Marketable securities consist of common shares received on the option of mineral property interests.

During the year ended November 30, 2019, the Company sold all of its 1,000,000 Silver Range Resources Ltd. ("Silver Range") common shares to a company controlled by the Company's CEO for proceeds of $110,000. The Silver Range common shares were originally received under an option agreement at a fair value of $200,000. The sale results in a realized loss of $90,000, which is offset by the reversal of prior years' unrealized losses, for a net gain of $15,000 for the year ended November 30, 2019. As at November 30, 2019, the Company does not hold any Silver Range common shares (2018 – 1,000,000 Silver Range common shares with a fair value of $95,000).

During the year ended November 30, 2018, the Company recorded an unrealized loss on the Silver Range common shares in the amount of $60,000.

The Company continues to hold 500,000 common shares of a private company at a $1 nominal value, as there is no market or supportable fair value for the shares.

(Expressed in Canadian Dollars)

6. Mineral property interests

The Company's mineral property interests consist of exploration stage properties located in Canada (Northwest Territories, Nunavut, and British Columbia).

Changes in the project carrying amounts for the year ended November 30, 2019, are summarized as follows:

	December 1, 2018	Reclassification	Acquisitions / staking	Exploration and evaluation, net	Write-offs	November 30, 2019
	$	$	$	$	$	$
Fishback Lake	53,679	-	-	1,709	(55,388)	-
CH	633,905	64,440	-	51,978	-	750,323
Bishop	218,073	-	-	17,158	-	235,231
Rhombus	160,189	-	-	3,977	-	164,166
Zeus	47,046	-	-	-	(47,046)	-
Providence Greenstone Belt	439,681	(64,440)	-	7,793	(383,034)	-
Stein	6,460	-	44,945	98,880	-	150,285
McConnell Creek	736,455	-	-	33,562	-	770,017
Total	**2,295,488**	**-**	**44,945**	**215,057**	**(485,468)**	**2,070,022**

	December 1, 2018	Additions, net	Write-offs	November 30, 2019
	$	$	$	$
Acquisitions / staking	317,772	44,945	(51,532)	311,185
Exploration and evaluation	1,977,716	215,057	(433,936)	1,758,837
Total	**2,295,488**	**260,002**	**(485,468)**	**2,070,022**

(Expressed in Canadian Dollars)

6. Mineral property interests (continued)

Changes in the project carrying amounts for the year ended November 30, 2018, are summarized as follows:

	December 1, 2017 $	Acquisitions / staking $	Exploration and evaluation (recovery), net $	November 30, 2018 $
Fishback Lake	51,970	-	1,709	53,679
CH	559,900	-	74,005	633,905
Bishop	14,151	71,138	132,784	218,073
Rhombus	-	51,100	109,089	160,189
Zeus	-	35,398	11,648	47,046
Providence Greenstone Belt	440,839	-	(1,158)	439,681
Stein	-	-	6,460	6,460
McConnell Creek	675,001	5,048	56,406	736,455
Total	**1,741,861**	**162,684**	**390,943**	**2,295,488**

	December 1, 2017 $	Additions, net $	November 30, 2018 $
Acquisitions / staking	155,088	162,684	317,772
Exploration and evaluation	1,586,773	390,943	1,977,716
Total	**1,741,861**	**553,627**	**2,295,488**

Exploration and evaluation expenditures on the projects for the years ended November 30, 2019 and November 30, 2018, consisted of the following:

	November 30, 2019 $	November 30, 2018 $
Assays	10,959	8,886
Field	50,066	65,432
Labour	88,620	155,341
Survey and consulting	77,891	179,906
Travel and accommodation	1,802	5,498
	229,338	415,063
Less: British Columbia Mining Exploration Tax Credit (Note 6(a)(vii))	(14,281)	(24,120)
Total	**215,057**	390,943

6. **Mineral property interests** (continued)

(a) Wholly-owned projects

(i) Fishback Lake, Northwest Territories, Canada

The Company owns one claim in the form of a mining lease.

During the year ended November 30, 2019, a write-off of $55,388 was recorded against the Fishback Lake project as the Company has no current or future budgeted exploration programs in place for this project.

(ii) CH, Northwest Territories, Canada

The Company owns various claims north-northeast of Yellowknife, acquired by staking. These claims include the Starfish, Winterlake North, BP, and Zip claims, all of which are leases.

