RED LAKE GOLD INC.

(FORMERLY PIVIT EXPLORATION INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR SIX MONTHS ENDED MAY 31, 2020

(UNAUDITED – PREPARED BY MANAGEMENT)

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

RED LAKE GOLD INC.
(FORMERLY PIVIT EXPLORATION INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	May 31, 2020	November 30, 2019
	$	$
ASSETS		
CURRENT		
Cash	**239,259**	461,693
GST Receivable	**9,234**	8,434
Prepaid expenses	**-**	65,000
	248,493	535,127
EXPLORATION AND EVALUATION ASSETS (Note 5)	**1,485,997**	1,297,613
TOTAL ASSETS	**1,739,490**	1,832,740
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	**6,596**	14,501
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	**2,683,450**	2,679,620
CONTRIBUTED SURPLUS (Note 6)	**573,695**	573,695
DEFICIT	**(1,529,251)**	(1,435,076)
	1,727,894	1,818,239
TOTAL LIABILITIES &SHAREHOLDERS' EQUITY	**1,734,490**	1,832,740

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on July 22, 2020:

"Brian Hearst" Director *"Ryan Kalt"* Director

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

RED LAKE GOLD INC.
(FORMERLY PIVIT EXPLORATION INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	For the Three Months Ended May 31, 2020	For the Three Months Ended May 31,2019	**For the Six Months Ended May 31, 2020**	For the Six Months Ended May 31, 2019
	$	$	$	$
EXPENSES				
Advertising and promotion	**650**	560	**2,650**	1,560
Consulting (Note 7)	**38,813**	7,500	**76,313**	5,100
Office and miscellaneous (Note 7)	**2,031**	3,201	**3,004**	1,680
Professional fees	**1,607**	26,045	**2,558**	31,776
Rent	**-**	-	**-**	3,435
Stock-based compensation	**-**	90,000	**-**	90,000
Transfer agent and filing fees	**3,453**	9,600	**9,650**	9,601
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(46,553)**	(136,906)	**(94,175)**	(143,152)
LOSS PER SHARE (basic and diluted)	**(0.00)**	(0.01)	**(0.00)**	(0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**27,726,481**	23,400,001	**27,724,015**	23,104,397

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

RED LAKE GOLD INC.
(FORMERLY PIVIT EXPLORATION INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	**Amount**	**Contributed Surplus**	**Deficit**	**Total**
		$	$	$	$
Balance, November 30, 2018	**22,200,001**	**1,814,175**	**149,370**	**(593,520)**	**1,370,025**
Shares issued – private placement	1,200,000	150,000	-	-	150,000
Shares issuance costs – cash	-	(5,250)	-	-	(5,250)
Stock-options granted	-	-	90,000	-	90,000
Net loss for the period	-	-	-	(143,152)	(143,152)
Balance, May 31, 2019	**23,400,001**	**1,958,925**	**239,370**	**(736,672)**	**1,461,623**
Balance, November 30, 2019	**27,719,201**	**2,679,620**	**573,695**	**(1,435,076)**	**1,818,239**
Shares issued from warrant exercise	38,300	3,830	-	-	3,830
Loss for the period	-	-	-	(94,175)	(94,175)
Balance, May 31, 2020	**27,757,501**	**2,683,450**	**573,695**	**(1,529,251)**	**1,727,894**

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

RED LAKE GOLD INC.
(FORMERLY PIVIT EXPLORATION INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Six Months Ended May 31, 2020	Six Months Ended May 31, 2019
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Loss for the period	**(94,175)**	(143,152)
Non-cash items:		
Stock-based compensation	**-**	90,000
Changes in non-cash working capital balances:		
GST receivable	**(800)**	8,283
Prepaid expenses	**65,000**	1,000
Accounts payable and accrued liabilities	**(7,905)**	(94,537)
Cash used in operating activities	**(37,880)**	(138,406)
INVESTING ACTIVITIES		
Exploration and evaluation asset acquisition	**(22,000)**	-
Exploration and evaluation asset expenditures	**(166,384)**	(1,000)
Cash used in investing activities	**(188,384)**	(1,000)
FINANCING ACTIVITIES		
Issuance of common shares	**-**	150,000
Share issuance costs	**-**	(5,250)
Warrant exercise	**3,830**	-
Cash provided by financing activities	**-**	144,750
CHANGE IN CASH	**(222,434)**	5,344
CASH, BEGINNING OF PERIOD	**461,693**	15,240
CASH, END OF PERIOD	**239,259**	20,584

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Red Lake Gold Inc. (formerly Pivit Exploration Inc.) ("the Company") was incorporated on July 24, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is Suite 605 – 815 Hornby Street, Vancouver, British Columbia, Canada. On May 7, 2018, the Company was listed on the Canadian Securities Exchange. The Company changed its corporate name to Red Lake Gold Inc. from Pivit Exploration Inc. on July 5, 2019.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at May 31, 2020, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

