COPPER REEF MINING CORPORATION

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

FEBRUARY 29, 2020 AND 2019

Copper Reef Mining Corporation

FOR THE THREE MONTHS ENDED
FEBRUARY 29, 2020 AND 2019

Notice to Shareholders

April 17, 2020

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Copper Reef Mining Corporation (Copper Reef) were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate for Copper Reef's circumstances. The significant accounting policies of Copper Reef are summarized in note 2 to these financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities.

An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management as well as the independent auditors to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Audit Committee also reviews Copper Reef's Management Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Copper Reef's affairs in compliance with established financial standards, and applicable laws and regulations and for maintaining proper standards of conduct for its activities.

(Signed) "Stephen Masson
Director

(Signed) "William Phillips"
Director

COPPER REEF MINING CORPORATION
STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS

	Notes	February 29, 2020	November 30, 2019
Assets			Audited
Current assets			
Cash		**$ 898,955**	$ 303,185
Marketable securities	4	**600**	800
Deposits	5	**23,631**	–
Amounts receivable	5	**36,742**	7,605
Total current assets		**$ 959,928**	$ 311,590
Non-current assets			
Exploration and evaluation assets	6, 9	**$ 9,606,260**	$ 9,024,880
Total Assets		**$ 10,566,188**	$ 9,336,470
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,9	**$ 76,898**	$ 145,787
Non-current liabilities			
Flow through premium liability		**375,000**	–
Deferred income taxes	9	**856,500**	856,500
Total Liabilities		**$ 1,308,398**	$ 1,002,287
Shareholders' equity			
Share capital	8(a)(b)	**$ 15,664,547**	$ 14,574,847
Stock option reserve	8(c)	**558,500**	215,000
Warrant reserve	8(d)	**317,368**	317,368
Deficit		**(7,282,625)**	(6,773,032)
Total Shareholders' Equity		**$ 9,257,790**	$ 8,334,183
Total Liabilities and Shareholders' Equity		**$ 10,566,188**	$ 9,336,470

Going Concern (Note 1)

Commitments and contingencies (Notes 6 and 10)

Approved on behalf of the Board of Directors

"Stephen L. Masson" ***"William Phillips"***

Director ` **Director**

COPPER REEF MINING CORPORATION
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
EXPRESSED IN CANADIAN DOLLARS

For the three months ended February 29,		**2020**	2019
Expenses			
General and administrative	10	**$ 105,863**	$ 66,388
Investor relations		**22,476**	1,682
Share based compensation	8(c)	**343,500**	–
Non-capitalised exploration	6	**37,554**	45,374
Total expenses		**$ 509,393**	$ 113,444
Other (loss)			
Realised/Unrealised (loss) on marketable securities	4	**(200)**	(127,375)
Total other (loss)		**$ (200)**	$ (127,375)
(Loss) before income taxes		**$ (509,593)**	(240,819)
Deferred income tax (expense)/recovery		**–**	–
Net (loss) and comprehensive (loss) for the year		**$ (509,593)**	$ (240,819)
(Loss) per share, basic and diluted		**$ (0.025)**	$ (0.015)
Weighted average shares outstanding, basic and diluted		**20,662,894**	15,464,630

