GGL RESOURCES CORP.

Condensed Interim Financial Statements

For the nine months ended

August 31, 2020

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GGL Resources Corp.

Condensed Interim Statements of Financial Position

Unaudited – Prepared by Management

As at August 31, 2020 and November 30, 2019

	Note	**August 31, 2020 $**	November 30, 2019 $
Assets			
Current assets			
Cash and cash equivalents	3	332,621	207,016
Receivables and prepayments	4	15,164	34,574
Marketable securities	5	1	1
		347,786	241,591
Non-current assets			
Mineral property interests	6	2,255,097	2,070,022
Reclamation deposits	7	83,147	76,400
Property and equipment	8	18,730	22,036
Total assets		**2,704,760**	2,410,049
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		63,068	52,311
Accounts payable to related parties	11	75,202	24,854
Flow-through premium liability	9,15	11,213	-
Total liabilities		**149,483**	77,165
Shareholders' equity			
Share capital	9	38,179,109	37,784,747
Contributed surplus	9	221,411	226,488
Commitment to issue shares	9	-	40,182
Deficit		(35,845,243)	(35,718,533)
Total shareholders' equity		**2,555,277**	2,332,884
Total liabilities and shareholders' equity		**2,704,760**	2,410,049
Nature of operations and going concern	1		
Subsequent events	16		

Approved on behalf of the Board of Directors on October 29, 2020:

"W. Douglas Eaton" **Director**

"David Kelsch" **Director**

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

GGL Resources Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

Unaudited – Prepared by Management

For the nine months ended August 31, 2020 and August 31, 2019

	Number of shares #	Share capital $	Contributed surplus $	Commitment to issue shares $	Deficit $	Total Shareholders' equity $
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	-	(17,347)	-	-	-	(17,347)
Shares for services - commitment to issue	-	-	-	37,202	-	37,202
Loss and comprehensive loss for the period	-	-	-	-	(202,171)	(202,171)
August 31, 2019	26,784,449	37,784,937	226,488	37,202	(35,195,547)	2,853,080
December 1, 2019	26,784,449	37,784,747	226,488	40,182	(35,718,533)	2,332,884
Private placement shares issued	2,000,000	100,000	-	-	-	100,000
Private placement units issued	3,030,302	300,000	-	-	-	300,000
Flow-through premium liability	-	(27,273)	-	-	-	(27,273)
Share issue costs	-	(18,547)	-	-	-	(18,547)
Shares issued for services	502,273	40,182	-	(40,182)	-	-
Re-allocated on cancellation of options	-	-	(27,778)	-	27,778	-
Share-based payments	-	-	22,701	-	-	22,701
Loss and comprehensive loss for the period	-	-	-	-	(154,488)	(154,488)
August 31, 2020	**32,317,024**	**38,179,109**	**221,411**	**-**	**(35,845,243)**	**2,555,277**

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

GGL Resources Corp.

Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited – Prepared by Management

For the three and nine months ended August 31, 2020 and August 31, 2019

		Three months ended		Nine months ended	
	Note	**August 31, 2020 $**	August 31, 2019 $	**August 31, 2020 $**	August 31, 2019 $
Expenses					
Depreciation	8	1,102	1,378	3,306	4,131
General administrative expenses		873	12,084	7,549	23,801
Insurance		4,846	3,937	14,540	11,926
Investor relations and shareholder information		3,265	889	8,925	5,512
Management, administrative and corporate development fees	11	20,925	27,619	54,028	105,129
Office rent	11	4,500	4,500	13,500	13,500
Professional fees	11	12,295	11,786	32,064	35,596
Property examination costs (recovery)		637	(3,730)	1,162	(864)
Share-based payments	9,11	22,701	-	22,701	-
Transfer agent and filing fees		733	1,688	9,631	10,799
Loss from operating expenses		**(71,877)**	(60,151)	**(167,406)**	(209,530)
Interest income		396	910	1,698	1,870
License fee	6(d)	-	-	-	30,000
Gain on marketable securities	5	-	30,000	-	15,000
Settlement of flow-through premium liability	9,15	16,060	11,000	16,060	11,000
Fair value adjustment on commitment to issue shares	9	-	(14,313)	-	(14,313)
Write-off of mineral property interests	6	-	(35,923)	(4,840)	(35,923)
Loss on write-off of property and equipment	8	-	-	-	(275)
Loss and comprehensive loss for the period		**(55,421)**	(68,477)	**(154,488)**	(202,171)
Loss per share					
Weighted average number of common shares outstanding					
- basic #	10	**30,585,423**	26,784,449	**28,439,829**	23,722,177
- diluted #	10	**30,585,423**	26,784,449	**28,439,829**	23,722,177
Basic loss per share $	10	**(0.00)**	(0.00)	**(0.01)**	(0.01)
Diluted loss per share $	10	**(0.00)**	(0.00)	**(0.01)**	(0.01)

