PACTON GOLD INC.

Consolidated Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

PACTON GOLD INC.

November 30, 2019 and 2018

INDEX	**Page**

Crowe MacKay LLP
1100 - 1177 West Hastings St.
Vancouver, BC V6E 4T5
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Pacton Gold Inc.

Opinion

We have audited the consolidated financial statements of Pacton Gold Inc. ("the Group"), which comprise the consolidated statements of financial position as at November 30, 2019 and November 30, 2018 and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at November 30, 2019 and November 30, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

Chartered Professional Accountants
Vancouver, Canada
March 24, 2020

PACTON GOLD INC.

Consolidated Statements of Financial Position
November 30,
(Expressed in Canadian Dollars)

		2019		2018
Assets				
Current				
Cash and cash equivalents	$	905,356	$	465,734
Receivables		138,696		384,566
Prepaid expenses		84,747		80,986
		1,128,799		931,286
Prepaid Expenses and Deposits (note 9)		300,110		112,046
Equipment (note 7)		135,407		4,153
Exploration and Evaluation Assets (note 8)		10,935,748		8,360,422
	$	12,500,064	$	9,407,907
Liabilities				
Current				
Accounts payable and accrued liabilities (notes 10 and 11)	$	491,992	$	308,536
Other liabilities (note 9)		299,594		-
		791,586		308,536
Shareholders' Equity				
Capital Stock (note 10)		34,021,523		21,402,968
Share-based Payments Reserve (note 10)		4,261,056		3,644,586
Deficit		(25,950,709)		(15,982,539)
Accumulated Other Comprehensive Income (Loss) – Cumulative Translation Adjustments		(623,392)		34,356
		11,708,478		9,099,371
	$	12,500,064	$	9,407,907

Going Concern (note 2)
Subsequent Events (note 15)

Approved on behalf of the Board:

"Richard Boulay"	*"Alec Pismiris"*
……………………………… Director	……………………………… Director
Richard Boulay	Alec Pismiris

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

PACTON GOLD INC.
Consolidated Statements of Comprehensive Loss
For the Years Ended November 30,
(Expressed in Canadian Dollars)

	2019	2018
Expenses		
Consulting fees (note 11)	$ 1,379,089	$ 1,386,956
Depreciation (note 7)	415	941
Management fees (note 11)	172,500	190,500
Office and miscellaneous	356,287	279,811
Professional fees (note 11)	394,028	447,054
Rent (note 11)	61,667	36,000
Share-based payments (notes 10 and 11)	1,397,607	2,654,646
Shareholder communications and investor relations	576,079	1,228,555
Transfer agent and filing fees	78,255	94,437
Foreign exchange loss (gain)	-	(10,347)
	(4,415,927)	(6,308,553)
Other Items		
Impairment of exploration and evaluation assets (note 8)	(6,566,621)	(529,000)
Gain on settlement of accounts payable (note 10)	-	9,167
Loss on acquisition of non-controlling interest (note 8)	-	(246,678)
Part XII.6 tax (note 9)	-	(580)
Loss on disposal of equipment (note 7)	(3,738)	-
Interest income	14,965	10,329
Other income (note 9)	296,889	-
Net Loss for the Year	(10,674,432)	(7,065,315)
Other Comprehensive Loss		
Exchange difference on translating foreign operations	(657,748)	34,356
Comprehensive Loss for the Year	$ (11,332,180)	$ (7,030,959)
Basic and Diluted Loss Per Share	$ (0.07)	$ (0.10)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	147,411,249	73,385,333

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

PACTON GOLD INC.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock											
	Number of Shares		Capital Stock		Share-based Payments Reserve		Deficit		Accumulated Other Comprehensive Income (Loss)		Total
Balance, November 30, 2017	**55,318,669**	**$**	**9,215,918**	**$**	**495,161**	**$**	**(9,091,312)**	**$**	**-**	**$**	**619,767**
Private placements	24,132,609		5,550,500		-		-		-		5,550,500
Share issue costs	-		(655,691)		295,568		-		-		(360,123)
Shares issued for exploration and evaluation assets	9,921,355		4,338,631		-		-		-		4,338,631
Shares issued for settlement of accounts payable	1,833,333		540,833		-		-		-		540,833
Exercise of stock options	5,427,000		634,200		-		-		-		634,200
Fair value of exercised stock options	-		401,990		(401,990)		-		-		-
Issuance of warrants for consulting and exploration	-		-		801,277		-		-		801,277
Exercise of warrants	5,603,160		1,350,599		-		-		-		1,350,599
Fair value of exercised warrants	-		25,988		(25,988)		-		-		-
Share-based payments (note 10)	-		-		2,654,646		-		-		2,654,646
Expiry of stock options	-		-		(174,088)		174,088		-		-
Net loss for the year	-		-		-		(7,065,315)		-		(7,065,315)
Exchange difference on translating foreign operations	-		-		-		-		34,356		34,356
Balance, November 30, 2018	**102,236,126**		**21,402,968**		**3,644,586**		**(15,982,539)**		**34,356**		**9,099,371**
Private placements	58,038,984		7,609,417		-		-		-		7,609,417
Share issue costs	-		(187,732)		36,686		-		-		(151,046)
Flow-through liability	-		(596,483)		-		-		-		(596,483)
Shares issued for exploration and evaluation assets	22,447,923		5,526,792		-		-		-		5,526,792
Exercise of stock options	950,000		155,000		-		-		-		155,000
Fair value of exercised stock options	-		111,561		(111,561)		-		-		-
Share-based payments (note 10)	-		-		1,397,607		-		-		1,397,607
Expiry of stock options	-		-		(641,717)		641,717		-		-
Expiry of warrants	-		-		(64,545)		64,545		-		-
Net loss for the year	-		-		-		(10,674,432)		-		(10,674,432)
Exchange difference on translating foreign operations	-		-		-		-		(657,748)		(657,748)
Balance, November 30, 2019	**183,673,033**	**$**	**34,021,523**	**$**	**4,261,056**	**$**	**(25,950,709)**	**$**	**(623,392)**	**$**	**11,708,478**

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

PACTON GOLD INC.
Consolidated Statements of Cash Flows
For the Years Ended November 30,
(Expressed in Canadian Dollars)