COPPER REEF MINING CORPORATION
STATEMENTS OF SHAREHOLDERS' EQUITY
EXPRESSED IN CANADIAN DOLLARS

		Number of Shares	Amount	Stock Option Reserve	Warrant Reserve	Deficit	Total Shareholders' Equity
Balance as at November 30, 2018		**15,021,130**	**$13,875,415**	**$275,000**	**$173,400**	**$(6,379,368)**	**$ 7,944,447**
Units issued for cash, private placement	8	443,500	132,000	–	–	–	132,000
Value of warrants issued	8	–	(29,100)	–	29,100	–	–
Net loss & comprehensive loss for the period		–	–	–	–	$ (240,819)	(240,819)
Balance as at February 28, 2019		**15,464,630**	**$13,978,315**	**$275,000**	**$202,500**	**$(6,620,187)**	**$ 7,835,628**
Units issued for cash, private placement	8	3,650,000	765,000	–	–	–	765,000
Units issued for debt		312,000	78,000	–	–	–	78,000
Value of warrants issued	8	–	(246,468)	–	246,468	–	–
Fair value of expired warrants	8	–	–	–	(131,600)	131,600	–
Cancellation of options	8	–	–	(60,000)	–	60,000	–
Net loss & comprehensive loss for the period		–	–	–	–	(344,445)	(344,445)
Balance as at November 30, 2019		19,426,630	$14,574,847	$215,000	$317,368	$(6,773,032)	$ 8,334,183
Units issued for cash, private placement	8	3,750,001	1,500,000	–	–	–	1,500,000
Finder's fee	8	–	(19,250)	–	–	–	(19,250)
Flow through share premium	8	–	(375,000)	–	–	–	(375,000)
Options issued	8	–	–	343,500	–	–	343,500
Net loss & comprehensive loss for the period		–	–`	–	–	(509,593)	(509,593)
Balance, February 29, 2020		**23,176,631**	**$15,680,597**	**$558,500**	**$317,368**	**$(7,282,625)**	**$ 9,273,790**

COPPER REEF MINING CORPORATION
STATEMENTS OF CASH FLOW
EXPRESSED IN CANADIAN DOLLARS

For the three months ended February 29		2020	2019
Cash Flows from Operating Activities	**Notes**		
Net loss for the period		**$ (509,593)**	$ (240,819)
Items not affecting cash:			
Realised/unrealised loss on marketable securities	4	**200**	127,375
Share based compensation		**343,500**	–
Deposits		**(23,631)**	(10,000)
(Increase)/decrease in amounts receivable	5	**(29,137)**	3,075
Increase/(decrease) in accounts payable and accrued liabilities	7	**(58,575)**	29,760
Cash (used in) operating activities		**$ (277,236)**	$ (90,609)
Cash Flows from/(used in) Financing Activities			
Net proceeds from share and warrant issuance	8	**$ 1,464,700**	$ 132,000
Cash provided from financing activities		**$ 1,464,700**	$ 132,000
Cash Flows from/(used in) Investing Activities			
Exploration, evaluation and expenditures	6	**$ (591,694)**	$ (25,457)
Proceeds from sale of marketable securities	4	**–**	7,825
Cash (used in) from investing activities		**$ (591,694)**	$ (17,632)
Change in cash		**$ 595,770**	$ 23,759
Cash, beginning of period		**303,185**	13,960
Cash, end of period		**$ 898,955**	$ 37,719
Supplemental Information			
Change in accrued exploration expenditures		**$ 10,314**	$ 3,581

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Copper Reef Mining Corporation (the "Company" or "Copper Reef") was incorporated under the laws of the Province of Manitoba on March 27, 1973 as "Copper Reef Mines (1973) Limited". The Company's name was amended to Copper Reef Mining Corporation on September 8, 2006. The Company's Head Office is located at 12 Mitchell Road, Flin Flon, Manitoba R8A 1N1.

The shares of the Company are listed on the Canadian Securities Exchange under the symbol "CZC". The Company is engaged in the identification, acquisition and exploration of mineral properties in Canada, with present activities concentrated in the provinces of Manitoba and Saskatchewan.

The financial statements of Copper Reef for the three months ended February 29, 2020, were reviewed by the Audit Committee and approved and authorized by the Board of Directors on April 17, 2020.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory, social and environmental requirements. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These adjustments could be material.

As at February 29, 2020, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. During the three months ended February 29, 2020, the Company incurred a net loss of $509,593 including share based compensation of $343,500 and unrealised loss on securities held of $200 (2019 – $240,819 including share based compensation of $nil and unrealised loss on securities held of $127,375), had an accumulated deficit of $7,282,625 as at February 29, 2020 (2019 – $6,773,032).

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) STATEMENT OF COMPLIANCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

These unaudited, condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

b) BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements include the accounts of Copper Reef and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended November 30, 2019. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after December 1, 2019 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted

IFRS 3 – Business Combinations ("IFRS 3") was amended in October 2018 to clarify the definition of a business. This amended definition states that a business must include inputs and a process and clarified that the process must be substantive and the inputs and process must together significantly contribute to operating outputs. In addition it narrows the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs and added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

EXPRESSED IN CANADIAN DOLLARS

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET IN EFFECT (CONT'D)

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

4. MARKETABLE SECURITIES

As at February 29, 2020 the Company held 20,000 shares in Jaxon Minerals Inc. (JAX) with a market value of $600 (2019 – $1,700) and an unrealised loss of $200 (2019 – $300) for the period.