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

For the nine months ended August 31, 2020 and August 31, 2019

	Note	**August 31, 2020 $**	August 31, 2019 $
Operating activities			
Loss and comprehensive loss for the period		(154,488)	(202,171)
Adjustments for:			
Depreciation		3,306	4,131
Share-based payments		22,701	-
Gain on marketable securities		-	(15,000)
Settlement of flow-through premium liability		(16,060)	(11,000)
Fair value adjustment on commitment to issue shares		-	14,313
Write-off of mineral property interests		4,840	35,923
Loss on write-off of property and equipment		-	275
Net change in non-cash working capital items	13	(27,482)	(12,277)
		(167,183)	(185,806)
Financing activities			
Issue of shares/units for cash		400,000	386,000
Share issue costs		(6,176)	(17,347)
		393,824	368,653
Investing activities			
Reclamation deposits		(6,747)	-
Proceeds from sale of marketable securities		-	110,000
Exploration incentive received	6(a)(vii)	14,280	24,120
Mineral property acquisition costs		(61,327)	(44,945)
Deferred exploration and evaluation expenditures		(47,242)	(187,410)
		(101,036)	(98,235)
Increase in cash and cash equivalents		**125,605**	84,612
Cash and cash equivalents, beginning of period		**207,016**	211,355
Cash and cash equivalents, end of period		**332,621**	295,967

Supplemental cash flow information 13

The accompanying notes are an integral part of these condensed interim 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 condensed interim financial statements (the "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 August 31, 2020, the Company had working capital of $198,303 (November 30, 2019 - $164,426) and shareholders' equity of $2,555,277 (November 30, 2019 - $2,332,884). Subsequent to August 31, 2020, the Company secured sufficient funding from the exercise of warrants and from a private placement (note 16), to enable it to carry on as a going concern beyond one year. 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, as needed. 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. There are various community travel restrictions and health and safety concerns in all areas in which the Company operates, including the Northwest Territories, Nunavut, British Columbia, and Nevada, USA that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services and safeguarding all personnel during the outbreak, which may be prohibitive or too costly. To date the Company has not experienced any significant delays in carrying out its exploration programs. Various Government wage and loan subsidies are available to qualified companies to assist them with operating costs during the pandemic. Subsequent to August 31, 2020, the Company has received assistance in the form of a $40,000 interest-free government backed bank demand loan, of which $10,000 is forgivable. The various programs are constantly being expanded and relaxed, which may qualify the Company for additional assistance. In addition, the deadline for the Company to spend its flow-through funds has been extended by one year (Note 15).

2. Significant accounting policies

(a) Basis of presentation

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited financial statements for the year ended November 30, 2019, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited financial statements.

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.

(b) Significant accounting policies

Except as set out below, the accounting policies, estimates and critical judgments, methods of computation and presentation applied in these financial statements are consistent with those of the most recent annual audited financial statements and are those the Company expects to adopt in its financial statements for the year ended November 30, 2020. Accordingly, these financial statements should be read in conjunction with the Company's most recent annual audited financial statements.

(c) New accounting standards

The Company adopted the following accounting standards that are effective for the Company's accounting period beginning on December 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 was no impact to the Company's financial statements as a result of adopting this 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 was no impact to the Company's financial statements as a result of adopting this new standard.

3. Cash and cash equivalents

Cash and cash equivalents consist of the following:

	August 31, 2020	November 30, 2019
	$	$
Cash (Note 15)	252,621	37,016
Guranteed investment certificates	80,000	170,000
	332,621	207,016

4. Receivables and prepayments

Receivables and prepayments consist of the following:

	August 31, 2020	November 30, 2019
	$	$
Sales tax recoverable	7,744	4,001
Exploration incentives receivable	2,827	14,281
Other receivables	208	1,389
Prepaid expenses	4,385	14,903
	15,164	34,574

As at August 31, 2020 and November 30, 2019, exploration incentives receivable comprises British Columbia Mining Exploration Tax Credits ("BCMETC") 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.

