PACTON GOLD INC.

Condensed Consolidated Interim Financial Statements

For the Nine Months Ended August 31, 2020

(Unaudited – Expressed in Canadian Dollars)

PACTON GOLD INC.

August 31, 2020

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Condensed Consolidated Interim Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

October 28, 2020

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	August 31, 2020	November 30, 2019
Assets		
Current		
Cash and cash equivalents	$ 5,407,657	$ 905,356
Receivables	275,004	138,696
Prepaid expenses	368,886	84,747
	6,051,547	1,128,799
Prepaid Expenses and Deposits (note 9)	376,250	300,110
Equipment (note 7)	117,586	135,407
Exploration and Evaluation Assets (note 8)	17,543,014	10,935,748
	$ 24,088,397	$ 12,500,064
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 10 and 11)	$ 988,572	$ 491,992
Other liabilities (note 9)	400,395	299,594
	1,388,967	791,586
Shareholders' Equity		
Capital Stock (note 10)	46,354,372	34,021,523
Share-based Payments Reserve (note 10)	6,031,312	4,261,056
Deficit	(29,598,323)	(25,950,709)
Accumulated Other Comprehensive Loss – Cumulative Translation Adjustments	(87,931)	(623,392)
	22,699,430	11,708,478
	$ 24,088,397	$ 12,500,064

Going Concern (note 2)
Subsequent Events (note 14)

Approved on behalf of the Board:

"Richard Boulay" ……………………………… Director
Richard Boulay

"Alec Pismiris" ……………………………… Director
Alec Pismiris

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	August 31, 2020	**August 31, 2019**	**August 31, 2020**	**August 31, 2019**
Expenses				
Consulting fees (note 11)	$ 617,154	$ 552,036	$ 1,286,082	$ 1,048,765
Depreciation (note 7)	-	11,284	-	11,699
Management fees (note 11)	22,500	45,000	67,500	135,000
Office and miscellaneous	39,217	47,900	254,866	186,861
Professional fees (note 11)	61,563	84,099	254,386	298,732
Rent (note 11)	30,000	15,000	72,333	34,000
Share-based payments (notes 10 and 11)	1,688,352	1,297,921	1,688,352	1,358,155
Shareholder communications and investor relations	107,395	83,768	454,421	319,420
Transfer agent and filing fees	16,176	26,004	62,399	73,654
Foreign exchange loss	-	-	1,335	-
	(2,582,357)	(2,163,012)	(4,141,674)	(3,466,286)
Other Items				
Part XII.6 tax (note 9)	-	-	(16,614)	-
Loss on disposal of equipment (note 7)	-	-	-	(3,738)
Interest income	2,041	1,825	12,119	7,538
Other income	131,936	107,454	498,555	167,316
Net Loss for the Period	(2,448,380)	(2,053,733)	(3,647,614)	(3,295,170)
Other Comprehensive Income (Loss)				
Exchange difference on translating foreign operations	387,060	(144,106)	535,461	(320,011)
Comprehensive Loss for the Period	$ (2,061,320)	$ (2,197,839)	$ (3,112,153)	$ (3,615,181)
Basic and Diluted Loss Per Share	$ (0.09)	$ (0.16)	$ (0.15)	$ (0.28)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	25,940,398	13,119,729	24,933,195	11,681,822

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – 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, 2018	**10,223,614**	**$ 21,402,968**	**$ 3,644,586**	**$ (15,982,539)**	**$ 34,356**	**$ 9,099,371**
Private placements	5,803,897	7,609,416	-	-	-	7,609,416
Share issue costs	-	(187,731)	36,686	-	-	(151,045)
Flow-through liability	-	(596,483)	-	-	-	(596,483)
Shares issued for exploration and evaluation assets	1,922,292	5,172,417	-	-	-	5,172,417
Exercise of stock options	85,000	138,500	-	-	-	138,500
Fair value of exercised stock options	-	99,613	(99,613)	-	-	-
Share-based payments (note 10)	-	-	1,358,155	-	-	1,358,155
Expiry of stock options	-	-	(573,691)	573,691	-	-
Net loss for the period	-	-	-	(3,295,170)	-	(3,295,170)
Exchange difference on translating foreign operations	-	-	-	-	(320,011)	(320,011)
Balance, August 31, 2019	**18,034,803**	**33,638,700**	**4,366,123**	**(18,704,018)**	**(285,655)**	**19,015,150**
Shares issued for exploration and evaluation assets	322,500	354,375	-	-	-	354,375
Exercise of stock options	10,000	16,500	-	-	-	16,500
Fair value of exercised stock options	-	11,948	(11,948)	-	-	-
Share-based payments (note 10)	-	-	39,452	-	-	39,452
Expiry of stock options	-	-	(68,026)	68,026	-	-
Expiry of warrants	-	-	(64,545)	64,545	-	-
Net loss for the period	-	-	-	(7,379,262)	-	(7,379,262)
Exchange difference on translating foreign operations	-	-	-	-	(337,737)	(337,737)
Balance, November 30, 2019	**18,367,303**	**34,021,523**	**4,261,056**	**(25,950,709)**	**(623,392)**	**11,708,478**
Private placements	13,547,716	12,331,004	-	-	-	12,331,004
Share issue costs	-	(243,696)	82,386	-	-	(161,310)
Flow-through liability	-	(599,356)	-	-	-	(599,356)
Shares issued for exploration and evaluation assets	1,110,000	843,750	-	-	-	843,750
Exercise of stock options	500	665	-	-	-	665
Fair value of stock options	-	482	(482)	-	-	-
Share-based payments (note 10)	-	-	1,688,352	-	-	1,688,352
Net loss for the period	-	-	-	(3,647,614)	-	(3,647,614)
Exchange difference on translating foreign operations	-	-	-	-	535,461	535,461
Balance, August 31, 2020	**33,025,519**	**$ 46,354,372**	**$ 6,031,312**	**$ (29,598,323)**	**$ (87,931)**	**$ 22,699,430**

