

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Crest Resources Inc.** (the "Issuer" or the "Company" or "Crest").

Trading Symbol: **CRES**

Number of Outstanding Listed Securities: **34,177,334**

Date: **March 5, 2020 (for the month ended February 29, 2020)**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer's principal business activity is the acquisition, exploration and evaluation of mineral property assets and the investment in mineral exploration and mining technology companies of merit with potential for favourable return on investment. The Issuer's mineral property assets are

the Chala Copper property in Peru (65% owned), the Lion's Den property in north-central British Columbia (100% owned), and the Red Metal Ridge property on Vancouver Island, British Columbia (51% owned and 49% under further option). At the Issuer's Annual General and Special Meeting held November 25, 2019, the Issuer's shareholders approved a resolution authorizing the Issuer to expand its corporate objectives including to become an investment issuer.

The Issuer has incorporated a wholly owned subsidiary pursuant to the *Business Corporations Act* (British Columbia) under the name Crest Canada GP Inc. to serve as General Partner to Crest SPV I Limited Partnership, a Limited Partnership registered pursuant to the Partnership Act, British Columbia for the purpose of making and holding investments with a view to earning a profit.

The Issuer has incorporated a subsidiary pursuant to the *Business Corporations Act* (British Columbia) under the name 1240297 B.C. Ltd. ("1240297 BCL") to serve as a holding company for the acquisition and disposition of mineral property interests. As at February 29, 2020, the Issuer held a 60% interest in 1240297 BCL and Nicholas Rodway, the Issuer's Vice President of Business Development, held a 11.7% interest in 1240297 BCL.

2. Provide a general overview and discussion of the activities of management.

The Issuer's management has been overseeing and managing the progress of the business and operations described in 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

On February 13, 2020, the Issuer's 60% owned subsidiary 1240297 BCL entered into a property purchase and sale agreement with certain vendors to acquire a 100% interest, subject to a 3% net smelter returns royalty of which the purchaser may repurchase 1.5% of the NSR for \$1,500,000 at any time, in 94 mineral claims known as the Mt. Peyton property located in the province of Newfoundland and Labrador for consideration of \$75,000 cash and 3,000,000 common shares of 1240297 BCL payable over a three month period. One of the vendors of the Mt. Peyton property is Nicholas Rodway, the Vice President of Business Development of the Issuer, who will receive 450,000 shares of 1240297 BCL in the transaction and retain a 0.45% NSR on the claims.

On February 13, 2020, the Issuer's 60% owned subsidiary 1240297 BCL entered into a property purchase and sale agreement with certain vendors to acquire a 100% interest, subject to a 3% net smelter returns royalty of which the purchaser may repurchase 1.5% of the NSR for \$1,000,000 at any time, in 14 mineral claims known as the Jonathan's Pond property located in the province of Newfoundland and Labrador for consideration of \$50,000 cash and 2,000,000 common shares of 1240297 BCL payable over a four

month period. One of the vendors of the Mt. Peyton property is Nicholas Rodway, the Vice President of Business Development of the Issuer, who will receive 300,000 shares of 1240297 BCL in the transaction.

On February 19, 2020, the Issuer entered into a property purchase and sale agreement with an arm's length party to acquire a 100% interest in 11 mineral claims totalling 11,569 hectares known as the Lion's Den property, located in the Toodoggone region of north-central British Columbia, for consideration of 300,000 common shares of the Issuer.

On February 27, 2020, the Issuer amended its property option agreement to acquire up to 100% interest, subject to a 3% net smelter return royalty, in the Red Metal Ridge property located on Vancouver Island, British Columbia. The terms of the original Option Agreement include a payment of \$20,000 cash and the issuance of 100,000 common shares on or before the first anniversary of the listing of the Issuer's common shares on the Canadian Securities Exchange, such date being October 19, 2018, to continue the option to earn a further 49% interest in the property. The parties have now agreed to amend the first anniversary option payment to the issuance of 300,000 common shares on or before February 27, 2020 (issued) and the payment of \$5,000 cash to the Optionors on or before April 27, 2020. All other terms of the Option Agreement remain the same.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not applicable.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

On February 24, 2020, the Issuer appointed Emma Fairhurst, a director of the Issuer, as the Chief Operating Officer of the Issuer and entered into an officer and consulting agreement to retain her executive services for compensation of \$8,000 per month plus applicable taxes, of which a whole or portion may be accrued and applied towards the purchase of equity securities of the Issuer, effective September 1, 2019 for a term to end August 31, 2020.

On February 24, 2020, the Issuer appointed Nicholas Rodway as the Vice President of Business Development of the Issuer and entered into an officer and consulting agreement to retain his executive services for compensation of \$8,000 per month plus applicable taxes, of which \$5,000 is payable in cash and \$3,000 is to be accrued and applied towards the purchase of equity securities of the Issuer, effective January 16, 2020 for a term to end May 15, 2020.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not applicable.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

On February 5, 2020, the Issuer completed the sale of its 100% interest in the Split Dome copper project located near Hazelton, British Columbia to Volatus Capital Corp. ("Volatus") for consideration of 3,000,000 common shares at a deemed price of \$0.06 per share and 1,500,000 common share purchase warrants exercisable at a price of \$0.10 per share for a period of 36 months, for a total consideration of \$180,000.