As at August 31, 2020, the Company holds 500,000 common shares of a private company at a $1 nominal value, as there is no market or supportable fair value for the common shares. There was no gain or loss recognized on the common shares for the nine months ended August 31, 2020.

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 resulted 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. The disposal of the Silver Range common shares occurred during the three months ended August 31, 2019, which resulted in a net gain of $30,000 for the period then ended and $15,000 for the nine months ended August 31, 2019. The valuation of the Silver Range common shares and resulting gain were determined in whole by reference to the bid price of the shares on the Exchange at the period then ended.

As at August 31, 2020 and November 30, 2019, the Company did not hold any Silver Range common shares.

6. Mineral property interests

The Company's mineral property interests consist of exploration stage mineral properties located in the Northwest Territories, Nunavut, and British Columbia in Canada and in Nevada, USA. Properties which are in close proximity and could be developed as a single economic unit are grouped into projects.

Changes in the project carrying amounts for the nine months ended August 31, 2020 are summarized as follows:

	December 1, 2019	Acquisitions / staking	Exploration and evaluation, net	Write-offs	August 31, 2020
	$	$	$	$	$
Fishback Lake	-	-	2,205	(2,205)	-
CH	750,323	-	10,214	-	760,537
Bishop	235,231	-	2,034	-	237,265
Rhombus	164,166	-	-	-	164,166
Providence Greenstone Belt	-	-	2,635	(2,635)	-
Stein	150,285	-	875	-	151,160
McConnell Creek	770,017	2,014	94,926	-	866,957
Gold Point	-	59,313	15,699	-	75,012
Total	**2,070,022**	**61,327**	**128,588**	**(4,840)**	**2,255,097**

	December 1, 2019	Additions, net	Write-offs	August 31, 2020
	$	$	$	$
Acquisitions / staking	311,185	61,327	-	372,512
Exploration and evaluation	1,758,837	128,588	(4,840)	1,882,585
Total	**2,070,022**	**189,915**	**(4,840)**	**2,255,097**

6. Mineral property interests (continued)

Changes in the project carrying amounts for the nine months ended August 31, 2019 are summarized as follows:

	December 1, 2018 $	Reclassification $	Acquisitions / staking $	Exploration and evaluation, net $	Write-offs $	August 31, 2019 $
Fishback Lake	53,679	-	-	1,709	-	55,388
CH	633,905	64,440	-	44,269	-	742,614
Bishop	218,073	-	-	2,770	-	220,843
Rhombus	160,189	-	-	-	-	160,189
Zeus	47,046	-	-	-	-	47,046
Providence Greenstone Belt	439,681	(64,440)	-	7,793	(35,923)	347,111
Stein	6,460	-	44,945	93,456	-	144,861
McConnell Creek	736,455	-	-	32,114	-	768,569
Total	2,295,488	-	44,945	182,111	(35,923)	2,486,621

	December 1, 2018 $	Additions, net $	Write-offs $	August 31, 2019 $
Acquisitions / staking	317,772	44,945	(6,194)	356,523
Exploration and evaluation	1,977,716	182,111	(29,729)	2,130,098
Total	2,295,488	227,056	(35,923)	2,486,621

Exploration and evaluation expenditures on the projects for the nine months ended August 31, 2020 and August 31, 2019, consisted of the following:

	August 31, 2020 **$**	August 31, 2019 $
Assays	6,517	10,428
Field	10,694	39,975
Labour	34,292	65,787
Survey and consulting	79,457	77,891
Travel and accommodation	455	1,690
	131,415	195,771
Less: BCMETC (Note 6(a)(vii))	(2,827)	(13,660)
Total	**128,588**	182,111

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 nine months ended August 31, 2020, a write-off of $2,205 (year ended November 30, 2019 - $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 but 4 claims are leases.

During the nine months ended August 31, 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 2 leases in the PGB area of the Northwest Territories.

During the nine months ended August 31, 2020, a write-off of $2,635 (year ended November 30, 2019 - $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.