During the year ended November 30, 2019, the Company reclassified cumulative exploration costs of $64,440 in connection with certain Zip claims that were previously recorded within the Providence Greenstone Belt project, as discussed below.

(iii) Providence Greenstone Belt ("PGB"), Northwest Territories, Canada

The Company owns 4 claims and 17 leases in the PGB area of the Northwest Territories.

During the year ended November 30, 2019, a write-off of $383,034 was recorded against the PGB project as the Company has allowed certain leases to lapse without renewal, and there are no current or future budgeted exploration programs in place for this project. Additionally, during the year then ended the Company reclassified cumulative exploration costs of $64,440 from the PGB project to the CH project, representing historical costs incurred on certain Zip claims which otherwise make up a portion of the CH project.

(iv) Bishop, Northwest Territories, Canada

The Company owns 37 claims acquired by staking and 1 lease.

(v) Rhombus, Northwest Territories, Canada

The Company owns 25 claims acquired by staking.

(vi) Zeus, Northwest Territories, Canada

The Company owns 22 claims acquired by staking.

During the year ended November 30, 2019, a write-off of $47,046 was recorded against the Zeus project as the Company has no current or future budgeted exploration programs in place for this project.

(vii) McConnell Creek, British Columbia, Canada

The Company owns 4 mineral claims in the Omineca Mining Division of British Columbia.

During the year ended November 30, 2019, the Company accrued British Columbia Mining Exploration Tax Credit ("BCMETC") recoveries of $14,281 (2018 - $24,210) (Note 4). Additionally, the Company received refundable BCMETC in the amount of $24,120 during the year then ended (2018 - $nil).

6. **Mineral property interests** (continued)

(b) Projects under option

Stein, Nunavut, Canada

During the year ended November 30, 2018, the Company entered into an option agreement with Arctic Star Exploration Corp. (“Arctic Star”) to earn a 60% interest in Arctic Star’s wholly-owned Stein Diamond Project in Nunavut, Canada. The Stein Diamond Project consists of 4 contiguous prospecting permits on the Southern Boothia Peninsula, NU.

The Company can acquire a 60% undivided interest in the Stein Diamond Project by conducting detailed ground geophysics on high priority airborne targets, discovering kimberlite by drilling, trenching or in outcrop, and by converting prospecting permits to mineral claims. Upon discovery of kimberlite, a joint venture would be formed with an initial 60/40 contributing relationship. The project has a Class A land use permit that includes drilling.

(c) Other interests

Net Returns Royalty (“NR”) – Doyle leases

During the year ended November 30, 2013, the Company sold 9 of its mineral leases and 2 reinstated leases, including Bob Camp, to Kennady Diamonds Inc. (“Kennady”), for $150,000 cash and a retained 1.5% NR on all of the leases, except for one where the Company retains a 0.5% NR. Kennady has the right, at any time prior to commencement of production from the property, to purchase one-third of the NR, for the sum of $2,000,000.

During the year ended November 30, 2016, the Company sold its interest in the remaining 6 Doyle leases to Kennady for $200,000. The Company retains a 0.75% NR on all mineral production from the property. Kennady has the right at any time prior to commencement of production to purchase one-third of the NR, being 0.25%, for the sum of $1,000,000.

(d) License rights

During the year ended November 30, 2019, the Company entered into a License Agreement dated December 19, 2018, with an arm’s length party (the “Licensee”) whereby the Company granted the Licensee the perpetual right and license to access specified data on areas located in the Northwest Territories for cash proceeds of $30,000, which was recorded as license fee income.

7. **Reclamation deposits**

The reclamation deposits are pledged to the Ministry of Energy, Mines and Petroleum Resources of British Columbia and the Government of the Northwest Territories. They are invested in guaranteed investment certificates with one-year terms that automatically renew. Management has determined that the Company has no material reclamation work related to the properties requiring the deposits.