5. AMOUNTS RECEIVABLE & DEPOSITS

The Company's amounts receivable are broken down as follows:

	February 29, 2020	February 28, 2019
Deposits on drilling and geophysics contracts	**$ 23,631**	$ 10,000
Goods and services tax receivable	**36,742**	6,775
Total	**$ 60,373**	$ 16,775

6. EVALUATION AND EXPLORATION ASSETS

The continuity schedule of exploration expenditures allocated to individual major properties and summarized for minor properties, together with exploration expenses that were not capitalized, for the period ended February 29, 2020 is shown overleaf:

EXPRESSED IN CANADIAN DOLLARS

6. Evaluation and Exploration Assets (Cont'd)	Total	Non Capitalized Expenditures	Total Capitalised Expenditures	Gold Rock Group	Alberts Lake Group	Mink Narrows	Smelter Group	Hanson Lake	Other Properties
Balance, November 30, 2018			**$ 9,057,283**	**$ 1,680,317**	**$ 819,504**	**$2,452,930**	**$1,604,957**	**$1,679,928**	**$819,647**
Claim acquisition & holding	*$ 2,862*	*$ 2,096*	766	468	–	298	–	–	–
Assay	***272***	***272***	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Geological	*14,265*	*3168*	11,097	–	11,097	–	–	–	–
Field labour costs	*37,677*	*28,777*	8,900	–	8,900	–	–	–	–
Other fields costs	*12,174*	*11,061*	1,113	–	1,113	–	–	–	–
Total Q1, 2019	*$ 67,250*	*$ 45,374*	$ 21,876	$ 468	$ 21,110	$ 298	$ –	0	0
Balance, February 28, 2019			**$ 9,079,159**	**$ 1,680,785**	**$ 840,614**	**$2,453,228**	**$1,604,957**	**$1,679,928**	**$ 819,647**
Claim acquisition & holding	*$ 40,768*	*$ 30,107*	9,895	732	1,291	715	–	–	7,157
Assay	*9,324*	*3,691*	5,634	–	4,691	–	–	–	943
Geological	*36,741*	*6,680*	18,964	–	18,964	–	–	–	–
Field labour costs	*123,055*	*32,555*	81,599	563	72,225	1,688	–	3,563	3,560
Other fields costs	*40,707*	*14,171*	25,423		21,499				3,924
Drilling	*71,778*	–	71,778	–	71,778	–	–	–	–
Total balance of 2019	*$ 255,122*	*$ 41,829*	**$ 213,293**	**$ 1,295**	**$ 190,448**	**$ 2,403**	**$ –**	**$ 3,563**	**$ 15,584**
Properties written off			(267,572)	–	–	–	–	–	$(267,572)
Total November 30, 2019			**$ 9,024,880**	**$ 1,682,080**	**$1,031,062**	**$2,455,631**	**$1,604,957**	**$1,683,491**	**$ 567,659**
Claim acquisition & holding	***$ 7,560***	***$ 1,902***	**5,658**	**–**	1,430	3,721	260	234	13
Assay	***8,376***	***13***	**8,363**	**–**	8,363	–	–	–	–
Geological	***54,504***	***13,439***	**41,065**	**–**	10,965	–	–	29,200	900
Field labour costs	***71,266***	***13,428***	**57,838**	**–**	38,138	–	–	16,500	3,200
Other fields costs	***23,803***	***8,772***	**15,031**	**–**	10,245	–	–	4,581	205
Drilling	***453,425***	***0***	**453,425**	**–**	275,147	–	–	117,160	61,118
Total Q1 2020	***$ 618,934***	***$ 37,554***	**$ 581,380**	**–**	**$ 344,288**	**$ 3,721**	**$ 260**	**$ 167,675**	**$ 65,436**
Total February 29, 2020			**$ 9,606,260**	**$1,682,080**	**$1,375,350**	**$2,459,352**	**$1,605,217**	**$1,851,166**	**$ 633,095**

6. EVALUATION AND EXPLORATION ASSETS (CONT'D)

PROPERTIES INCLUDED IN THE PRECEDING TABLE

Gold Rock Group, Manitoba

The Gold Rock Group includes the Gold Rock, North Star and Star mineral properties, the North Star mining lease and the Gold Rock mining lease. The North Star mineral property and mining lease are subject to 2% Net Smelter Returns royalty (NSR).