During the nine months ended August 31, 2019, 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 5 mineral claims in the Omineca Mining Division of British Columbia.

During the nine months ended August 31, 2020, the Company accrued BCMETC recoveries of $2,827 (2019 - $13,660) (Note 4). Additionally, the Company received payment of its BCMETC refund filed for the year ended November 30, 2019 of $14,280 during the period then ended (2019 - $24,120).

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

(b) Projects under option

(i) Stein, Nunavut, Canada

The Company has an option agreement with Arctic Star Exploration Corp. (“Arctic Star”) whereby it can 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.

(ii) Gold Point Property, Nevada, USA - option agreements:

On July 27, 2020, the Company entered into three option agreements in respect of contiguous parcels of mining claims in Nevada, collectively referred to as the Gold Point Property.

(1) The Company signed an option agreement with a private Nevada corporation (the “Optionor”), allowing the Company to earn a 100% interest in the LBD property. Pursuant to the terms of the option agreement, the Company can acquire the project by making cash payments and incurring aggregate minimum exploration expenditures as follows:

Cash payments of US$1,000,000:

- USD$25,000 upon the execution of the option agreement (paid, $33,831 plus additional staking costs of $5,330 (USD$4,000));
- USD$50,000 on or before July 31, 2021;
- USD$100,000 on or before July 31, 2022;
- USD$175,000 on or before July 31, 2023;
- USD$250,000 on or before July 31, 2024 and
- USD$400,000 on or before July 31 2025;

Minimum expenditures of US$850,000:

- USD$100,000 on or before July 31, 2021;
- USD$150,000 on or before July 31, 2022;
- USD$200,000 on or before July 31, 2023;
- USD$200,000 on or before July 31, 2024 and
- USD$200,000 on or before July 31, 2025;

The Optionor will retain a 2% NSR on all material production from the property, of which up to 1% can be purchased by the Company for US$1,000,000.

(2) The Company signed an option agreement with Silver Range Resources Ltd. (“Silver Range”), allowing the Company to earn a 75% interest in the EGP property. Pursuant to the terms of the option agreement, the Company can acquire the project by making staged cash payments as detailed below and incurring minimum aggregate exploration expenditures of $1,500,000 on or before July 31, 2023.

Cash payments of $180,000:

- $10,000 upon the execution of the option agreement (paid);
- Reimbursing Silver Range for certain staking costs and fees on or before September 15, 2020 (paid, $6,388);
- $20,000 on or before December 31, 2020; and
- The aggregate of $150,000 as calculated bi-annually and based on 10% of the expenditures incurred during each of the periods from January 1 to June 30, and July 1 to December 31.

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

(b) Projects under option (continued)

(ii) Gold Point Property option agreements (continued):

Upon the Company having earned the 75% interest in the EGP property it will enter into a 75%/25% joint venture with Silver Range for further exploration of the project. Additionally, Silver Range will be entitled to receive a one-time cash payment of US$4 per ounce of gold identified in a NI 43-101 compliant measured or indicated resource estimate (or proven or probable reserve estimate) on the project.

(3) The Company signed an option agreement with Silver Range and a private Nevada corporation (collectively, the "Optionors"), allowing the Company to earn a 100% interest in the TOM property. Pursuant to the terms of the option agreement, the Company can acquire the project by incurring aggregate minimum exploration expenditures of US$1,500,000 on or before July 31, 2023 and reimbursing the Optionors for certain staking costs and fees on or before September 15, 2020 (paid, $3,764).

Upon the Company having earned the 100% interest in the TOM property, the Optionors will be entitled to receive a one-time cash payment of US$1 per ounce of gold identified in a NI 43-101 compliant measured or indicated resource estimate (or proven or probable reserve estimate) on the project.

Additionally, the Optionors shall each retain a 1% NSR on all mineral production from the property, of which up to 1% can be purchased by the Company for a payment of US$2 per ounce on the first 250,000 ounces of gold contained in any measured or indicated resource estimate (or proven or probable reserve estimate), and US$1 per ounce of gold above 250,000 ounces thereafter.

(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.