	2019	2018
Operating Activities		
Net loss	$ (10,674,432)	$ (7,065,315)
Items not involving cash		
Depreciation	415	941
Share-based payments	1,397,607	2,654,646
Share-based payments included in consulting fees	-	80,937
Other income	(296,889)	-
Loss on disposal of equipment	3,738	-
Impairment of exploration and evaluation assets	6,566,621	529,000
Foreign exchange gain	-	(10,347)
Gain on settlement of accounts payable	-	(9,167)
Loss on acquisition of non-controlling interest	-	246,678
Changes in non-cash working capital		
Receivables	236,616	(286,492)
Prepaid expenses and deposits	(3,766)	(77,270)
Accounts payable and accrued liabilities	235,105	(111,501)
Cash Used in Operating Activities	(2,534,985)	(4,047,890)
Investing Activities		
Equipment	(150,453)	(779)
Exploration and evaluation assets, net	(4,470,950)	(2,791,221)
Cash Used in Investing Activities	(4,621,403)	(2,792,000)
Financing Activity		
Net proceeds from share issuances	7,613,371	7,175,176
Cash Provided by Financing Activity	7,613,371	7,175,176
Inflow of Cash and Cash Equivalents	456,983	335,286
Effect of Foreign Exchange on Cash and Cash Equivalents	(17,361)	8,922
Cash and Cash Equivalents, Beginning of Year	465,734	121,526
Cash and Cash Equivalents, End of Year	$ 905,356	$ 465,734

Supplemental Disclosure with Respect to Cash Flows (note 12)

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

1. NATURE OF OPERATIONS

Pacton Gold Inc. (the "Company" or "Pacton") was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company operates in Canada and Australia. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

2. GOING CONCERN

These consolidated financial statements (the "financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred a loss during the year ended November 30, 2019 of $10,674,432 (2018 - $7,065,315) and as at November 30, 2019 has a deficit of $25,950,709 (2018 - $15,982,539), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

Subsequent to the year-end, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION

a) Statement of compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 24, 2020.

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the significant accounting policies (note 4). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

c) Subsidiaries

These financial statements include all subsidiaries in the accounts of the Company for the periods presented. These subsidiaries are listed as follows:

Subsidiary	Ownership November 30, 2019	Ownership November 30, 2018	Incorporated	Nature
Pacton Pilbara Pty. Ltd. ("Pacton Pilbara")	100%	100%	Australia	Mineral exploration
CTTR Gold Pty. Ltd. ("CTTR")	100%	100%	Australia	Mineral exploration
Drummond East Pty. Ltd. ("Drummond East")	100%	100%	Australia	Mineral exploration
Arrow (Pilbara) Pty. Ltd. ("Arrow Pilbara")	100%	100%	Australia	Mineral exploration

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. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently throughout by the Company for purposes of these financial statements.

a) Cash

Cash includes cash on hand, demand deposits with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. The residual value, useful life and depreciation method are evaluated every reporting period and changes to the residual value, estimated useful life or depreciation method resulting from such review are accounted for prospectively. Depreciation is provided for using the declining-balance method at the following rate per annum:

Furniture and equipment	20%

c) Exploration and evaluation assets

i) Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the amounts upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral property interest, as consideration, for an agreement by transferee to meet certain exploration and evaluation expenditures that would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral property interest given up by the Company, with any excess cash accounted for as a gain on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Exploration and evaluation assets (continued)

ii) Impairment

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount, and at least annually. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

iii) Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

d) Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve within share-based payments reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock. For those warrants that expire the recorded value is transferred to deficit.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Foreign currency translation

The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries (Pacton Pilbara, CTTR, Drummond East and Arrow Pilbara) is the Australian dollar ("AUD"), which is the local currency of their home jurisdiction. Each component's functional currency is the currency of the primary economic environment in which the component operates. The Company's financial statements are presented in Canadian dollars.

Transactions in foreign currencies are translated to the functional currency of each entity at a rate of exchange approximating the prevailing rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate in effect at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Realized and unrealized exchange gains and losses are recognized in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of income (loss) are translated at the average exchange rates for the reporting period. The exchange differences arising on consolidation are recognized in other comprehensive income or loss. On disposal of a foreign operation, the component of other comprehensive income or loss relating to that particular foreign operation is reclassified to profit or loss.

f) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Upon issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (ii) share capital. Upon expenses being renounced, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the investors. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

g) Financial instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVTOCI") are measured at fair value through profit or loss ("FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial instruments (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss; and
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in net income (loss) for the period. Financial assets and financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest method. Financial assets classified at FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss). When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly.
Level 3: Inputs for assets or liabilities that are not based on observable market data.

h) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves within share-based payments reserve. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Earnings (loss) per share

The Company presents basic earnings (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 shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. The Company's options and warrants were anti-dilutive in the years ended November 30, 2019 and 2018, as losses were incurred.

k) Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to depreciation to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Impairment of assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Joint arrangements

Certain activities of the Company may be conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities. The financial statements include the Company's proportionate share of the assets, liabilities, revenues, expenses and cash flows of this type of arrangement.

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company's share of the joint venture's income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

m) New accounting standards adopted during the year

IFRS 9 Financial Instruments

On December 1, 2018, the Company adopted IFRS 9, which introduces new requirements for classifying and measuring financial assets and liabilities. Additional amendments include introduction of a new hedge accounting model and a new expected-loss impairment model. Adoption of this accounting standard did not have an impact on the Company's financial statements. Cash continued to be classified as FVTPL, receivables changed from loans and receivables to amortized cost, and accounts payable and accrued liabilities changed from other financial liabilities to amortized cost. The Company does not have any financial instruments designated as FVTOCI.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) New accounting standards adopted during the year (continued)

IFRS 15 Revenue from Contracts with Customers

Effective December 1, 2018, the Company retrospectively adopted IFRS 15. The standard supersedes International Accounting Standard ("IAS") 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations. The adoption of IFRS 15 did not result in any adjustments to the amounts recognized in the Company's financial statements.

n) New accounting standards issued but not yet effective

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17 *Leases*, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16.

The Company does not anticipate any impact at the date of initial adoption.

IFRS Interpretations Committee ("IFRIC") 23 Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC 23. The interpretation provides guidance on the accounting for current and deferred income tax liabilities and assets when there is uncertainty over income tax treatments. IFRIC 23 is applicable for annual periods beginning on or after January 1, 2019.

IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If the treatment is likely to be accepted, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If not, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Company does not anticipate any impact at the date of initial adoption.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

Critical judgments in applying accounting policies (continued)

d) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

e) Acquisition of subsidiaries

The Company's acquisitions of CTTR, Drummond East and Arrow Pilbara during the year ended November 30, 2018 have been determined to be asset acquisitions, as CTTR, Drummond East and Arrow Pilbara do not meet the definition of a business under IFRS 3 *Business Combinations*. As a result, the acquisitions have been accounted for as asset acquisitions, whereby all of the assets acquired and liabilities assumed are assigned a carrying amount based on relative fair values. The Company's application of the recognition principle may result in recognizing some assets (often intangible) and liabilities that the acquiree had not previously recognized as assets and liabilities in its financial statements, which require management judgment.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at November 30, 2019, the Company had no known rehabilitation requirements, and accordingly, no provision has been made.

b) Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents is classified as FVTPL; receivables, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

November 30, 2019	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 905,356	$ -	$ -	$ 905,356

November 30, 2018	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 465,734	$ -	$ -	$ 465,734

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. Included in receivables is $125,293 (2018 - $384,317) owing from the Canada Revenue Agency and the Australian Taxation Office. Accounts receivable of $112,546 were collected subsequent to November 30, 2019. The Company has minimal credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of November 30, 2019 equal $491,992 (2018 - $308,536). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of November 30, 2019.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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 exposure within acceptable parameters, while optimizing the return on capital.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk (continued)

i) Currency risk – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. The Company does not hold substantial funds in a foreign currency, and only a small amount of its accounts payable and accrued liabilities is denominated in Australian dollars. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a $10,700 change in the Company's cash, $10,000 change in accounts payable and accrued liabilities and $453,900 change in other comprehensive income (loss). The Company does not use any techniques to mitigate currency risk.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended November 30, 2019. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

7. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2017	**$**	**7,717**
Additions		779
Balance, November 30, 2018		**8,496**
Additions		150,453
Disposals		(8,496)
Balance, November 30, 2019	**$**	**150,453**
Accumulated Depreciation		
Balance, November 30, 2017	**$**	**3,402**
Depreciation		941
Balance, November 30, 2018		**4,343**
Depreciation*		15,461
Disposals		(4,758)
Balance, November 30, 2019	**$**	**15,046**
Net Book Value, November 30, 2018	**$**	**4,153**
Net Book Value, November 30, 2019	**$**	**135,407**

*includes $15,046 capitalized to exploration and evaluation assets

8. EXPLORATION AND EVALUATION ASSETS

a) Pilbara Project

CTTR

On March 20, 2018, the Company entered into a share purchase agreement to acquire 100% of the issued and outstanding shares of CTTR, an Australian proprietary limited company. CTTR holds applications to nine tenement licenses for a mineral property group in the Pilbara Region of Western Australia.

Under the terms of the share purchase agreement, the Company acquired 100% of the issued and outstanding shares of CTTR by:

- Paying a $25,000 non-refundable deposit (paid);
- Paying $75,000 (paid) and issuing 916,666 common shares (issued and valued at $238,333) of the Company and 458,333 share purchase warrants (issued and valued at $64,545). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price of $0.45, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and
- Paying $50,000 (paid) and issuing 416,666 common shares (issued and valued at $270,833) of the Company and 208,333 share purchase warrants (issued and valued at $72,034). Each warrant is exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price of $0.97.

The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

The acquisition of CTTR has been accounted for as an acquisition of assets and liabilities, as CTTR does not meet the definition of a business under IFRS 3. The acquisition of the net assets of CTTR was recorded at the fair value of the consideration transferred of $836,370, as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Subsequent to November 30, 2019, the Company surrendered all tenement licenses, which resulted in an impairment charge of $832,177 for the year ended November 30, 2019.

Arrow Pilbara

On May 11, 2018, the Company entered into a share purchase and option agreement whereby the Company could earn up to an 80% interest in Arrow Pilbara, an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company was required to make cash payments and issue common shares and common share purchase warrants of the Company to acquire a 51% interest in Arrow Pilbara as follows:

- Issue 1,086,957 common shares (issued and valued at $695,652) and 1,086,957 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $0.35 for three years and pay $500,000 (paid $400,000), with remaining due upon grant of application. Subsequent to November 30, 2019, the outstanding $100,000 payment was renegotiated down to $50,000 and paid.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Arrow Pilbara (continued)

To acquire a further 29% interest in Arrow Pilbara, the Company was required to:

- Pay $250,000 or an equivalent number of common shares based on the five-day trailing volume-weighted average price at the time of issue, subject to a floor price of no lower than $0.19 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

The vendor retains a right to explore for, mine and extract lithium, caesium and tantalum from the property.

A discovery bonus of $500,000 cash is payable if the Company reports a National Instrument ("NI") 43-101-defined "measured mineral resource" or "inferred mineral resource" of at least 100,000 ounces of gold on the property.

The Company also issued 227,941 common shares valued at $58,125 as a finder's fee on the transaction.

The acquisition of 51% of Arrow Pilbara has been accounted for as an acquisition of assets and liabilities, as Arrow Pilbara does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Arrow Pilbara was recorded at the fair value of the consideration transferred of $1,637,538, as detailed above. The net assets acquired were as follows:

Net Assets Acquired		
Exploration and evaluation assets	$	3,210,860
Non-controlling interest		(1,573,322)
	$	1,637,538

On August 20, 2018, the Company entered into a share purchase agreement to acquire the remaining ownership interest in Arrow Pilbara. Under the terms of the agreement, the Company acquired the remaining 49% ownership interest in Arrow Pilbara by paying $1,000,000 (paid) and issuing 2,000,000 common shares (issued and valued at $820,000).

The purchase of the remaining 49% interest was accounted for as follows:

Acquisition of 49% Interest		
Additional consideration paid	$	1,820,000
Elimination of non-controlling interest		(1,573,322)
Loss on acquisition	$	246,678

Subsequent to November 30, 2019, the Company surrendered two tenement licenses, which resulted in an impairment charge of $636,906 for the year ended November 30, 2019.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Drummond East

On August 15, 2018, the Company entered into a share purchase agreement to acquire a 100% interest in Drummond East, an arm's length Australian exploration company wholly owned by Impact Minerals Ltd. ("Impact"). Drummond East holds seven granted tenement licenses in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued to Impact 2,125,000 common shares of the Company valued at $860,625.

In addition, the Company will pay a bonus to Impact of $500,000 if the Company publishes measured, indicated or inferred gold resources of more than 250,000 ounces on the property. The Company will grant Impact a 2% net smelter return royalty ("NSR") in respect of the property on standard industry terms to be agreed between the parties. The parties agree that the Company shall, at all times, retain an exclusive and unlimited right to purchase 50% of the NSR back from Impact for $500,000.

The Company paid a finder's fee of 291,875 common shares (issued and valued at $145,938).