On February 5, 2020, the Issuer acquired a further 500,000 common shares of Volatus through open market transactions at a price of \$0.08 per share for a total cost of \$40,000.

The Issuer now owns and controls a total of 8,000,000 common shares representing 47.3% of the issued and outstanding shares of Volatus, being 16,925,001 common shares as of the close of the transaction. Assuming exercise of the warrants, the Issuer will own 9,500,000 common shares or approximately 51.56% of the issued and outstanding shares of Volatus.

On February 13, 2020, the Issuer's 60% owned subsidiary 1240297 BCL entered into property purchase and sale agreements to acquire 100% interests in the Mt. Peyton and Jonathan's Pond properties described under Item 3 above.

On February 19, 2020, the Issuer entered into a property purchase and sale agreement to acquire a 100% interest in the Lion's Den property for consideration of 300,000 common shares of the Issuer as described under Item 3 above.

On February 27, 2020, the Issuer amended its option agreement to acquire an additional 49% interest in the Red Metal Ridge property to amend the first anniversary option payment to the issuance of 300,000 common shares on or before February 27, 2020 (issued) and the payment of \$5,000 cash to the Optionors on or before April 27, 2020, as described under Item 3 above.

During the month of February 2020, the Issuer acquired or disposed of the following investments:

- **Purchased 35,000 shares of Troubadour Resources Inc. at a cost of \$1,490;**

- Sold 1,800,000 shares of Scottie Resources Corp. for net proceeds of \$369,131;
- Purchased 336,500 shares of International Samuel Exploration Corp. at a cost of \$40,937;
- Purchased 233,000 shares of Rockridge Resources Ltd. at a cost of \$38,874 and sold 155,000 shares for net proceeds of \$21,605;
- Purchased 307,692 shares of Tarku Resources Ltd. at a cost of \$40,520;
- Purchased 255,000 shares of Apex Resources Inc. at a cost of \$21,982;

During the month of February 2020, the Issuer sold marketable securities for gross proceeds of \$390,735 resulting in a gain on sale of investments \$103,874.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Not applicable.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

On February 24, 2020, Emma Fairhurst was appointed as Chief Operating Officer and Nicholas Rodway was appointed as Vice President of Business Development, whose service contracts are described under Item 5 above.

11. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes or resolutions of labour disputes during the month of February 2020.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

The Issuer is not aware of any legal proceedings to which it has become a party during the month of February 2020.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Issuer did not incur or repay any indebtedness during the month of February 2020.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
Common Shares	300,000	Issued February 28, 2020 for fair value of \$15,000	Acquisition of Lion's Den property
Common Shares	300,000	Issued February 28, 2020 for fair value of \$15,000	Red Metal Ridge property option payment

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

There were no loans to or by Related Persons during the month of February 2020.

16. Provide details of any changes in directors, officers or committee members.

The Company appointed the following officers during the month of February 2020:

Emma Fairhurst – Chief Operating Officer

Nicholas Rodway – Vice President, Business Development

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The Issuer has no history of earnings and to date has not defined any commercial quantities of mineral reserves on any of its mineral properties. The Issuer has an option agreement to acquire additional interest in the Red Metal Ridge property and there is no guarantee that the Issuer's 100% interest, if earned, will be certain or that it cannot be challenged by claims of aboriginal or indigenous title, or unknown third parties claiming an interest in the property. The Issuer and its assets may also become subject to uninsurable risks. The Issuer's activities may require permits or licenses which may not be granted to the Issuer. The Issuer competes with other companies with greater financial resources and technical facilities. The Issuer may be affected by political, economic, environmental and regulatory risks beyond its control. The Issuer is currently largely dependent on the performance of its directors and officers and there is no assurance the Issuer can retain their services. In recent years both metal prices and publicly traded securities prices have fluctuated widely.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of the Issuer's investments. The Issuer's ability to raise capital to fund exploration, development or investing activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Issuer.

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

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: March 5, 2020

Michael Collins
Name of Director or Senior Officer

"Michael Collins"
Signature
Chief Executive Officer, President and
Director
Official Capacity

<i>Issuer Details</i> Name of Issuer Crest Resources Inc.	For Month End February 29, 2020	Date of Report YY/MM/D 20/03/05
Issuer Address 1100 – 595 Howe Street		
City/Province/Postal Code Vancouver, BC, V6C 2T5	Issuer Fax No. (604) 681- 3552	Issuer Telephone No. (604) 681-3170
Contact Name Michael Collins	Contact Position Chairman, CEO, President and Director	Contact Telephone No. (604) 681-3170