(Expressed in Canadian Dollars)

8. **Property and equipment**

	Office furniture $	Exploration equipment $	Total $
Cost			
December 1, 2017, and November 30, 2018	17,879	392,388	410,267
Accumulated depreciation			
December 1, 2017	17,286	358,207	375,493
Depreciation	90	6,865	6,955
November 30, 2018	17,376	365,072	382,448
Cost			
December 1, 2018	17,879	392,388	410,267
Less: property and equipment written-off	(4,573)	(1,575)	(6,148)
November 30, 2019	**13,306**	**390,813**	**404,119**
Accumulated depreciation			
December 1, 2018	17,376	365,072	382,448
Depreciation	40	5,468	5,508
Less: property and equipment written-off	(4,363)	(1,510)	(5,873)
November 30, 2019	**13,053**	**369,030**	**382,083**
Net book value			
November 30, 2018	503	27,316	27,819
November 30, 2019	**253**	**21,783**	**22,036**

Depreciation is recorded on the statements of loss and comprehensive loss for the year ended November 30, 2019 as $40 (2018 - $90) within general and administrative expenses, and $5,468 (2018 - $6,865) within property examination costs. Loss on the property and equipment written-off amounted to $275 (2018 - $nil).

9. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value. All issued shares are fully paid.

Transactions for the issue of share capital during the year ended November 30, 2019:

(a) On May 28, 2019, the Company completed a private placement consisting of the issue of 4,137,500 non-flow-through units at a price of $0.08 each for gross proceeds of $331,000. Each non-flow-through unit consisted of one common share and one share purchase warrant, with each warrant being exercisable into a common share at an exercise price of $0.15 until May 28, 2022.

The units were issued at a price that exceeded the trading value of the Company's common shares which is a reflection of the residual value of the warrants attached to the private placement units. The residual value of the warrants was determined to be $41,375 and has been recorded as a reduction of share capital and an increase in contributed surplus.

(b) On May 28, 2019, the Company completed a flow-through private placement consisting of the issue of 550,000 flow-through units at a price of $0.10 each for gross proceeds of $55,000. Each unit consisted of one flow-through common share and one share purchase warrant, with each warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until May 28, 2022.

The flow-through units were issued at a premium to the trading value of the Company's common shares which is a reflection of the value of the income tax write-offs that the Company will renounce to the flow-through shareholders. The premium was determined to be $11,000 and was recorded as a reduction of share capital with an offset to flow-through premium liability. The premium was reversed upon the required exploration expenditures being completed and recorded as income on settlement of the flow-through premium liability. A further residual value was allocated to the warrant component of the flow-through units, in the amount of $5,500 and has been recorded as a reduction of share capital and an increase in contributed surplus.

Share issue costs of $17,537 were incurred in respect of the private placements which included legal and filing fees recorded as a reduction to share capital.

Transactions for the issue of share capital during the year ended November 30, 2018:

There were no transactions for the issue of share capital during the year ended November 30, 2018.

Commitment to issue shares

On June 1, 2019, the Company entered into a six month Amending Agreement (the "Agreement") with Dave Kelsch Consulting Ltd. ("Dave Kelsch Consulting"), a company controlled by the President and COO of the Company, whereby Dave Kelsch Consulting agreed to a consulting fee of $850 per day, of which at least 30% would be paid by cash and the remainder paid in common shares of the Company (Notes 11(a), and 16).

The consulting fee is paid/accrued on a monthly basis, and the number of common shares issuable by the Company is calculated at the end of each month during which the consulting services were provided, based on the volume weighted average price of the Company's common shares during such month, minus 50% of the maximum discount permitted by the policies of the Exchange. The common shares are issuable semi-annually, and interest is charged at a rate of 2% per month compounded monthly on unpaid amounts, and is payable in cash. As at November 30, 2019, a total of 502,273 common shares were issuable to Dave Kelsch Consulting in settlement of $38,063 in consulting fees, which were issued subsequent to year end, on January 3, 2020 (Note 16).

During the year ended November 30, 2019, the Company accrued $40,182 (2018 - $nil), as a commitment to issue shares, including the recognition of a fair value adjustment on commitment to issue shares of $2,119, representing the difference between the year end valuation of the shares issuable by the Company, and the initial recognition of the consulting services rendered of $38,063, of which $20,895 is recorded within mineral property interests (Note 13).

As at November 30, 2019, accrued interest expense included within accounts payable and accrued liabilities was $1,636 (Note 11). All share issuances are subject to regulatory approval, including Exchange acceptance, and will be subject to such hold periods as are required by the Exchange and applicable regulatory authorities.