The Gold Rock Mining Lease is 100% owned by the Company, subject to a 2% NSR. In addition, the NSR holder retains a 25% Net Profits Interest (NPI) in the first 25 feet below surface of vein material as currently documented.

Also included in the Gold Rock Group is the Murr claim, also owned 100% by the Company, subject to a 1% NSR.

Alberts Lake Group, Manitoba

The Alberts Lake Group includes the Alberts Lake, Lew, Amulet, Mike, Mur and Hanna mineral properties. With the exception of the Mike 1 (15% NPI) and Mur 6 (2% NSR), all claims are 100% owned by the Company.

Mink Narrows Group, Manitoba

The Mink Narrows Group includes the Mink Narrows, Mystic and Payuk mineral properties. The claims are 100% owned by the Company.

Smelter Group, Manitoba

The Smelter Group includes three contiguous Smelter claims, which are 100% owned by the Company as well as six Bartley Lake claims.

Hanson Lake, Saskatchewan

The Hanson Lake Property consists of a single claim located in the Hanson Lake area of Saskatchewan.

OTHER PROPERTIES

During 2019, the Company applied for two Mineral Exploration Leases ("MEL's"), both located in Manitoba. Both MEL's are in "Pending" status with no financial requirements until fully registered.

Otter/Twin Lakes Group, Manitoba

The Company holds a 100% interest in the Otter Group claims, comprised of the Otter Lake and Twin Lakes mineral claims. The vendor retained a 1% NSR on the Otter Lake claims.

EXPRESSED IN CANADIAN DOLLARS

6. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Pikoo, Saskatchewan

During the year ended November 30, 2019, the Company made the decision to allow these claims to lapse and the property has been written off. The amount written off was $267,572.

Kiss/Kississing

The Kiss/Kississing Group includes the Kiss and Kississing mineral properties. The claims are 100% owned by the Company.

Lucille

The Lucille Lake property includes three, unpatented mineral claims all of which are owned 100% by the Company, with no underlying agreements or royalties.

Burn, Manitoba

The Burn property is 100% owned by the Company.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 29, 2020	February 28, 2019
Due to related parties (Note 9)	**$ 60,041**	$ 258,514
Trade payables	**3,381**	34,411
Accrued liabilities	**13,476**	22,000
Total	**$ 76,898**	$ 314,925

EXPRESSED IN CANADIAN DOLLARS

8. SHARE CAPITAL

a) AUTHORIZED SHARE CAPITAL

Unlimited number of common shares without par value

b) ISSUED SHARE CAPITAL

On November 15, 2019 the Company consolidated all of its issued and outstanding shares, options and warrants. Pre and post-consolidation outstanding shares, options and warrants as at November 30, 2019 are summmarized as follows:

Pre Consolidation			Post-Consolidation		
Shares	**Options**	**Warrants**	**Shares**	**Options**	**Warrants**
194,266,300	11,050,000	46,245,000	19,426,630	1,105,000	4,624,500

All share, option and warrant information has been adjusted to reflect the consolidation.

On November 19, 2019, all issued and outstanding warrants were repriced from the post-consolidation price of $0.50/warrant to $0.35/warrant.

As at November 30, 2019, the Company had 19,426,630 issued and fully paid common shares (November 30, 2018 – 15,021,130).

i) During the year ended November 2019, the Company completed the following financings:

On December 31, 2018, the Company closed a private placement through the issuance of 84,500 flow-through units at a price of $0.50 per flow-through unit, representing proceeds of $42,250 and 359,000 class “A” units at a price of $0.25 per unit representing proceeds of $89,750 for an aggregate total raised of $132,000.

One warrant exercisable at $0.50 per warrant was attached to each share. The flow-through warrants expire after 24 months on December 31, 2020. The non-flow-through warrants expire after 18 months on June 30, 2020. These warrants were extended on November 19, 2019.

