

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: **43,648,314**

Date: **September 4, 2020 (for the month ended August 31, 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 as follows:

- **Chala Copper property in Peru (73.5% owned);**
- **Red Metal Ridge property on Vancouver Island, British Columbia (51% owned and 49% under further option);**
- **Dog Bay property in Newfoundland and Labrador (70% owned);**
- **Gazebow North property in Newfoundland and Labrador (90% owned);**
- **Howells River property in Newfoundland and Quebec (80% owned);**
- **Lunar Frog property in British Columbia (100% owned).**

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 holds significant interests in the following companies:

- **1251797 B.C. Ltd. (66.67% owned) – a private company that holds 100% interest in the Atlin-Rufner property in British Columbia.**
- **AusVan Battery Metals Pty Ltd (60% owned) – a private Australian company that has entered into a Property Purchase and Sale Agreement to acquire 100% interest in the Arizona Queensland Vanadium Shale project.**
- **Carbon Foundry Corp. (50% owned) – a private company formed for the purpose of the developing, building and operating a facility to refine graphite and other similar carbon elements.**
- **Core Asset Management Corp. (40% owned) – a private company duly incorporated in the jurisdiction of the Cayman Islands.**
- **Crest Canada GP Inc. (100% owned) – a private company that serves as General Partner to Crest SPV I Limited Partnership, a Limited Partnership created for the purpose of making and holding investments with a view to earning a profit.**
- **Crest Project Development Corp. (100% owned) – a private company that provides project engineering and development consulting services.**
- **Challa Cobre y Oro S.R.L. (73.5% owned) – a private mineral interest holding company in Peru.**
- **Exploits Gold Corp. (formerly 1240297 B.C. Ltd.) (47.84% owned) – a private mineral exploration company that holds 100% interest in the Jonathan's Pond and Mt. Peyton gold properties located in Newfoundland and Labrador.**
- **Mariner Resources Corp. (35.14% owned) – a junior resource company trading on the Canadian Securities Exchange.**

- **Volatus Capital Corp. (25.71% owned) – a junior resource company trading on the Canadian Securities Exchange.**
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 August 24, 2020, the Issuer engaged three consultants of the Issuer to stake certain mineral claims known as “Howells River Project” (the “Claims”) located on the Newfoundland-Quebec border, for consideration of which each consultant will retain a 5% interest in the Claims and Volatus Capital Corp. (“Volatus”) will receive a 5% interest in the Claims as a loan fee for advancing \$50,000 to the Issuer to stake the Claims. Nicholas Rodway (“Rodway”), an officer of the Issuer, is one of the consultants who received a 5% interest in the Claims. Michael Collins (“Collins”), the President, CEO and a director of the Issuer, is also the President, CEO and a director of Volatus.

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.

The Issuer has entered into a non-binding Memorandum of Understanding (“MOU”) with Ethos Real Assets (“Ethos”), an investor and developer of forward-looking assets that supply and support technological innovations, to form a joint venture partnership to target core technologies that deliver social impact while addressing the most pressing efficiency concerns for core industries including but not limited to natural resources, agriculture, energy and healthcare by utilizing ground breaking solutions offered by artificial intelligence, robotics, chemistry and biosciences. The MOU proposes that the Issuer will issue 4,000,000 common shares in its capital to Ethos for its role in sourcing and managing the technical resources and incubation activities as well as the sourcing of local resources and stakeholders in the delivery of the solutions the JV will collectively generate on sites that the Issuer will facilitate. The parties will in the future execute a definitive joint venture agreement. Jonas Lauren Norr (“Norr”), a director of the Company, is the founder of Ethos.

The Issuer has entered into a written Strategic Consulting, Management and Operations Agreement with Exploits Gold Corp. (“Exploits”) dated August 31, 2020 to provide such services to Exploits effective July 1, 2020 for consideration of \$25,000 per month for a three year term. Collins is the CEO and a director of Exploits.