The acquisition of Drummond East has been accounted for as an acquisition of assets and liabilities, as Drummond East does not meet the definition of a business under IFRS 3. The acquisition of the net assets of Drummond East was recorded at the fair value of the consideration transferred of $1,356,563, as detailed above. The net assets acquired consisted entirely of exploration and evaluation assets.

Subsequent to November 30, 2019, the Company surrendered three tenement licenses, which resulted in an impairment charge of $629,073 for the year ended November 30, 2019.

Friendly Creek

On August 11, 2018, the Company entered into a tenement sale agreement to acquire 100% of the Friendly Creek exploration license and mining leases in the Pilbara Region of Western Australia.

Under the terms of the agreement, the Company purchased a 100% interest in Friendly Creek by paying the vendors a total of $25,000 (paid) and issuing to the vendors 2,500,000 common shares of the Company (issued on March 15, 2019 and valued at $562,500).

Yandicoogina and Boodalyerrie

On September 25, 2018, the Company entered into a tenement sale agreement to acquire 100% of both the Yandicoogina and Boodalyerrie exploration licenses and mining leases from Gardner Mining Pty. Ltd. ("Gardner Mining"), an Australian proprietary limited exploration company.

Under the terms of the agreement, the Company purchased a 100% ownership interest in the projects by paying Gardner Mining $25,000 (paid) and issuing to Gardner Mining 3,000,000 common shares of the Company (issued on March 8, 2019 and valued at $720,000).

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Golden Palms Project

On November 5, 2018, the Company entered into a tenement sale agreement to acquire the Golden Palms tenement license in Western Australia.

Under the terms of the agreement, Pacton can purchase 100% of the property by paying a total of $100,000 ($75,000 paid as at November 30, 2019, $25,000 paid subsequent to November 30, 2019) and issuing 400,000 common shares on completion of the transaction (issued subsequent to November 30, 2019 and valued at $40,000).

Hong Kong Project

On November 23, 2018, the Company entered into a tenement sale agreement to acquire a 70% interest in the Hong Kong project from Clancy Exploration Ltd. ("Clancy"), an Australian Securities Exchange-listed exploration company.

Under the terms of the agreement, the Company purchased a 70% interest in the Hong Kong project by paying Clancy $200,000 (paid) and issuing to Clancy 3,780,613 common shares of the Company (issued on December 10, 2018 and valued at $1,323,215). In addition, the Company issued 300,000 common shares valued at $82,500 as a finder's fee on the project.

Upon completion of the acquisition, the Company and Clancy will enter into a joint venture, with Pacton acting as operator of the Hong Kong project. A minimum of AUD $520,000 must be spent by the Company within two years of completion of the transaction. Clancy will be free carried with respect to expenditures until a decision to mine is made unanimously by both parties.

Keras Project

On October 18, 2018, the Company entered into a grant of gold rights agreement to acquire the conglomerate gold rights of Calidus Resources Ltd. ("Calidus") in both the Marble Bar sub basin and the northeast Pilbara sub basin of Western Australia's Pilbara craton.

Under the terms of the agreement, the Company acquired the gold rights by paying $10,000 (paid) and issuing 7,000,000 common shares of the Company (issued on December 5, 2018 and valued at $1,925,000) and deferred compensation of 3,000,000 additional common shares of the Company (issued on November 13, 2019 and valued at $330,000). A minimum of AUD $55,000 was required to be spent by the Company on each anniversary of the completion of the transaction.

Subsequent to November 30, 2019, the Company decided not to pursue further exploration on the project. An impairment charge of $2,221,479 has been recorded effective November 30, 2019.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Tardarinna Project

On March 22, 2019, the Company entered into a tenement sale agreement to acquire the Tardarinna tenement license in Western Australia.

Under the terms of the agreement, the Company acquired a 100% interest in the property by issuing 1,250,000 common shares on completion of the transaction (issued on August 27, 2019 and valued at $281,250).

b) Red Lake Project

On May 10, 2017, the Company entered into an option agreement to earn a 100% interest in 34 mineral claims and two mineral patents in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments of $300,000 and issue 4,200,000 common shares of the Company over a period of four years. Of that, 1,200,000 common shares of the Company were issued (valued at $168,000) and $75,000 was paid.

The vendor retained a NSR varying from 0.25% to 2.25%, of which one-half could be repurchased by the Company, at a rate of $250,000 per 0.25%.

On April 18, 2018, the Company provided notice of termination on the option agreement to the vendor. During the year ended November 30, 2018, the Company recorded an impairment of exploration and evaluation assets of $243,000 as a result of the termination.

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 300,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018 (paid);
- Pay $16,000 on or before May 26, 2019 (paid); and
- Pay $26,000 on or before May 26, 2020.

The claims are subject to an underlying 2% NSR.

On May 23, 2017, and as amended November 23, 2017, June 14, 2018 and May 22, 2019, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 2,500,000 common shares of the Company (issued and valued at $350,000) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $20,000 on or before June 30, 2018 (paid);
- Pay $80,000 on or before January 31, 2019 (paid); and
- Pay $150,000 on or before June 30, 2019 (paid).

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000. On October 25, 2018, one of the vendors became a director of the Company.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

On November 1, 2018, the Company entered into an option agreement to earn a 100% interest in 12 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $15,000 on or before November 6, 2018 (paid);
- Pay $15,000 (paid) and issue 100,000 common shares of the Company (issued and valued at $25,500) within five days of approval by the TSX-V, which was received November 19, 2018;
- Pay $40,000 (paid) and issue 75,000 common shares of the Company on or before November 19, 2019 (issued and valued at $7,875); and
- Pay $40,000 and issue 75,000 common shares of the Company on or before November 19, 2020.

The vendors retain a NSR that ranges from 0.25% to 2.25%, of which one-half can be repurchased by the Company for $250,000.

On January 29, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company issued 192,310 common shares on February 6, 2019 valued at $48,077. The claims are subject to a NSR ranging from 0.25% to 2.25%, of which a portion can be repurchased by the Company for $250,000.

On February 12, 2019, the Company entered into an agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. The Company paid $15,000 and on February 28, 2019 issued 75,000 common shares valued at $19,125. The claims are subject to a 2% NSR, of which one-half can be repurchased by the Company for $200,000.

On February 20, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $30,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 125,000 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued on March 6, 2019 and valued at $31,250);
- Pay $50,000 (paid subsequent to November 30, 2019) and issue 100,000 common shares of the Company on or before March 5, 2020 (issued subsequent to November 30, 2019 and valued at $8,500); and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 5, 2021.