On March 20, 2019, the Company closed a private placement through the issuance 110,000 flow-through units at a price of $0.50 per flow-through unit representing proceeds of $55,000 and 352,000 class “A” units at a price of $0.25 per unit representing proceeds of $88,000 for an aggregate total raised of $143,000.

One warrant exercisable at $0.50 per warrant was attached to each share. All flow-through warrants expire after 24 months on March 20, 2021 and all non-flow-through warrants expire after 12 months on March 20, 2020.

Included in the March 20, 2019 non-flow-through financing was the issuance of 312,000 shares for debt of $78,000 that were issued to directors and/or officers.

8 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

All class A units consisted of, and separated immediately into, one common share of the Issuer and one share-purchase warrant, each entitling the holder to purchase one common share at a purchase price of $0.50 cents per warrant for a period of twelve (12) months following the date of issuance. The flow-through units consist of, and separated immediately upon closing into, one common share, to be issued as a flow-through share within the meaning of the *Income Tax Act* (Canada), and one warrant. Each warrant attached to the flow-through units shall entitle the holder to purchase one common share for a purchase price of $0.50 per common share for a period of twenty four (24) months following the date of issuance.

Directors and management participated in the above private placements for a total of $157,500 including the shares for debt of $78,000 and comprising 94,500 flow-through shares and 386,500 Class "A" units.

On October 8 and 18, 2019, the Company closed two tranches of a private placement through the issuance 3,500,000 class "A" units at a price of $0.20 per unit representing proceeds of $700,000.

All class A units consisted of, and separated immediately into, one common share of the Issuer and one share-purchase warrant, each entitling the holder to purchase one common share at a purchase price of $0.50 per warrant for a period of twelve (12) months following the date of issuance.

Directors of the Issuer participated in the second tranche for a total of $60,000 for 300,000 units.

ii) During the three months ended February 29, 2020, the Company completed the following financing:

On January 30, 2020 the Company closed a private placement through the issuance of 2,083,334 flow-through shares at a price of $0.48 per flow-through share, representing proceeds of $1,000,000 and 1,666,667 class "A" shares at a price of $0.30 per share representing proceeds of $500,000 for an aggregate total raised of $1,500,000.

The Company agreed to pay a finder's fee in respect of those purchasers under the offering introduced to the Company by finders. Each finder received a cash commission equal to up to 5% of the gross proceeds received from purchasers under the offering, who were introduced to the Company by such finder. The aggregate payable in connection with the offering totaled $19,250.

EXPRESSED IN CANADIAN DOLLARS

8 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

c) INCENTIVE STOCK OPTIONS

Pursuant to the Company's stock option plan (the "Plan"), the Company may grant to its employees, officers, directors and consultants, options to purchase common shares of the Company at a fixed price as determined by the board of directors. The options vest in accordance with the terms of their granting and have a maximum term of five years. The common shares reserved for issuance under the Plan will not exceed, in aggregate, 10% of the Company's common shares issued and outstanding at the time of grant.

The following table summarizes the Company's stock option transactions for the three months ended February 29, 2020 as well as the year ended November 30, 2019.

Grant Date	Number of Options	Expiry Date	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Estimated Grant Date Fair Value
Balance Nov. 30, 2018	1,405,000	Aug. 1, 2022	$ 0.50	2.4	$ 275,000
Cancelled Nov. 30, 2019	(300,000)		–	–	(60,000)
Balance Nov. 30, 2019	1,105,000	Aug. 1, 2022	$ 0.50	2.4	$ 215,000
Issued Feb. 7, 2020	875,000	Feb. 6, 2025	0.40	4.9	343,500
Balance, Feb. 29,2020	**1,980,000**		$ 0.46	**3.4**	**$ 558,500**

The grant date fair value of these options was estimated using the Black Scholes option pricing model with the following assumptions:

	2020	2019
Expected dividend yield	**0%**	0%
Expected volatility	**209%**	117.0%
Risk free interest rate	**1.3%**	2%
Life	**5-years**	5-years

EXPRESSED IN CANADIAN DOLLARS

8 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

d) WARRANTS

Outstanding warrants as at November 30, 2019 and February 29, 2020 were:

Grant/(expiry) date	Issued	Expiry Date	Exercise Price	Estimated Grant Date Fair Value	Years to expiry
Apr. 6, 2018	24,000	Apr. 5, 2020	$ 0.35	$ 1,500	0.1
Apr. 6, 2018	195,000	Apr. 5, 2020	0.35	40,300	0.1
Dec. 31, 2018	84,500	Dec. 31, 2020	0.35	7,600	0.8
Dec. 31, 2018	359,000	Jun. 30, 2020	0.35	21,500	0.3
Mar. 22, 2019	40,000	Mar. 21, 2021	0.35	2,400	1.1
Mar. 22, 2019	110,000	Mar. 21, 2020	0.35	6,600	0.1
Mar. 22, 2019	312,000	Mar. 21, 2020	0.35	18,700	0.1
Oct. 8, 2019	1,675,000	Oct. 7, 2020	0.35	104,688	0.6
Oct. 18, 2019	1,825,000	Oct. 17, 2020	0.35	114,080	0.6
Balance Nov. 30, 2019 and February 29, 2020	**4,624,500**		**$ 0.35**	**$ 317,368**	**0.5**

The table overleaf summarizes a continuity of outstanding warrants:

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8 SHARE CAPITAL – ISSUED SHARE CAPITAL – WARRANTS (CONT'D)

Grant/(expiry) date	Issued	Expiry Date	Exercise Prices	Estimated Grant Date Fair Value
Balance Nov. 30, 2018	**1,543,200**		**$0.35**	**$ 173,400**
Dec. 31, 2018	84,500	Dec. 31,2020	0.35	7,600
Dec. 31, 2018	359,000	Jun. 30,2020	0.35	21,500
Mar. 22, 2019	40,000	Mar. 21, 2021	0.35	2,400
Mar. 22, 2019	422,000	Mar. 21, 2020	0.35	25,300
(Apr. 4, 2019)	(130,000)	–	0.35	(24,800)
(Apr. 6, 2019)	(638,000)	–	0.35	(15,500)
(May 26, 2019)	(525,000)	–	0.35	(87,400)
(May 27, 2019)	(31,200)	–	0.35	(3,900)
Oct. 8, 2019	1,675,000	Oct. 7, 2020	0.35	104,688
Oct. 18, 2019	1,825,000	Oct. 17, 2020	0.35	114,080
Balance Nov. 30, 2019 and Feb. 29, 2020	**4,624,500**		**$0.35**	**$ 317,368**

The weighted average grant date fair value of the warrants issued in 2019 was $0.069 (2018 – $0.11), which was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2020	2019
Expected dividend yield	0%	0%
Expected volatility	198.19%	117%
Risk-free interest rate	2.1%	2.03%
Life (years)	1.0	2.0

EXPRESSED IN CANADIAN DOLLARS

9. RELATED PARTY TRANSACTIONS AND BALANCES

a) RELATED PARTY BALANCES

		February 29, 2020		February 28, 2019	
Related party	**Purpose**	**Amounts charged during the period**	**Amounts payable/ accrued**	Amount charged during the period	Amounts payable/ accrued
Corporation controlled by an officer	Filing fees	**$ 2,252**	**$ –**	$ 1,460	$ 16,340
Accounting firm of which an officer of the Company is a partner	Professional fees	**4,000**	**41**	714	37,700
Corporation controlled by a director and significant shareholder	Management fees, Director	**36,983**	**60,000**	15,000	133,551
	Exploration	**95,720**	**–**	53,511	25,675
	Office, rent and general expenses	**43,503**	**–**	26,317	45,248
Totals		**$182,608**	**$60,041**	$ 97,002	$ 258,514

During the period ended February 29, 2020, the Company recorded director's fees of $nil (2019 - $nil).

The accounts payable and accrued liabilities to related parties are unsecured and non-interest bearing with no fixed terms of repayment (Note 7).

b) KEY MANAGEMENT PERSONNEL COMPENSATION

The remuneration of directors and other members of management were as follows:

	February 29. 2020	February 28, 2019
Short term employee benefits	**$ 36,983**	$ 93,805
Share based compensation	**50,886**	–
Totals	**$ 95,869**	$ 93,805

9. RELATED PARTY TRANSACTIONS (CONT'D)

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

c) SHARE SUBSCRIPTIONS

See Note 8(b) for descriptions of related party share subscriptions.