8. Property and equipment

	Office furniture $	Exploration equipment $	Total $
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
Cost			
December 1, 2019	13,306	390,813	404,119
August 31, 2020	**13,306**	**390,813**	**404,119**
Accumulated depreciation			
December 1, 2019	13,053	369,030	382,083
Depreciation	26	3,280	3,306
August 31, 2020	**13,079**	**372,310**	**385,389**
Net book value			
November 30, 2019	253	21,783	22,036
August 31, 2020	**227**	**18,503**	**18,730**

There was no write-off of property and equipment during the nine months ended August 31, 2020. During the nine months ended August 31, 2019, a loss on the write-off of property and equipment of $275 was recorded.

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 nine months ended August 31, 2020:

- On January 3, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting Ltd. ("Dave Kelsch Consulting") with a fair value of $40,182, in settlement of $38,063 in consulting fees as described below.

- On May 15, 2020, the Company completed a private placement with Strategic Metals Ltd. ("Strategic") consisting of 2,000,000 common shares at a price of $0.05 per share for gross proceeds of $100,000 (Note 11).

  There were no finders' fees paid in respect of the placement. Share issue costs consisting of legal and filing fees of $4,774, were incurred in respect of the placement which are recorded as a reduction to share capital.

- On July 23, 2020, the Company completed a private placement consisting of the issue of 1,666,666 non-flow-through units at a price of $0.09 each for gross proceeds of $150,000. Each non-flow-through unit consists of one non-flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at an exercise price of $0.15 until July 23, 2021. The residual value of the warrants attached to the non-flow-through units were determined to be $nil.

- On July 23, 2020, the Company completed a private placement consisting of the issue of 1,363,636 flow-through units at a price of $0.11 each for gross proceeds of $150,000. Each flow-through unit consists of one flow-through common share and one-half of a share purchase warrant, with each whole warrant being exercisable into a non-flow-through common share at a price of $0.15 until July 23, 2021.

  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 $27,273 and was recorded as a reduction of share capital with an offset to flow-through premium liability. The premium is being reversed pro rata upon the required exploration expenditures being completed and recorded as income on settlement of the flow-through premium liability. The residual value of the warrants attached to the flow-through units were determined to be $nil.

  A finder's fee of $1,200 was paid in respect of the placement. Share issue costs consisting of legal and filing fees of $13,773 were incurred in respect of the placements which are recorded as a reduction to share capital.

Transactions for the issue of share capital during the nine months ended August 31, 2019:

- 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 non-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 units were issued at a price that exceeded the trading value of the Company's common shares which was 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 was recorded as a reduction of share capital and an increase in contributed surplus.

9. Share capital (continued)

Transactions for the issue of share capital during the nine months ended August 31, 2019 (continued):

- 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 was 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. An equivalent flow-through premium liability was recorded, which was reversed as the required exploration expenditures were incurred. A further residual value was allocated to the warrant component of the flow-through units, in the amount of $5,500 and was recorded as a reduction of share capital and an increase in contributed surplus.

  There were no finders' fees paid in respect of the placement. Share issue costs consisting of legal and filing fees of $17,143 were incurred in respect of the placements which were recorded as a reduction to share capital.

Commitment to issue shares

On June 1, 2019, the Company entered into an Amending Agreement (the "Agreement") with 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). The Agreement expired on December 31, 2019 and was not renewed.

As at and for the nine months ended August 31, 2020, there was no accrual for commitment to issue shares. During the nine months ended August 31, 2019, the Company accrued $37,202, as a commitment to issue shares, including the recognition of a fair value adjustment on commitment to issue shares of $14,313, representing the difference between the period end valuation of the shares issuable by the Company, and the initial recognition of the consulting services rendered of $22,889, which is recorded within mineral property interests (Note 13).

The consulting fee was paid/accrued on a monthly basis, and the number of common shares issuable by the Company was 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 were issuable semi-annually, and interest was charged at a rate of 2% per month compounded monthly on unpaid amounts and was payable in cash.

As at November 30, 2019, a total of 502,273 common shares were accrued and issuable to Dave Kelsch Consulting with a fair value of $40,182, in settlement of $38,063 in consulting fees, of which $20,895 was recorded within mineral property interests. The common shares were issued to Dave Kelsch Consulting on January 3, 2020.

During the nine months ended August 31, 2020, the Company incurred and paid $820 in interest expense to Dave Kelsch Consulting (Note 11). As at November 30, 2019 interest of $1,636 was owed to Dave Kelsch Consulting and was included in accounts payable and accrued liabilities.