(Expressed in Canadian Dollars)

9. Share capital (continued)

Warrants

As an incentive to complete private placements, the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to the units sold in completed private placements.

A summary of the status of the Company's warrants as at November 30, 2019 and November 30, 2018, and changes during the years then ended is as follows:

	Year ended November 30, 2019		Year ended November 30, 2018	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of year	-	-	527,000	1.54
Issued	4,687,500	0.15	-	-
Expired	-	-	(527,000)	1.54
Warrants outstanding, end of year	**4,687,500**	**0.15**	-	-

As at November 30, 2019, the Company has warrants outstanding and exercisable as follows:

Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
4,687,500	4,687,500	0.15	2.49	May 28, 2022

(Expressed in Canadian Dollars)

9. **Share capital** (continued)

Stock options

The Company has a Stock Option Plan (the "Plan") whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the Exchange policies.

A participant who is not a consultant conducting investor relations activities, who is granted an option under the plan with exercise prices at or above "Market Price" will have their options vest immediately, unless otherwise determined by the Board of Directors. A participant who is a consultant conducting investor relations activities who is granted options under the plan will have their options become vested with the right to exercise one-quarter of the options upon conclusion of every three months subsequent to the grant date.

A summary of the status of the Company's stock options as at November 30, 2019 and November 30, 2018, and changes during the years then ended is as follows:

	Year ended November 30, 2019		Year ended November 30, 2018	
	Options #	Weighted average exercise price $	Options #	Weighted average exercise price $
Options outstanding, beginning of year	1,725,000	0.18	1,725,000	0.18
Options outstanding, end of year	**1,725,000**	**0.18**	1,725,000	0.18

As at November 30, 2019, the Company has stock options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Weighted average exercise price $	Weighted average remaining life (years)	Expiry date
50,000	50,000	0.25	0.41	April 21, 2020
125,000	125,000	0.15	0.41	April 21, 2020
400,000	400,000	0.25	1.00	November 30, 2020
1,150,000	1,150,000	0.15	2.94	November 6, 2022
1,725,000	**1,725,000**	**0.18**	**2.43**	

No stock options were granted during the years ended November 30, 2019 or November 30, 2018.

Share-based payment expense is recognized based on the stock options that vested during the year. For the year ended November 30, 2019, share-based payment expense was $nil (2018 - $129,389).

Contributed surplus

Contributed surplus is comprised of the accumulated fair value of stock options recognized as share-based payments, the residual value of share purchase warrants attached to unit private placements and share purchase warrants recognized within share issue costs. Contributed surplus is increased by the fair value of these items on vesting and is reduced by corresponding amounts when stock options or share purchase warrants expire, are exercised, or cancelled.

10. Loss per share

The calculation of basic and diluted loss per share for the year ended November 30, 2019, is based on the loss attributable to common shareholders of $725,157 (2018 - $527,272) and a weighted average number of common shares outstanding of 24,485,648 (2018 – 22,096,949).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the years presented, as their effect would have been anti-dilutive.

11. Related party payables and transactions

The Company's related parties include key management personnel and Directors, and companies in which they have control or significant influence over the financial or operating policies of those entities.

There were no stock options granted to key management personnel and Directors during the years ended November 30, 2019 or November 30, 2018.

During the year ended November 30, 2019, $nil (2018 - $126,689) was recognized within share-based payment expense on stock options granted to key management personnel and Directors which vested during the year then ended.

As at November 30, 2019, Strategic Metals Ltd. (”Strategic”) had a 43.17% interest in the Company (November 30, 2018 - 45.26%). The Company and Strategic have certain common Officers, and the large share position of Strategic in the Company gives it control of the Company. During the year ended November 30, 2019, Strategic subscribed to 1,562,500 non-flow-through units of the Company pursuant to the private placement completed during the year then ended (Note 9(a)) for gross proceeds of $125,000. In addition, key management personnel and Directors and other related parties subscribed to 2,262,500 non-flow-through units and 450,000 flow-through units of the private placement, for gross proceeds of $226,000.

The Company transacted with the following related parties:

(a) David Kelsch is a Director of the Company, as well as the President and Chief Operating Officer. He controls Dave Kelsch Consulting, which provides the Company with consulting services, as well as technical and professional services. On June 1, 2019, the Company entered into an Amending Agreement with Dave Kelsch Consulting (Note 9).