10. COMMITMENTS AND CONTINGENCIES

a) CONSULTING AGREEMENT

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010, with M'Ore Exploration Services Ltd. ("M'Ore") and the President and significant shareholder of M'Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M'Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement was for a period of two years ended December 31, 2012 and has been subsequently amended to automatically renew every year unless prior notice is provided by either party no later than 90 days prior to the end of the calendar year. This agreement has been automatically extended to December 31, 2020.

This would result in management fees and salaries incurred by M'Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various items of equipment if and when utilized by the Company.

b) CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

c) FLOW-THROUGH EXPENDITURES

During the year ended November 30, 2019, all flow-through renunciation commitments were met.

During the quarter ended February 29, 2020, the Company received $1,000,000 in flow through financing, all of which will need to be renounced before December 31, 2020.

10 COMMITMENTS AND CONTINGENCIES (CONT'D)

The Company has indemnified subscribers of current and previous flow-through issues against any shortfalls in the Company's expenditure commitments

11. SEGMENTED INFORMATION

All of the Company's assets, liabilities and operations are domiciled in Canada.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash. There were no changes to the Company policy for capital management during the years ended November 30, 2019 and 2018.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and marketable securities. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations. The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months. However, additional funding will be required to meet any new operational commitments if further drilling programs are to be carried out.

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13. FINANCIAL INSTRUMENTS

a) FAIR VALUE

The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments

As at February 29, 2020	Amortized Cost	FVPL	Total
Cash	$ 898,955	$ –	$ 898,955
Marketable securities	–	600	600
Amounts receivable	23,631	–	23,631
Deposits	36,742	–	36,742
Accounts payable and accrued liabilities	76,898	–	76,898

November 30, 2019	Amortized Cost	FVPL	Total
Cash	$ 303,185	$ –	$ 303,185
Marketable securities	–	800	800
Amounts receivable	7,605	–	7,605
Deposits	–	–	–
Accounts payable and accrued liabilities	145,787	–	145,787

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

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

Level 3: Inputs that are not based on observable market data.

As at February 29, 2020 and 2019, the financial instruments recorded at fair value on the statement of financial position are marketable securities which are measured using Level 1 of the fair value hierarchy.

13 FINANCIAL INSTRUMENTS (CONT'D)

b) FINANCIAL RISK MANAGEMENT

Credit Risk

The Company is exposed to credit risk with respect to its cash and amounts receivable. Cash has been placed on deposit with major Canadian financial institutions.

Amounts receivable consist of GST.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash, by purchasing term deposits held at a major Canadian financial institution. Concentration of credit risk exists with respect to the Company's cash as the majority of the amounts are held at a single Canadian financial institution.

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are held with major Canadian financial institutions with strong investment-grade ratings by a primary rating agency.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow for the upcoming year ended November 30, 2020 will be through equity financings.

The Company maintained cash at February 29, 2020 in the amount of $898,955 (2019 – $37,719), in order to meet short-term business requirements. At February 29, 2020, the Company had accounts payable and accrued liabilities of $76,898 (2019 – $314,725). All accounts payable and accrued liabilities are current.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company also holds a portion of cash in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of February 29, 2020.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. A 1% change in interest rates on cash held during the year ended November 30, 2019 would not have a significant impact on the Company's net loss for the year ended.

Currency Risk

The Company is not exposed to any material currency risk.

13 FINANCIAL INSTRUMENTS (CONT'D)

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk. The Company is exposed to price risk through its investments in marketable securities.

Marketable Securities

Risk to the Company from its marketable securities is derived from two factors:

- The ability of the issuer to sustain itself financially; and
- The ability to monetize the securities of the issuer.

The Company's marketable securities are detailed in Note 4.

A 10% change in the quoted market value at February 29, 2020 would have resulted in an $60 change to the Company's net loss for the period (2019 – $6,720).

Commodity Risk

The Company is exposed to price risk with respect to commodity prices, specifically precious and non-precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decision by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in investment patterns and monetary systems and political developments. As the Company does not have production assets, management believes this risk is minimal.