For the period ended May 31, 2020, the Company incurred a net loss of $94,175 (2019 - $143,152) and had a deficit of $1,529,251 (2019 - $1,435,076).The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors may cast significant doubt upon the ability of the Company to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of June 22, 2020, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2019, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2020 could result in restatement of these unaudited condensed consolidated interim financial statements.

b) Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 1183140 B.C. Ltd., Alma Gold Inc., and Fenelon Gold Inc. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

d) Cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. As of May 31, 2020 and November 30, 2019, the Company held no cash equivalent instruments.

e) Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. In the event that estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

f) Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Share-based payments (continued)

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

g) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

h) Foreign currency

Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates (“the functional currency”), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of loss and comprehensive loss.

i) Decommissioning, restoration and similar liabilities

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Decommissioning, restoration and similar liabilities (continued)

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

k) Income taxes

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

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments

The Company adopted IFRS 9 in its consolidated financial statements on December 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening deficit balance on December 1, 2018. The impact on the classification and measurement of its financial instruments is set out below:

Financial Instrument	**Original classification – IAS 39**	**New Classification – IFRS 9**
Cash	Loans and receivables	FVTPL
Accounts payable and accrued liabilities	Other payables	Amortized cost

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income (“FVTOCI”) or measured at fair value through profit or loss (“FVTPL”).

(i) Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.
• The Company’s business model for such financial assets, is to hold the assets in order to collect contractual cash flows.
• The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

(ii) Financial assets measured at FVTPL

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company’s investments at fair value are FVTPL financial instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments (continued)

(iii) Financial assets measured at FVTOCI

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as “financial asset at fair value through other comprehensive income” in other comprehensive income.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss.

However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(i) Financial liabilities measured at amortized cost
A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

The Company’s accounts payable and accrued liabilities are classified as financial liabilities measured at amortized cost.

(ii) Financial liabilities measured at fair value through profit or loss
A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

The Company does not have any liabilities classified as financial liabilities measured at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial instruments (continued)

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Offsetting financial assets and liabilities
Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. At May 31, 2020, the Company has not classified any financial assets as loans and receivables.

m) Share Capital

Agent’s warrants issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as consideration for exploration and evaluation assets is based on the trading price of those shares on the CSE on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant accounting estimates

i. the assessment of indications of impairment of the mineral property and related determination of the net realizable value and write-down of the mineral property where applicable;

ii. the measurement of deferred income tax assets and liabilities; and

iii. the inputs used in accounting for share-based payments.

Significant accounting judgments

i. the determination of categories of financial assets and financial liabilities; and

ii. the evaluation of the Company's ability to continue as a going concern.

4. NEW ACCOUNTING STANDARDS

The following new accounting standards and interpretations have been adopted during the period.

IFRS 9, Financial Instruments

IFRS 9, *Financial Instruments* replaces the current standard IAS 39, *Financial Instruments: Recognition and Measurement*, replacing the current classification and measurement criteria for financial assets and liabilities with only two classification categories: amortized cost and fair value. Adoption is not anticipated to have a material impact on the Company's financial statements.

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

(Expressed in Canadian dollars)

4. NEW ACCOUNTING STANDARDS (continued)

Effective for annual periods beginning on January 1, 2019

New standard IFRS 16, Leases
IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The extent of the impact of adoption of this standard on the consolidated financial statements of the Company is not expected to be material.

5. EXPLORATION AND EVALUATION ASSETS

For the period ended May 31, 2020

	Chambers Settlement Gold Project	**Whirlwind Jack**	**Fenelon Gold Project**	**Total**
	$	$	$	$
Acquisition Costs:				
Balance, beginning of	-	1,257,000	-	1,257,000
Cash	10,000	-	12,000	22,000
Write-off	-	-	-	-
Balance, end of period	**10,000**	**1,257,000**	**12,000**	**1,279,000**
Exploration Costs:				
Balance, beginning of	-	40,613	-	40,613
Geological consulting	-	53	-	53
Geologist	-	28,800	-	28,800
Government fees	-	-	1,531	1,531
Survey	-	136,000	-	136,000
Balance, end of period	**-**	**205,466**	**-**	**206,997**
Total	**10,000**	**1,462,466**	**12,000**	**1,485,997**