The claims are subject to a 0.25% to 1.75% NSR, of which a portion can be repurchased by the Company at a rate of $250,000 for each 0.25% portion that is repurchased.

On March 13, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay up to $40,000 on behalf of the vendor for exploration expenditures (paid);
- Issue 100,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued on March 22, 2019 and valued at $23,000);
- Pay $50,000 (paid subsequent to November 30, 2019) and issue 100,000 common shares of the Company on or before March 21, 2020 (issued subsequent to November 30, 2019 and valued at $6,000); and
- Pay $50,000 and issue 125,000 common shares of the Company on or before March 21, 2021.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

The claims are subject to a 2.5% NSR, of which one-half can be repurchased by the Company for $2,000,000.

On April 23, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $30,000 (paid) and issue 100,000 common shares of the Company (issued on May 6, 2019 and valued at $16,500) within five days of approval by the TSX-V, which was received on May 6, 2019;
- Pay $30,000 and issue 150,000 common shares of the Company on or before May 6, 2020; and
- Pay $30,000 on or before May 6, 2021.

On July 23, 2019, the Company entered into two agreements to acquire 100% interests in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of each agreement, the Company must make a cash payment of $100,000 and issue 400,000 common shares of the Company upon approval by the TSX-V. A total of $200,000 was paid and 800,000 common shares were issued on August 12, 2019 and valued at $140,000.

On October 22, 2019, the Company entered into an option agreement to acquire a 100% interest in additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Pay $35,000 (paid) and issue 150,000 common shares of the Company within five days of approval by the TSX-V, which was received November 6, 2019 (issued on November 15, 2019 and valued at $16,500);
- Pay $22,500 and issue 150,000 common shares of the Company on or before November 6, 2020;
- Pay $22,500 and issue 150,000 common shares of the Company on or before November 6, 2021;
- Pay $22,500 and issue 150,000 common shares of the Company on or before November 6, 2022; and
- Pay $22,500 and issue 150,000 common shares of the Company on or before November 6, 2023.

The claims are subject to a 0.25% to 2.25% NSR, of which one-half may be repurchased by the Company for $1,000,000.

c) Tully West Gold Property

On January 16, 2017, the Company entered into an option agreement to earn a 100% interest in the Tully West Gold Property, located in Ontario. On January 18, 2018, certain terms were amended. Under the terms of the amended agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 1,300,000 common shares of the Company (issued on January 25, 2017 and valued at $117,000) and pay $25,000 (paid) within five days of approval by the TSX-V, which was received January 25, 2017;
- Issue 1,300,000 common shares of the Company on or before January 25, 2018 (issued on January 25, 2018 and valued at $390,000);
- Pay $80,000 on or before February 15, 2018 (paid); and
- Issue 1,300,000 common shares of the Company (issued on July 24, 2018 and valued at $793,000) and pay $110,000 (paid) on or before January 25, 2019.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Tully West Gold Property (continued)

The Company completed an equity financing for gross proceeds in excess of $1,000,000 (excluding flow-through proceeds), thus the January 25, 2019 common share and cash payments were accelerated.

On December 12, 2018, the agreement was amended to extend the exploration expenditure deadlines. The Company was required to pay an additional $10,000 on or before January 12, 2019 (paid).

The Company must now incur exploration expenditures as follows:

- $250,000 on or before January 16, 2018 (incurred);
- An additional $500,000 on or before January 25, 2020; and
- An additional $500,000 on or before January 25, 2021.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000.

The Company did not incur the required exploration expenditures on the Tully West Gold Property by January 25, 2020. Accordingly, the Company recorded an impairment charge of $2,246,986 at November 30, 2019.

d) Lincoln Property

On April 21, 2016, and as amended June 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lincoln Property, a lithium project in Nevada. Consideration for the option is as follows:

- Issue 1,500,000 common shares to the optionor upon acceptance of the transaction by the TSX-V (issued on July 4, 2016 and valued at $195,000); and
- Cash payment of $50,000 within five days of acceptance by the TSX-V (paid).

At November 30, 2016, the Company determined that the value of the property was impaired. The property was written down to $100,000. On January 1, 2017, and as amended on July 11, 2017 and March 14, 2018, the Company reached an agreement to sell the property for $100,000. The sale price was amended to $40,000 on May 29, 2018 and payment was received. The remaining balance of $60,000 was written off and included in impairment of exploration and evaluation assets.

e) Carpenter Lake

On May 28, 2013, the Company entered into an agreement to acquire a 100% interest in 34 mineral claims located in the Athabasca Basin Region of northern Saskatchewan. Consideration for the acquisition was the issuance of 200,000 common shares (issued and valued at $380,000). The Company paid a finder's fee of 10,000 common shares (issued and valued at $19,000).

The property was subject to a 5% NSR. The NSR could be reduced to a minimum of 2% at the option of either the vendors or the Company in exchange for the issuance of 100,000 common shares for each percentage point bought back (the “Royalty Buyback").

Pursuant to an amending agreement dated June 21, 2013, the Company agreed to file a NI 43-101 Report on or before July 1, 2014 as a condition for approval from the TSX-V to exercise the Royalty Buyback. Failure to receive approval would give the vendors of the property the right to purchase the property for the sum of $200,000 commencing July 1, 2014 for a period of 180 days.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

e) Carpenter Lake (continued)

On January 13, 2014, the Company granted an option to Alpha Exploration Inc. (TSX-V: AEX) ("Alpha") to earn a 60% interest in the Company's Clearwater/Carpenter Lake Property. Under the terms of the agreement, Alpha was required to make cash and share payments as follows:

- Cash payment of $12,500 upon approval of the agreement by the TSX-V (received);
- Issuance of 100,000 common shares within 10 days of approval by the TSX-V (received and valued at $59,000);
- Cash payment of a total of $37,500 and issuance of a total of 300,000 common shares over a three-year period ending on the third anniversary of approval by the TSX-V; and
- $1,250,000 in exploration expenditures on the property over a three-year period ending on the third anniversary of approval by the TSX-V.

On November 6, 2014, Alpha provided the Company with its Notice of Exercise on the option to earn a 60% interest in the Clearwater/Carpenter Lake Property. The Company received the $37,500 in cash payments due from the first through third anniversaries and the 300,000 common shares (valued at $27,000). A joint venture was formed between Alpha (60%) and Pacton (40%) for the further development of the property, with Alpha serving as the operator.

The property was then subject to a 2% NSR, which was owed to the original vendors (the "Underlying NSR"). The Underlying NSR rate was reduced from 5% to 2% by Pacton through the issuance of 300,000 common shares of the Company on October 27, 2014 (valued at $90,000).