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 August 31, 2020 and November 30, 2019, and changes during the period/year then ended is as follows:

	Period ended August 31, 2020		Year ended November 30, 2019	
	Warrants #	Weighted average exercise price $	Warrants #	Weighted average exercise price $
Warrants outstanding, beginning of period/year	4,687,500	0.15	-	-
Issued	1,515,151	0.15	4,687,500	0.15
Warrants outstanding, end of period/year	**6,202,651**	**0.15**	4,687,500	0.15

As at August 31, 2020, the Company has warrants outstanding and exercisable as follows:

	Warrants outstanding #	Warrants exercisable #	Exercise price $	Weighted average remaining life (years)	Expiry date
(1)	1,515,151	1,515,151	0.15	0.89	July 23, 2021
(2)	4,687,500	4,687,500	0.15	1.74	May 28, 2022
	6,202,651	**6,202,651**		**1.31**	

(1) Subsequent to August 31, 2020, 316,666 share purchase warrants were exercised (Note 16).
(2) Subsequent to August 31, 2020, 2,262,500 share purchase warrants were exercised (Note 16).

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.

9. Share capital (continued)

Stock options (continued)

A summary of the status of the Company's stock options as at August 31, 2020 and November 30, 2019, and changes during the period/year then ended is as follows:

	Period ended August 31, 2020		Year ended November 30, 2019	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	#	$	#	$
Options outstanding, beginning of period/year	1,725,000	0.18	1,725,000	0.18
Granted	1,450,000	0.15	-	-
Cancelled	(325,000)	0.21	-	-
Options outstanding, end of period/year	**2,850,000**	**0.16**	1,725,000	0.18

As at August 31, 2020, 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
250,000	250,000	0.25	0.25	November 30, 2020
1,150,000	1,150,000	0.15	2.18	November 6, 2022
1,450,000	-	0.15	4.95	August 10, 2025
2,850,000	**1,400,000**	**0.16**	**1.84**	

During the nine months ended August 31 2020, 1,450,000 stock options were granted to Officers, Directors related company employees and consultants. The Company recorded the fair value of all options granted using the Black-Scholes option pricing model. Share-based payment expense was calculated using the following weighted average assumptions: expected life of options – five years, stock price volatility – 137.94%, no dividend yield, and a risk-free interest rate yield – 0.31%. The fair value is particularly impacted by the Company's stock price volatility, determined using data from the previous five years. No stock options were granted during the nine months ended August 31, 2019.

Using the above assumptions, the fair value of options granted during the nine months ended August 31, 2020, was $0.13 per option, for a total of $190,945. The total share-based payment expense for the nine months ended August 31, 2020 was $22,701 (2019 - $nil), which is presented as an operating expense, and includes an accrual for the first vesting period which will occur in the next fiscal quarter.

During the nine months ended August 31, 2020, 325,000 Director and consultant options (2019 – none) were cancelled as a result of the resignation of a former Director of the Company and termination of consulting contracts. As a result, the original share-based payments expense of $27,778 (2019 - $nil) has been reversed from contributed surplus and credited to deficit.

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 nine months ended August 31, 2020, is based on the loss attributable to common shareholders of $154,488 (2019 - $202,171) and a weighted average number of common shares outstanding of 28,439,829 (2019 – 23,722,177).

All stock options and warrants were excluded from the diluted weighted average number of shares calculation for the periods 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.

During the nine months ended August 31, 2020, 1,250,000 stock options were granted to key management personnel and Directors having a fair value on grant of $164,608. The options granted are exercisable at $0.15 each until August 10, 2025, and vest over a one-year period ending August 10, 2021. No stock options were granted to related parties during the nine months ended August 31, 2019.

During the nine months ended August 31, 2020, 175,000 Director stock options (2019 – none) having a fair value on issue of $17,993 (2019 - $nil) were cancelled upon the Director's resignation from the Company.

During the nine months ended August 31, 2020, $19,523 (2019 - $nil) was recognized within share-based payment expense on stock options granted to key management personnel and Directors.

During the nine months ended August 31, 2020, the Company issued 502,273 common shares to Dave Kelsch Consulting with a fair value of $40,182 (Note 9).