(b) Douglas Eaton is a Director and the Company's CEO. He is a shareholder of and has significant influence over Archer, Cathro & Associates (1981) Limited (“Archer Cathro”), which is a geological consulting firm. Archer Cathro provides the Company with office space and administrative support. He is also a Director, President and CEO of Strategic.

(c) Glenn Yeadon is a Director and Corporate Secretary of Strategic. He controls Glenn R. Yeadon Personal Law Corporation (“Yeadon Law Corp.”), which provides the Company with legal services.

(d) Larry Donaldson is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. (“DBM CPA”) (formerly Donaldson Grassi Chartered Professional Accountants until January 31, 2019), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services. He is also CFO of Strategic.

(e) Drechsler Consulting Ltd. is controlled by Richard Drechsler, who is Vice-President of Communications for Strategic. Drechsler Consulting Ltd. provides the Company with consulting services.

(f) Linda Knight is the Corporate Secretary of the Company.

(Expressed in Canadian Dollars)

11. Related party payables and transactions (continued)

The aggregate value of transactions and outstanding balances with related parties are as follows:

		Transactions Year ended November 30, 2019	Transactions Year ended November 30, 2018	**Balances outstanding November 30, 2019**	Balances outstanding November 30, 2018
		$	$	**$**	$
	Dave Kelsch Consulting				
	- geological services	64,713	143,725	373	9,460
(1)	- consulting fees	59,224	55,675	7,936	7,136
		123,937	199,400	8,309	16,596
	Archer Cathro	19,272	21,496	1,575	3,899
(2)	Yeadon Law Corp	24,075	17,120	-	5,132
	DBM CPA	35,500	34,300	11,500	11,500
	Drechsler Consulting Ltd.	11,970	14,715	-	662
	Linda Knight	61,400	69,019	3,470	3,506
		276,154	356,050	**24,854**	41,295

(1) Transactions for the year ended November 30, 2019 include $1,636 in interest expense (Note 9) (2018 - $nil).
(2) Transactions for the year ended November 30, 2019 include $14,753 in share issue costs (2018 - $nil).

All related party balances are unsecured and are due within thirty days without interest.

The transactions with the key management personnel and Directors are included in operating expenses as follows:

(a) Management, administrative and corporate development fees
- Includes the consulting fees charged to the Company by Dave Kelsch Consulting and a related business.
- Includes the consulting fees charged to the Company by Drechsler Consulting Ltd.
- Includes the accounting and administrative services charged to the Company by Linda Knight.

(b) Office rent
- Includes office rent charged to the Company by Archer Cathro.

(c) Professional fees
- Includes legal services charged to the Company by Yeadon Law Corp.
- Includes the accounting services charged to the Company by DBM CPA.

(Expressed in Canadian Dollars)

12. Income taxes

Income tax recovery for the years ended November 30, 2019 and November 30, 2018 varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before income taxes as follows:

	November 30, 2019 $	November 30, 2018 $
Loss for the year before income taxes	(725,157)	(527,272)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	196,000	142,000
Change in tax resulting from:		
Unrecognized items for tax purposes	5,000	(43,000)
Share issue costs	5,000	-
Tax benefits renounced on flow-through expenditures	(15,000)	-
Tax benefits on losses not recognized	(191,000)	(99,000)
Income tax recovery	-	-

The significant components of the Company's unrecognized deferred tax assets are as follows:

	November 30, 2019 $	November 30, 2018 $
Mineral property interests	4,088,000	3,973,000
Marketable securities	3,000	18,000
Property and equipment	140,000	138,000
Non-capital loss carry forwards	1,371,000	1,301,000
Capital losses	13,000	1,000
Share issue costs	5,000	2,000
Unrecognized deferred tax assets	(5,620,000)	(5,433,000)
Net deferred tax assets	-	-

As at November 30, 2019, the Company has non-capital loss carry forwards of approximately $5,076,000 (November 30, 2018 - $4,817,000) which expire between 2026 and 2039.

As at November 30, 2019 the Company has unused capital losses of approximately $99,000 (November 30, 2018 - $8,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at November 30, 2019, the Company has unclaimed resource and other deductions in the amount of approximately $17,212,000 (November 30, 2018 - $17,004,000), which may be deducted against future taxable income.