At November 30, 2016, the property was written down to $226,000. At November 30, 2018, the property was written off and included in impairment of exploration and evaluation assets.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Tully West	Lincoln	Carpenter Lake	Total
Balance, November 30, 2017	**$ -**	**$ 777,813**	**$ 505,893**	**$ 100,000**	**$ 226,000**	**$ 1,609,706**
Property Acquisition Costs						
Acquisition and option payments	5,453,793	72,500	1,373,000	(40,000)	-	6,859,293
Claim costs	-	-	312	-	-	312
Currency translation difference	35,600	-	-	-	-	35,600
Total Additions to Acquisition Costs	5,489,393	72,500	1,373,312	(40,000)	-	6,895,205
Property Exploration Costs						
Camp and other	120,910	-	-	-	-	120,910
Geological	175,835	68,750	5,750	-	-	250,335
Travel	13,266	-	-	-	-	13,266
Total Additions to Exploration Costs	310,011	68,750	5,750	-	-	384,511
Impairment	-	(243,000)	-	(60,000)	(226,000)	(529,000)
Balance, November 30, 2018	**5,799,404**	**676,063**	**1,884,955**	**-**	**-**	**8,360,422**
Property Acquisition Costs						
Acquisition and option payments	5,849,321	886,868	10,000	-	-	6,746,189
Claim costs	-	5,380	311	-	-	5,691
Impairment	(4,197,718)	-	(1,525,936)	-	-	(5,723,654)
Currency translation difference	(606,302)	-	-	-	-	(606,302)
Total Additions to Acquisition Costs	1,045,301	892,248	(1,515,625)	-	-	421,924
Property Exploration Costs						
Assays	51,479	7,764	11,469	-	-	70,712
Camp and other	216,368	74,690	-	-	-	291,058
Depreciation	-	15,046	-	-	-	15,046
Drilling	-	473,436	289,751	-	-	763,187
Geological	396,726	1,073,001	50,500	-	-	1,520,227
Geophysics	60,020	243,944	-	-	-	303,964
Travel	22,131	52,294	-	-	-	74,425
Impairment	(121,917)	-	(721,050)	-	-	(842,967)
Currency translation difference	(42,250)	-	-	-	-	(42,250)
Total Additions to Exploration Costs	582,557	1,940,175	(369,330)	-	-	2,153,402
Balance, November 30, 2019	**$ 7,427,262**	**$ 3,508,486**	**$ -**	**$ -**	**$ -**	**$ 10,935,748**

(Expressed in Canadian Dollars)

9. OTHER LIABILITIES

	November 30, 2019	November 30, 2018
Balance, beginning of year	$ -	$ -
Liability incurred on flow-through shares issued December 20, 2018	264,666	-
Liability incurred on flow-through shares issued July 4, 2019	331,817	-
Settlement of flow-through share liability by incurring expenditures	(296,889)	-
Balance, end of year	$ 299,594	$ -

On December 14, 2018, the Company issued 5,881,470 flow-through shares at a price of $0.35 per share. The premium paid by investors was calculated as $0.045 per share. Accordingly, $264,666 was recorded as other liabilities.

On July 3, 2019, the Company issued 16,590,847 flow-through shares at a price of $0.12 per share. The premium paid by investors was calculated as $0.02 per share. Accordingly, $331,817 was recorded as other liabilities.

At November 30, 2019, the Company had a remaining commitment to incur exploration expenditures of $nil (2018 - $nil) in relation to its December 20, 2018 flow-through share financing and $1,797,565 (2018 - $nil) in relation to its July 4, 2019 flow-through share financing. Included in prepaid expenses and deposits is $300,110 of exploration expenditures paid but not yet incurred.

During the year ended November 30, 2019, the Company incurred $nil (2018 - $580) for Part XII.6 tax and other provincial taxes in relation to its December 2016 flow-through share financings.

10. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

b) Issued

During the year ended November 30, 2019

On December 5, 2018, the Company issued 7,000,000 common shares valued at $1,925,000 for the Pilbara Project (note 8(a) – Keras Project).

On December 10, 2018, the Company issued 3,780,613 common shares valued at $1,323,215 for the Pilbara Project (note 8(a) – Hong Kong Project). The Company also issued 300,000 common shares valued at $82,500 as a finder's fee on the transaction.

On December 14, 2018, the Company closed a flow-through private placement for gross proceeds of $2,058,515. The Company issued 5,881,470 shares at a price of $0.35 per share. The Company incurred share issue costs of $11,043. The premium paid by investors on the flow-through shares was calculated as $0.045 per share. Accordingly, $264,666 was recorded as other liabilities.

On February 6, 2019, the Company issued 192,310 common shares valued at $48,077 for the Red Lake Property (note 8(b)).

On February 28, 2019, the Company issued 75,000 common shares valued at $19,125 for the Red Lake Property (note 8(b)).

10. CAPITAL STOCK (Continued)

b) Issued (continued)

On March 6, 2019, the Company issued 125,000 common shares valued at $31,250 for the Red Lake Property (note 8(b)).

On March 8, 2019, the Company issued 3,000,000 common shares valued at $720,000 for the Pilbara Project (note 8(a) – Yandicoogina and Boodalyerrie).

On March 15, 2019, the Company issued 2,500,000 common shares valued at $562,500 for the Pilbara Project (note 8(a) – Friendly Creek).

On March 22, 2019, the Company issued 100,000 common shares valued at $23,000 for the Red Lake Property (note 8(b)).

On May 6, 2019, the Company issued 100,000 common shares valued at $16,500 for the Red Lake Property (note 8(b)).

On June 7, 2019 and July 3, 2019, the Company closed a private placement in two tranches. The Company issued 35,400,000 common shares at a price of $0.10 per share and 166,667 common shares at a price of $0.12 per share for gross proceeds of $3,560,000. The Company also issued 16,590,847 flow-through common shares at a price of $0.12 per share for gross proceeds of $1,990,902. The premium paid by investors on the flow-through shares was calculated as $0.02 per share. Accordingly, $331,817 was recorded as other liabilities. The Company paid finders' fees of $111,048 and issued 678,000 agent warrants, of which 205,500 warrants have an exercise price of $0.15 and a term to expiry of two years, and 472,500 have an exercise price of $0.20 and a term to expiry of one year (note 10(d)). The Company also incurred other share issue costs totaling $28,955.

On August 12, 2019, the Company issued 800,000 common shares valued at $140,000 for the Red Lake Property (note 8(b)).