As at August 31, 2020, Strategic had a 43.9% interest in the Company (November 30, 2019 - 43.2%). 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 nine months ended August 31, 2020, the Company completed a private placement with Strategic, whereby Strategic subscribed to 2,000,000 non-flow-through common shares of the Company for gross proceeds of $100,000 (Note 9). Additionally, Strategic subscribed to 633,332 non-flow-through units of the Company for gross proceeds of $57,000 pursuant to the private placement completed on July 23, 2020 (Note 9).

During the nine months ended August 31, 2020, key management personnel and Directors and other related parties subscribed to 211,112 non-flow-through units and 1,063,636 flow-through units of the Company for gross proceeds of $136,000 pursuant to the private placements completed on July 23, 2020 (Notes 9,16).

During the year ended November 30, 2019, Strategic subscribed to 1,562,500 non-flow-through units of the Company for gross proceeds of $125,000 pursuant to the private placement completed during the year then ended. 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 which expired on December 31, 2019 (Note 9).

(b) Douglas Eaton is a Director and the Company's CEO. He is a shareholder 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.

11. Related party payables and transactions (continued)

(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"), 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.

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

		Transactions nine months ended August 31, 2020	Transactions nine months ended August 31, 2019	**Balances outstanding August 31, 2020**	Balances outstanding November 30, 2019
		$	$	**$**	$
	Dave Kelsch Consulting				
	- geological services	22,313	46,013	8,708	373
(1)	- consulting fees	17,820	46,252	3,570	7,936
		40,133	92,265	12,278	8,309
	Archer Cathro	25,750	14,768	26,755	1,575
(2)	Yeadon Law Corp	17,120	24,075	22,176	-
	DBM CPA	24,400	24,000	8,000	11,500
	Drechsler Consulting Ltd.	9,765	8,460	3,591	-
	Linda Knight	27,278	50,556	2,402	3,470
		144,446	214,124	**75,202**	24,854

(1) Transactions for the nine months ended August 31, 2020, include $820 in interest expense (2019 - $140).
(2) Transactions for the nine months ended August 31, 2020, include $10,700 in share issue costs (Note 9) (2019 - $14,753).

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.

12. Income taxes

Income tax recovery for the nine months ended August 31, 2020 and August 31, 2019 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:

	August 31, 2020 **$**	August 31, 2019 $
Loss for the period before income taxes	(154,488)	(202,171)
Statutory Canadian corporate tax rate	27.00%	27.00%
Anticipated income tax recovery	42,000	55,000
Change in tax resulting from:		
Unrecognized items for tax purposes	(6,000)	1,075
Share issue costs	-	5,000
Tax benefits to be renounced on flow-through expenditures	(24,000)	(14,850)
Flow-through share premium liability reduction	4,000	-
Tax benefits on losses not recognized	(16,000)	(46,225)
Income tax recovery	**-**	-

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

	August 31, 2020 **$**	November 30, 2019 $
Mineral property interests	4,068,000	4,088,000
Marketable securities	3,000	3,000
Property and equipment	141,000	140,000
Non-capital loss carry forwards	1,410,000	1,371,000
Capital losses	13,000	13,000
Share issue costs	8,000	5,000
Unrecognized deferred tax assets	(5,643,000)	(5,620,000)
Net deferred tax assets	**-**	-

As at August 31, 2020, the Company has non-capital loss carry forwards of approximately $5,222,000 (November 30, 2019 - $5,076,000) which expire between 2026 and 2040.

As at August 31, 2020 the Company has unused capital losses of approximately $99,000 (November 30, 2019 - $99,000), which have no expiry date and can only be used to reduce future income from capital gains.

As at August 31, 2020, the Company has unclaimed resource and other deductions in the amount of approximately $17,323,000 (November 30, 2019 - $17,212,000), which may be deducted against future taxable income.

As at August 31, 2020, the Company has share issue costs totaling approximately $30,000 (November 30, 2019 - $18,000), which have not been claimed for income tax purposes.

As at August 31, 2020, the Company has unused temporary differences in respect of property and equipment totaling approximately $522,000 (November 30, 2019 - $519,000), which have no expiry.