The Issuer has entered into a Consulting Agreement with 1253070 B.C. Ltd. for its agent, Garry Stock (“Stock”, a director of the Company), to provide business and corporate assistance services commencing August 31, 2020 for an initial six month term, thereafter to continue on a bi-annual basis until terminated, for consideration of a monthly fee of \$6,000 of which \$2,000 will be paid in cash and \$4,000 will be accrued.

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.

See item 3.

The Issuer and its co-vendors (together, the “Vendors”) sold to Mariner Resources Corp. (“Mariner”) a 100% undivided interest, subject to retained royalty, in the True Grit and Middle Ridge North gold properties (the “Properties”) for consideration of 7,000,000 common shares of Mariner in a transaction that closed on August 4, 2020. The underlying vendor of one mineral license will retain a 2.0% net smelter returns royalty on that license of which Mariner can purchase 1.0% for \$1,000,000 at any time. The Vendors’ interest in the Properties was held 85% by the Issuer, 5% by Volatus and 10% by Rodway. The Issuer received 5,822,500 common shares of Mariner in the transaction. As at August 31, 2020 the Issuer held 35.14% of Mariner and together with its joint actors, Collins and Volatus, held 38.62% of Mariner.

On August 4, 2020, the Issuer entered into an agreement to acquire a 36% interest in OCP Holdings Ltd. (formerly Ore Capital Partners Ltd.) (“OCP”, a private investment company) from a consortium of 1247814 B.C. Ltd. (“1247814”), Garry Stock and Jason Cubitt for consideration of 18,647,122 common shares of the Company. The core assets of OCP are 14,750,001 common shares of Inflection Resources Ltd., a junior resource company focused on new discoveries in the Lachlan Fold Belt and Croydon goldfield in Australia, recently listed on the CSE under the symbol “AUCU” with a market capital of \$27 million (see www.inflectionresources.com); and 12,038,443 common shares of Headwater Gold Inc., a private junior resource

company with an innovative portfolio of 100% owned mineral projects in Nevada, Idaho and Oregon (see www.headwatergold.com). The transaction is subject to due diligence and has not yet closed. Stock, a director of the Issuer and also a director of OCP, will receive 705,885 common shares of the Issuer in the transaction. 1247814, a private company controlled by Emma Fairhurst (“Fairhurst”), a consultant to the Issuer, will receive 16,000,055 common shares of the Issuer in the transaction. Subsequent to the transaction, Fairhurst will control 18,850,055 common shares of the Issuer, representing approximately 30.26% of the issued and outstanding common shares of the Issuer based on an estimated total of 62,295,436 common shares outstanding. Fairhurst agrees to vote a maximum of 19.9% interest until such time as Fairhurst is diluted below a 20% interest or there is a shareholder vote to allow a new insider control position which the company will endeavour to hold at the next annual or special meeting.

On August 21, 2020, the Issuer completed the acquisition of 4,100,501 common shares of Rain City Resources Inc. (“RAIN”, a junior mineral exploration company listed on the CSE) for total consideration of \$74,000. 3,000,000 of the shares are subject to an escrow agreement dated January 24, 2019 among Rain City, National Securities Administrators Ltd. and the Vendors (among other shareholders). The Issuer now owns and controls a total of 4,100,501 common shares of RAIN representing approximately 20.60% of the issued and outstanding common shares based on a total of 19,909,001 common shares outstanding as of August 21, 2020. The Issuer together with its joint actor, Volatus, owns and control 7,100,501 common shares of RAIN representing 35.66% of the issued and outstanding common shares; or 10,100,501 common shares of RAIN representing 44.09% of the outstanding shares assuming exercise of the 3,000,000 warrants held by Volatus. The Issuer is entitled to nominate one representative for election as a director of RAIN at each annual shareholder’s meeting of RAIN, for so long as the Issuer holds at least 5% of the outstanding shares of RAIN.

On August 21, 2020, the Issuer completed the acquisition of 1,000,000 common shares of EcoMine Technologies Corporation (“EcoMine”, a private company that produces targeted bio-chemical reagents for recovery of metals in the mineral industry) by way of private placement at a price of \$0.25 per share. The Issuer currently holds a 5% interest in EcoMine and a 6.2% interest with the inclusion of joint actors. The Issuer will now work together with EcoMine to achieve a public stock exchange listing for EcoMine by way of IPO, RTO, statutory amalgamation, M&A transaction or similar transaction.