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

For the year ended November 30, 2019

	Whirlwind Jack	**Moosehead East**	**Total**
	$	$	$
Acquisition Costs:			
Balance, beginning of year	1,235,000	213,000	1,448,000
Cash	22,000	-	22,000
Write-off	-	(213,000)	(213,000)
Balance, end of year	1,257,000	-	1,257,000
Exploration Costs:			
Balance, beginning of year	-	13,270	13,270
Camp costs	9,779	-	9,779
Geological consulting	2,831	1,000	3,831
Geologist	32,700	-	32,700
Write-off	-	(14,270)	(14,270)
Exploration tax credit	(4,697)	-	(4,697)
Balance, end of year	40,613	-	40,613
Total	**1,297,613**	**-**	**1,297,613**

Whirlwind Jack Gold Project

During the year ended November 30, 2018, the Company entered into an acquisition and amalgamation agreement to acquire all of the issued and outstanding securities in the capital of a company that owns a 100% interest in the Whirlwind Jack Gold project located in Ontario for the following consideration (Note 5):

i) cash payment of $75,000 (paid); and
ii) issuance of 8,000,000 common shares (issued and valued at $1,160,000).

In addition, a pre-existing 2% gross royalty on the project was assumed by the Company.

On August 29, 2019, the Company entered into a purchase and sale agreement to acquire 430 additional mining claims adjacent to the Whirlwind Jack Gold Project. In conjunction with the agreement, the Company made a cash payment equivalent to costs incurred in staking the claims to an arm's-length individual and assumed a pre-existing 2% gross royalty on the claims.

Fenelon Gold Project

On February 11, 2020, the Company entered into a purchase agreement with an individual to purchase a one hundred percent right, title and interest to mining claims located in the Abitibi region of Quebec, Canada. As consideration, the Company paid the arm's-length individual $12,000 upon the closing date of the agreement. A pre-existing 2% royalty on the project was assumed by the Company.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Chamber Settlement Gold Project

On May 29, 2020, the Company, through it's wholly owned subsidiary, Alma Gold Inc. entered into an option agreement to acquire a 100% interest in the Chambers Settlement Gold Project in New Brunswick, Canada (the "Chambers Settlement Gold Project") from Avalon Gold Resources Inc., an arm's-length party based in Toronto, Canada. The terms of the Chambers Settlement Gold Project involve a series of cash payments over a four-year earn-in period, and the granting of a 2% royalty, one-half of which may be repurchased by Alma Gold Inc.

The series of payments is as follows:

(a) $10,000 (paid) within ten (10) business days of the date of this Agreement; and
(b) $15,000 within six (6) months of the date of this Agreement; and
(c) $20,000 within twelve (12) months of the date of this Agreement; and
(d) $30,000 within twenty-four (24) months of the date of this Agreement; and
(e) $40,000 within thirty-six (36) months of the date of this Agreement; and
(f) $50,000 within forty-eight (48) months of the date of this Agreement.

The Company is taking steps to spin-out shares of Alma Gold Inc. to its shareholders.

Moosehead East Project

During the year ended November 30, 2018, the Company entered into an option agreement to acquire a 100% interest in the Moosehead East Project in Newfoundland for the following consideration:

i) cash payment of $25,000 (paid); and
ii) issuance of 500,000 common shares (issued and valued at $50,000).

Concurrently, the Company entered into an additional option agreement to acquire a 100% interest in a second property related to the Moosehead East Project by making the following payments:

i) cash payment of $5,000 (paid); and
ii) issuance of 200,000 common shares (issued and valued at $20,000).

During the year ended November 30, 2018, the Company entered into an option agreement to acquire a 100% interest in three additional claims blocks for the Moosehead East Project by making the following payments:

i) cash payment of $17,000 (paid); and
ii) issuance of 800,000 common shares (issued and valued at $96,000).

In addition, a 2.0% NSR royalty was granted to the vendors. The Company has the option to purchase back 1.0% of the NSR royalty for $1,000,000.

The Company discontinued the project and wrote-off $227,270 of exploration and evaluation assets during the year ended November 30, 2019.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby 4,200,001 common shares will be held in escrow and are scheduled for release in accordance with the terms of the escrow agreement. As of May 31, 2020, 1,890,001 (2019 – 1,890,001) common shares remained in escrow.

c) Share Capital Activities

For the period ended May 31, 2020, the Company had the following share capital transactions:

- On May 8, 2020, the Company issued 38,300 common shares from a warrant exercise.

For the year ended November 30, 2019, the Company had the following share capital transactions:

- On December 21, 2018, the Company closed a non-brokered private placement of 1,200,000 common shares at a price of $0.125 per share for gross proceeds of $150,000. The Company paid a total of $5,250 cash finder's fee on subscriptions under the financing.

- On June 5, 2019, the Company closed a private placement through the issuance of 715,000 Units at $0.07 per Unit for gross proceeds of $50,050. Each Unit comprises one common share and one share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per common share for a three-year period from the closing date.