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

13. Supplemental cash flow information

Changes in non-cash operating working capital during the nine months ended August 31, 2020 and August 31, 2019, were comprised of the following:

	August 31, 2020 $	August 31, 2019 $
Receivables and prepayments	(6,324)	28,029
Accounts payable and accrued liabilities	(27,427)	(33,899)
Accounts payable to related parties	6,269	(6,407)
Net Change	**(27,482)**	(12,277)

The Company incurred non-cash financing and investing activities during the nine months ended August 31, 2020 and August 31, 2019, as follows:

	August 31, 2020 $	August 31, 2019 $
Non-cash financing activities:		
Re-allocated to share capital on issuance for commitment to issue shares	40,182	-
Share capital reduced by flow-through share premium	27,273	11,000
Share issue costs included in accounts payable and related party payables	12,371	-
	79,826	11,000
Non-cash investing activities:		
Deferred exploration expenditures included in exploration incentives receivable	(2,827)	(13,660)
Deferred exploration expenditures included in accounts payable and related party payables	94,469	34,139
Value of commitment to issue shares included in mineral property interests	-	22,889
	91,642	43,368

During the nine months ended August 31, 2020, the Company paid $2,456 in interest expense (Note 9) (2019 - $nil). During the nine months ended August 31, 2020 and August 31, 2019, no amounts were paid for 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 August 31, 2020, is comprised of shareholders' equity of $2,555,277 (November 30, 2019 - $2,332,884).

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 (Note 1).

There were no changes to the Company's capital management approach during the nine months ended August 31, 2020.

14. Financial risk management (continued)

Financial instruments - fair value

The Company's financial instruments consist of cash and cash equivalents, exploration incentives receivable, other receivables, marketable securities, reclamation deposits, accounts payable and accrued liabilities, and accounts payable to related parties. The carrying value of exploration incentives receivable, 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 $
August 31, 2020				
Cash and cash equivalents	332,621	-	-	332,621
Marketable securities	-	-	1	1
Reclamation deposits	83,147	-	-	83,147
	415,768	**-**	**1**	**415,769**
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

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 exploration incentives receivable 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 (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 does not hold publicly traded marketable securities as at August 31, 2020 and August 31, 2019.

(e) Currency risk

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

15. Commitment

On July 23, 2020, the Company completed a private placement of flow-through units for gross proceeds of $150,000 (Note 9). The Company is required to spend the funds on qualified exploration programs no later than December 31, 2021 and renounce the expenditures and available income tax benefits to the flow-through shareholders effective December 31, 2020. As at August 31, 2020, approximately $88,000 of the funds had been spent.

In July 2020, the Canadian Government provided relief with respect to COVID-19 by providing companies with an additional 12 months in which they can spend eligible flow-through expenditures and provided interest relief on unspent funds.

Under the Income Tax Act flow-through look-back rules, the Company now has until December 31, 2022 to spend the remaining amount of flow-through funds. Amounts unspent after February 1, 2021, continue to be subject to a floating rate interest tax of 2% per annum, however the Company anticipates that it will spend all flow-through amounts within the new time-frames announced by the Government, so no interest tax will be applicable.

A summary of the Company's flow-through premium liability as at August 31, 2020 and December 31, 2019, and changes during the period/year then ended is as follows:

	August 31, 2020 $	December 31, 2019 $
Balance, beginning of period/year	-	-
Addition	27,273	11,000
Reduction - pro rata based on eligible expenditures	(16,060)	(11,000)
Balance, end of period/year	**11,213**	-

16. Subsequent events

(a) On September 10, 2020, the Company issued common shares pursuant to the exercise of 2,579,166 share purchase warrants at a price of $0.15 each for gross proceeds of $386,875. Of the share purchase warrants exercised, 700,000 warrants were exercised by a company controlled by the Company's CEO, and 1,879,166 warrants were exercised by Strategic.

(b) On October 7, 2020, the Company announced a private placement consisting of the issue of up to 10,000,000 common shares at a price of $0.18 each for gross proceeds of $1,800,000. Strategic subscribed to 1,408,402 common shares for gross proceeds of $253,512. The placement is subject to regulatory approval.

(c) In October 2020, the Company received assistance in the form of a $40,000 interest-free government backed bank demand loan, of which $10,000 is forgivable. The loan is part of the Canadian Emergency Business Account (CEBA) benefit in relation to COVID-19 relief.

(d) In October 2020, 50,000 stock options were exercised at $0.25 per share for gross proceeds of $12,500.