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

- Purchased 575,000 common shares of Spey Resources Corp. at \$0.095 per share for a total cost of \$55,205; and

- **Sold 775,000 common shares of Spey Resources Corp. for net proceeds of \$84,398 resulting in a gain of \$8,448 on the sale of investments.**
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.
Not applicable.
 11. Report on any labour disputes and resolutions of those disputes if applicable.
Not applicable.
 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.
Not applicable.
 13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
The Issuer has repaid the principal amount of \$100,000 owing to Volatus under a loan agreement dated November 20, 2019.
The Issuer has repaid the principal amount of \$150,000 owing to Volatus under a loan agreement dated June 5, 2020.
On August 18, 2020, the Issuer entered into a loan agreement with Volatus to borrow \$50,000 from Volatus for the purpose of staking mineral claims in Newfoundland and Quebec. The loan will bear interest at 2% per month, is payable on demand after January 18, 2021 and as further consideration for extending the loan, Volatus will receive a 5% ownership interest in the property to be staked.
The Issuer owns and controls a total of 9,715,667 common shares of Volatus representing approximately 25.71% of the issued and outstanding common shares based on a total of 37,788,064 common shares outstanding as of August 31, 2020. The Issuer together with its joint actor, Collins, owns and controls 10,795,667 common shares of Volatus representing 28.57% of the issued and outstanding common shares; or 11,295,667 common shares of Volatus representing 29.50% of the outstanding shares assuming exercise of the 1,080,000 warrants held by the Issuer and its joint actor. Collins, the

President, CEO and a director of the Issuer, is also the President, CEO and a director of Volatus.

The Issuer has previously entered into agreements dated September 16, 2019 (the “Debt Assignment Agreements”) whereby the Issuer would assume all of the obligations of Westminster Resources Ltd. (“WMR”) in respect of indebtedness (the “Debt”) to the following creditors: Ore Capital Partners Ltd. (“Ore”) in the amount of \$196,748; Jason Cubitt Holdings Inc. (“JCH”) in the amount of \$154,000; and Stock Investments Inc. (“SII”) in the amount of \$123,000. By a letter agreement dated August 11, 2020, the parties agreed to terminate the Debt Assignment Agreements and the Issuer agrees to pay the annual interest of 2% on the Debt, calculated for 11 months, of \$3,607 to Ore, 2,823 to JCH and \$2,255 to SII. Stock is the beneficial owner of Stock Investments Inc. and a director of Ore.

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

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
Common Shares	375,000	Issued on August 4, 2020 pursuant to a warrant exercise at a price of \$0.075 per share for gross proceeds of \$28,125	General working capital
Common Shares	78,790	Issued on August 10, 2020 pursuant to an agent compensation option exercise at a price of \$0.10 per share for gross proceeds of \$7,879	General working capital
Common Shares	122,190	Issued on August 26, 2020 pursuant to an agent compensation option exercise at a price of \$0.10 per share for gross proceeds of \$7,879	General working capital

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

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

See Item 13.

16. Provide details of any changes in directors, officers or committee members.
- Jonas Lauren Norr was appointed as a director of the Company on August 5, 2020.**

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

The outbreak and spread of a novel coronavirus (COVID-19), declared a pandemic by the World Health Organization, has already had significant human, political, and economic consequences around the world. The coronavirus is still evolving, and its full impact remains to be determined. However, its wide-ranging effects include financial market volatility, interest rate cuts, disrupted movement of people and goods, and diminished consumer confidence. The effects of the coronavirus may be difficult to assess or predict with meaningful precision both generally and as an industry- or issuer-specific basis. This is an uncertain issue where actual effects will depend on many factors beyond the control and knowledge of the Issuer.

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. The COVID-19 pandemic and its economic consequences are an extenuating impact on the current volatility of financial markets. 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: September 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 August 31, 2020	Date of Report YY/MM/D 20/09/05
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