As at November 30, 2019, the Company has share issue costs totaling approximately $18,000 (November 30, 2018 - $6,000), which have not been claimed for income tax purposes.

As at November 30, 2019, the Company has unused temporary differences in respect of property and equipment totaling approximately $519,000 (November 30, 2018 - $513,000), which have no expiry.

Income tax attributes are subject to review, and potential adjustments, by tax authorities.

(Expressed in Canadian Dollars)

13. Supplemental cash flow information

Changes in non-cash operating working capital during the years ended November 30, 2019 and November 30, 2018, were comprised of the following:

	November 30, 2019 $	November 30, 2018 $
Receivables and prepayments	2,271	82,279
Accounts payable and accrued liabilities	(7,862)	(82,249)
Accounts payable to related parties	(7,354)	33,276
Net Change	**(12,945)**	33,306

The Company incurred non-cash financing and investing activities during the years ended November 30, 2019 and November 30, 2018, as follows:

	November 30, 2019 $	November 30, 2018 $
Non-cash financing activities:		
Share capital reduced by flow-through share premium	11,000	-
Share capital reduced by unit warrants issued	(46,875)	-
	(35,875)	-
Non-cash investing activities:		
Exploration incentive included in other receivables	(14,281)	(24,120)
Deferred exploration expenditures included in accounts payable and related party payables	24,577	24,547
Deferred exploration expenditures included in commitment to issue shares	20,895	-
	31,191	427

During the years ended November 30, 2019 and November 30, 2018, no amounts were paid for interest or income tax expenses.

14. Financial risk management

Capital management

The Company is a resource exploration company and considers items included in shareholders' equity as capital. The Company has no debt and does not expect to enter into debt financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. The Company's capital structure as at November 30, 2019, is comprised of shareholders' equity of $2,332,884 (November 30, 2018 - $2,660,396).

The Company currently has no source of revenues. In order to fund future projects and pay for general and administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral property interests and its ability to borrow or raise additional financing from equity markets (see Note 1).

There were no changes to the Company's capital management approach during the year ended November 30, 2019.

(Expressed in Canadian Dollars)

14. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, other receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of other receivables, accounts payable and accrued liabilities, and accounts payable to related parties, approximate their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

	Level 1 $	Level 2 $	Level 3 $	Total $
November 30, 2019				
Cash and cash equivalents	207,016	-	-	207,016
Marketable securities	-	-	1	1
Reclamation deposits	76,400	-	-	76,400
	283,416	**-**	**1**	**283,417**
November 30, 2018				
Cash and cash equivalents	211,355	-	-	211,355
Marketable securities	95,000	-	1	95,001
Reclamation deposits	76,400	-	-	76,400
	382,755	-	1	382,756

Financial instruments - risk

The Company's financial instruments can be exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and market and currency risk.

(a) Credit risk

The Company is exposed to credit risk by holding cash and cash equivalents. All of the Company's cash and cash equivalents are held in a Canadian financial institution, and management believes the exposure to credit risk with respect to such an institution is not significant. The Company has minimal receivable exposure as its refundable tax credits and other receivables are due from Canadian Governments.

(b) Interest rate risk

The Company is not exposed to interest rate risk as it does not hold financial securities or debt that would be impacted by fluctuating interest rates other than its cash and cash equivalents which are subject to variable rates. Fluctuations in market rates would have an insignificant impact on the Company's operations.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due (see Note 1). The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources.

14. Financial risk management (continued)

(d) Market risk

The Company is not exposed to market risk as it no longer holds publicly traded marketable securities as at November 30, 2019. Based on the November 30, 2018 value of marketable securities, every 10% fluctuation in the share prices of these companies would have had a $9,500 impact on profit or loss for the year before income taxes.

(e) Currency risk

The Company conducts minimal transactions in foreign currencies and currency risk is not considered significant.

15. Commitment

On May 28, 2019, the Company completed a private placement of flow-through units for gross proceeds of $55,000 (Note 9 (b)). As at November 30, 2019, the Company had met its obligation to spend the funds on qualified exploration programs. The Company renounced the expenditures and available income tax benefits to the flow-through shareholders effective October 31, 2019.

16. Subsequent event

On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting in settlement of $38,063 in consulting fees payable at November 30, 2019 (Note 9).