- On July 10, 2019, the Company closed a private placement through the issuance of 715,000 Units at $0.07 per Unit for gross proceeds of $50,050. Each Unit comprises one common share and one share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.10 per common share for a three-year period from the closing date.

- On September 4, 2019, the Company closed a private placement through the issuance of 2,000,000 common shares at a price of $0.25 per share for gross proceeds of $500,000. Finder's fees of $10,500 were paid in connection with the private placement.

- During the year ended November 30, 2019, 889,200 shares were issued from various option and warrant exercises for gross proceeds of $90,420.

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

d) Stock Options:

The Company adopted an equity settled stock option plan. The Company follows the policies of the CSE under which it would be authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company.

Under the policies, the exercise price of each option equals the market price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Vesting terms are determined by the Board of Directors at the time of grant.

During the period ended May 31, 2020, there were no stock options granted.

During the year ended November 30, 2019, the Company had the following stock option activity:

- On May 31, 2019, the Company granted 1,200,000 stock options, exercisable at a price of $0.10 per option until May 31, 2024. The fair value of these stock options granted was determined to be $90,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.10, ii) stock price $0.10, iii) volatility: 102%, iv) risk free rate: 2.04%.

- On September 2, 2019, the Company granted 790,000 stock options, exercisable at a price of $0.45 per option until September 3, 2024. The fair value of these stock options granted was determined to be $375,000 using the Black-Scholes valuation model and the following inputs: i) exercise price $0.45, ii) stock price $0.48, iii) volatility: 217%, iv) risk-free rate: 1.16%.

Stock option transactions are summarized as follows:

	Number of Stock Options	**Weighted Average Exercise Price**
Balance at November 30, 2018	**1,000,000**	**$0.11**
Granted	1,990,000	$0.24
Exercised	(525,000)	$0.10
Expired	(650,000)	$0.11
Balance at November 30, 2019	**1,815,000**	**$0.25**
Expired	(180,000)	$0.16
Balance at May 31, 2020	**1,635,000**	**$0.26**

(Expressed in Canadian dollars)

6. SHARE CAPITAL (continued)

As at May 31, 2020, the following stock options were outstanding:

Expiry date	Number of options	Exercise price	Number of options exercisable
August 2, 2020	175,000	$0.12	125,000
May 31, 2024	750,000	$0.10	750,000
September 3, 2024	760,000	$0.45	760,000
Total Outstanding	**1,785,000**		**1,635,000**

e) Warrants:

During the year ended November 30, 2019, the Company had the following warrant activities:

- The Company issued warrants as part of its private placements as described in Note 6(c).

Warrant transactions are summarized as follows:

	Number of Stock Warrants	Weighted Average Exercise Price
Balance at November 30, 2018	402,500	$0.10
Granted	1,430,000	$0.10
Exercised	(364,200)	$0.10
Balance at November 30, 2019	**1,468,300**	**$0.10**
Exercised	**(38,300)**	**$0.10**
Balance at May 31, 2020	**1,430,000**	**$0.10**

As at May 31, 2020, the following warrants were outstanding:

Expiry date	Number of warrants	Exercise price
June 5, 2022	715,000	$0.10
July 11, 2022	715,000	$0.10
Total Outstanding	**1,430,000***	

*Subsequent to May 31, 2020, 1,430,000 warrants were exercised for common shares.

(Expressed in Canadian dollars)

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	For the period ended May 31, 2020	For the period ended May 31, 2019
	$	$
Consulting	**75,000**	-
Office (recovery)	**-**	5,100
Exploration expenditures	**-**	3,454
Stock-based compensation	**-**	90,000

Included in accounts payable and accrued liabilities as at May 31, 2020 is $Nil (2019 - $2,500) owed to a company owned by an officer of the Company.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	May 31, 2020	November 30, 2019
	$	$
Trade payables	**6,596**	**14,501**
	6,596	**14,501**

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally-imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. The Company did not change its management of capital during the year ended November 30, 2019.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

	Level	**May 31, 2020**	November 30, 2019
		$	$
Cash	1	**239,259**	461,693
Accounts payable and accrued liabilities	2	**6,596**	14,501

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

11. SUBSEQUENT EVENTS

On July 10, 2020, the Company closed a non-brokered private placement for 2,500,000 common share Units at a price of $0.30 per Unit for gross proceeds of $750,000. Each Unit comprises one common share and one-half of a common share purchase warrant exercisable at $0.45 per common share for a period of twenty-four months from the date of closing. In addition, the Company paid a finder's fee equal to 6% of the gross proceeds through the issuance of 150,000 common share Units with the same terms.

See Note 5 disclosure regarding Alma Gold Inc. and the Chamber Settlement Gold Project.

See Note 6 regarding subsequent exercise of warrants.