On August 27, 2019, the Company issued 1,250,000 common shares valued at $281,250 for the Pilbara Project (note 8(a) – Tardarinna Project).

On November 13, 2019, the Company issued 3,000,000 common shares valued at $330,000 for the Pilbara Project (note 8(a) – Keras Project).

On November 15, 2019, the Company issued 150,000 common shares valued at $16,500 for the Red Lake Property (note 8(b)).

On November 19, 2019, the Company issued 75,000 common shares valued at $7,875 for the Red Lake Property (note 8(b)).

The Company received $155,000 on the exercise of 950,000 stock options. The Company transferred $111,561, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.19 when the stock options were exercised.

During the year ended November 30, 2018

On January 25, 2018, the Company issued 1,300,000 common shares valued at $390,000 for the Tully West Gold Property (note 8(c)).

On March 29, 2018, the Company issued 916,666 common shares valued at $238,333 for the Pilbara Project (note 8(a) – CTTR). The Company also issued 156,250 common shares valued at $40,625 as a finder's fee on the transaction.

10. CAPITAL STOCK (Continued)

b) Issued (continued)

On March 21, 2018, the Company issued 1,833,333 common shares valued at $540,833 of the Company to a vendor of the Company to settle accounts payable of $550,000. The Company recorded a gain on settlement of accounts payable of $9,167.

On May 9, 2018, the Company closed a private placement for gross proceeds of $5,550,500. The Company issued 24,132,609 units at a price of $0.23 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.35 for a period of three years from the date of issuance. The Company paid finders' fees of $331,346 and issued 1,096,056 agent warrants with a value of $295,568 (note 10(d)). In addition, the Company incurred share issue costs of $28,777.

On May 22, 2018, the Company issued 1,086,957 common shares valued at $695,652 for the Pilbara Project (note 8(a) – Arrow Pilbara). The Company also issued 227,941 common shares valued at $58,125 as a finder’s fee on the transaction.

On July 24, 2018, the Company issued 1,300,000 common shares valued at $793,000 for the Tully West Gold Property (note 8(c)).

On August 8, 2018, the Company issued 416,666 common shares valued at $270,833 for the Pilbara Project (note 8(a) - CTTR).

On September 10, 2018, the Company issued 2,125,000 common shares valued at $860,625 for the Pilbara Project (note 8(a) – Drummond East).

On September 26, 2018, the Company issued 2,000,000 common shares valued at $820,000 for the Pilbara Project (note 8(a) - Arrow Pilbara).

On October 3, 2018, the Company issued 291,875 common shares valued at $145,938 as a finder’s fee for the Pilbara Project (note 8(a) – Drummond East).

On November 27, 2018, the Company issued 100,000 shares valued at $25,500 for the Red Lake Project (note 8(b)).

The Company received $634,200 on the exercise of 5,427,000 stock options. The Company transferred $401,990, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.53 when the stock options were exercised.

The Company received $1,325,420 on the exercise of 5,393,333 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $25,179 on the exercise of 209,827 agent warrants. The Company transferred $25,988, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Year Ended November 30, 2019		Year Ended November 30, 2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	25,604,232	$ 0.36	5,411,333	$ 0.24
Issued	-	-	25,886,232	0.36
Exercised	-	-	(5,393,333)	0.25
Expired	(458,333)	0.45	(300,000)	0.24
Outstanding, end of year	25,145,899	$ 0.36	25,604,232	$ 0.36

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	November 30, 2019
February 8, 2020*	0.19	$ 0.97	208,333
May 9, 2021	1.44	$ 0.35	23,850,609
May 22, 2021	1.48	$ 0.35	1,086,957
	1.43		25,145,899

* expired unexercised subsequent to November 30, 2019

d) Agent warrants

Agent warrant transactions and the number of agent warrants outstanding are summarized as follows:

	Year Ended November 30, 2019		Year Ended November 30, 2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	1,447,956	$ 0.35	221,227	$ 0.12
Issued	678,000	0.18	1,447,956	0.35
Exercised	-	-	(209,827)	0.12
Expired	-	-	(11,400)	0.12
Outstanding, end of year	2,125,956	$ 0.30	1,447,956	$ 0.35

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**November 30, 2019**
July 3, 2020	0.59	$ 0.20	472,500
May 9, 2021	1.44	$ 0.35	1,447,956
July 3, 2021	1.59	$ 0.15	205,500
	1.27		2,125,956

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. During the year ended November 30, 2019, 678,000 agent warrants were issued with a fair value of $36,686. Included in consulting fees during the year ended November 30, 2018 was $80,937 in relation to 351,900 agent warrants issued for advisory fees on the same terms as the agent warrants issued on the May 9, 2018 private placement.

The fair value of each agent warrant issued was calculated using the following weighted average assumptions:

	Year Ended November 30, 2019	**Year Ended November 30, 2018**
Expected life (years)	1.30	3.00
Risk-free interest rate	1.49%	1.95%
Annualized volatility	95%	130%
Dividend yield	N/A	N/A
Stock price at issue date	$ 0.17	$ 0.35
Exercise price	$ 0.18	$ 0.35
Weighted average issue date fair value	$ 0.05	$ 0.26

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Year Ended November 30, 2019		**Year Ended November 30, 2018**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	6,750,000	$ 0.43	5,377,000	$ 0.11
Granted	11,850,000	0.16	7,350,000	0.44
Exercised	(950,000)	0.16	(5,427,000)	0.12
Expired	(2,200,000)	0.41	(550,000)	0.52
Outstanding, end of year	15,450,000	$ 0.25	6,750,000	$ 0.43

The following stock options were outstanding and exercisable at November 30, 2019:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
November 15, 2020	0.96	$ 0.22	100,000	100,000
May 10, 2021	1.44	$ 0.35	3,125,000	3,125,000
May 14, 2021	1.45	$ 0.55	100,000	100,000
July 19, 2021	1.64	$ 0.55	1,425,000	1,425,000
July 25, 2021	1.65	$ 0.57	250,000	250,000
July 5, 2022	2.60	$ 0.16	6,850,000	6,850,000
August 12, 2022	2.70	$ 0.17	1,750,000	1,750,000
August 16, 2022	2.71	$ 0.17	1,550,000	1,550,000
October 1, 2022	2.84	$ 0.16	300,000	300,000
	2.27		15,450,000	15,450,000

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $1,397,607 were recognized during the year ended November 30, 2019 (2018 - $2,654,646).

(Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Year Ended November 30, 2019	Year Ended November 30, 2018
Expected life (years)	2.96	2.65
Risk-free interest rate	1.49%	2.05%
Annualized volatility	121%	143%
Dividend yield	N/A	N/A
Stock price at grant date	$ 0.17	$ 0.48
Exercise price	$ 0.16	$ 0.44
Weighted average grant date fair value	$ 0.12	$ 0.36

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the year ended November 30, 2019, the Company transferred $641,717 from the share-based payments reserve to deficit upon the expiry of 2,200,000 stock options granted to consultants.

During the year ended November 30, 2018, the Company transferred $174,088 from the share-based payments reserve to deficit upon the expiry of 550,000 stock options granted to consultants.

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

	Year Ended November 30, 2019	Year Ended November 30, 2018
Short-term compensation	$ 700,000	$ 403,000
Share-based compensation	416,956	602,608
	$ 1,116,956	$ 1,005,608

During the year ended November 30, 2019, short-term compensation to related parties consisted of $nil (2018 - $92,500) in consulting fees, $172,500 (2018 - $190,500) in management fees, $122,500 (2018 - $100,000) in professional fees and $405,000 (2018 - $20,000) in geological fees included in exploration and evaluation assets.

Transactions with related parties are included in the amounts shown on the consolidated statements of comprehensive loss as follows:

	Year Ended November 30, 2019	Year Ended November 30, 2018
Related companies with a common officer (rent)	$ 49,000	$ 36,000
Related company with a common director (geological fees included in exploration and evaluation assets)	$ 47,500	$ -

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS (Continued)

During the year ended November 30, 2019, the Company purchased equipment at a cost of $49,000 from a director of the Company.

As at November 30, 2019, the Company has outstanding amounts payable to officers and directors of the Company of $113,065 (2018 - $15,000) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	November 30, 2019	November 30, 2018
Cash and Cash Equivalents		
Cash	$ 146,062	$ 255,405
Term deposits	759,294	210,329
	$ 905,356	$ 465,734
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 146,378	$ 393,730
Exploration and evaluation expenditures in accounts payable (closing)	$ 98,423	$ 146,378
Exploration and evaluation expenditures in prepaid expenses and deposits (opening)	$ 112,046	$ -
Exploration and evaluation expenditures in prepaid expenses and deposits (closing)	$ 300,110	$ 112,046
Fair value of shares issued for settlement of accounts payable and accrued liabilities	$ -	$ 540,833
Fair value of shares issued for exploration and evaluation assets	$ 5,526,792	$ 4,338,631
Fair value of warrants issued for exploration and evaluation assets	$ -	$ 720,340
Fair value of stock options exercised	$ 111,561	$ 401,990
Fair value of stock options expired	$ 641,717	$ 174,088
Fair value of stock warrants expired	$ 65,545	$ -
Fair value of agent warrants exercised	$ -	$ 25,988

13. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

Non-current assets	Canada	Australia	Total
November 30, 2019	$ 3,944,003	$ 7,427,262	$ 11,371,265
November 30, 2018	$ 2,565,171	$ 5,911,450	$ 8,476,621

(Expressed in Canadian Dollars)

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	November 30, 2019	November 30, 2018
Loss for the year before income taxes	$ (10,674,432)	$ (7,065,315)
Statutory income tax rate	27%	26.92%
Income tax benefit computed at statutory tax rate	(2,882,000)	(1,902,000)
Change in income tax rate	60,000	1,000
Difference in tax rate in other jurisdiction	67,000	-
Items not deductible for income tax purposes	744,000	807,000
Unrecognized benefit of deferred income tax assets	2,011,000	1,094,000
Income tax expense (recovery)	$ -	$ -

The significant components of the Company's deferred income tax assets and deferred income tax liabilities at November 30, 2019 and 2018 are presented below:

	November 30, 2019	November 30, 2018
Non-capital losses carried forward	$ 3,690,000	$ 2,295,000
Capital losses carried forward	8,000	8,000
Equipment	6,000	1,000
Excess of unused exploration expenditures for Canadian tax purposes over carrying value of mineral property interests	1,172,000	1,125,000
Investments in foreign subsidiaries	40,000	-
Share issue costs	96,000	88,000
	5,012,000	3,517,000
Unrecognized deferred income tax assets	(5,012,000)	(3,517,000)
Net deferred income tax assets	$ -	$ -

The Company has non-capital losses of $11,303,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2031	$ 15,000
2032	375,000
2033	785,000
2034	848,000
2035	1,024,000
2036	724,000
2037	1,092,000
2038	3,434,000
2039	3,006,000
	$ 11,303,000

14. INCOME TAXES (Continued)

As of November 30, 2019, the Company has unrecognized deferred tax liabilities of approximately $122,000 (2018 - $88,000) due to temporary differences arising on the initial recognition of the acquisition of all of the issued and outstanding common shares of CTTR, Arrow Pilbara and Drummond East.

15. SUBSEQUENT EVENTS

a) On December 23, 2019 and January 17, 2020, the Company closed a private placement in two tranches. The Company issued 13,227,333 units at a price of $0.12 per unit for gross proceeds of $1,587,280. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.18 for a period of two years from the date of issuance. The Company also issued 31,737,584 flow-through common shares at a price of $0.13 per share for gross proceeds of $4,125,886. The Company paid finders' fees of $19,505 and issued 162,540 agent warrants with an exercise price of $0.18 and a term to expiry of two years.

b) On January 29, 2020, the Company entered into a binding letter of intent ("LOI") with TomaGold Corporation ("TomaGold"), whereby the Company will acquire all of TomaGold's interest, being 39.5%, in a joint venture it currently holds with Evolution Mining and Newmont Corporation (formerly GoldCorp. when TomaGold entered into the joint venture) on the Sidace Lake Property, located in the Red Lake Mining District in Ontario.

   Under the terms of the LOI, which will be formalized by a definitive agreement to be entered into between the parties, the Company must pay and issue the following to TomaGold:

   - Upon final acceptance of the transaction by the TSX-V, pay $250,000 and issue 10,000,000 common shares;
   - Within six months of TSX-V acceptance, pay $250,000 and issue $800,000 worth of common shares at a price per share equal to the greater of $0.16 and the five-day volume weighted average price of the Company's shares immediately preceding the date of issuance; and
   - Upon the Company filing a NI 43-101 technical report on the property showing a gold resource estimate of 750,000 ounces AU or greater, issue 4,166,666 common shares or pay $500,000.

   TomaGold must receive the written approval of Newmont Corporation to the acquisition prior to entering into the definitive agreement. The transaction is subject to the acceptance of the TSX-V.