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

PACTON GOLD INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

	Nine Months Ended August 31, 2020	Nine Months Ended August 31, 2019
Operating Activities		
Net loss	$ (3,647,614)	$ (3,295,170)
Items not involving cash		
Depreciation	-	11,699
Share-based payments	1,688,352	1,358,155
Other income	(498,555)	(167,316)
Loss on disposal of equipment	-	3,738
Changes in non-cash working capital		
Receivables	(135,360)	151,359
Prepaid expenses and deposits	(387,610)	(766,802)
Accounts payable and accrued liabilities	(269,040)	(46,771)
Cash Used in Operating Activities	(3,249,827)	(2,751,108)
Investing Activities		
Equipment	(2,692)	(150,453)
Exploration and evaluation assets, net	(4,412,672)	(2,769,611)
Cash Used in Investing Activities	(4,415,364)	(2,920,064)
Financing Activity		
Net proceeds from share issuances	12,170,359	7,596,871
Cash Provided by Financing Activity	12,170,359	7,596,871
Inflow of Cash and Cash Equivalents	4,505,168	1,925,699
Effect of Foreign Exchange on Cash and Cash Equivalents	(2,867)	(17,090)
Cash and Cash Equivalents, Beginning of Period	905,356	465,734
Cash and Cash Equivalents, End of Period	$ 5,407,657	$ 2,374,343

Supplemental Disclosure with Respect to Cash Flows (note 12)

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

On June 9, 2020, the Company consolidated it common shares on the basis of one new share for ten old shares. All share and per share amounts have been revised to reflect the consolidation.

2. GOING CONCERN

These condensed consolidated interim 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 nine months ended August 31, 2020 of $3,647,614 (2019 - $3,295,170) and as at August 31, 2020 has a deficit of $29,598,323 (November 30, 2019 - $25,950,709), 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.

In March 2020, 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.

(Unaudited – Expressed in Canadian Dollars)

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2019 annual consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 28, 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 August 31, 2020	Ownership November 30, 2019	Incorporated	Nature
Pacton Pilbara Pty. Ltd. ("Pacton Pilbara")	100%	100%	Australia	Mineral exploration
CTTR Gold Pty. Ltd. ("CTTR")	Nil*	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

*CTTR was de-registered during the nine months ended August 31, 2020

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 condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited consolidated financial statements for the year ended November 30, 2019, except for the following.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) New accounting standard adopted during the period

IFRS 16 *Leases*

Initial adoption

On December 1, 2019, the Company adopted IFRS 16, which specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company has elected to apply IFRS 16 using a modified retrospective approach, which does not require restatement of prior period financial information. Modified retrospective application recognizes the cumulative effect of IFRS 16 as an adjustment to opening deficit at December 1, 2019 and applies the standard prospectively. The Company has determined that at December 1, 2019, adoption of IFRS 16 will not result in the recognition of a right-of-use ("ROU") asset nor a lease obligation.

Ongoing recognition and measurement

On the date that the leased asset becomes available for use, the Company recognizes a ROU asset and a corresponding lease obligation. Interest expense associated with the lease obligation is charged to the statement of income/loss over the lease period with a corresponding increase to the lease obligation. The lease obligation is reduced as payments are made against the principal portion of the lease. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Depreciation of the ROU asset is recognized in depreciation expense.

b) New accounting standards issued but not yet effective

IFRS 3 *Business Combinations*

IFRS 3 has been amended to revise the definition of a business to include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendment to IFRS 3 is effective for years beginning on or after January 1, 2020. The amendment to IFRS 3 is expected to have no impact for the Company.

IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

IAS 1 and IAS 8 have been amended to use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting; clarify the explanation of the definition of material; and incorporate guidance in IAS 1 regarding immaterial information. The amendments to IAS 1 and IAS 8 are effective for years beginning on or after January 1, 2020. These amendments are expected to have no impact for the Company.

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. 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 August 31, 2020, 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.

(Unaudited – 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, as fair value through profit or loss; 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:

August 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 5,407,657	$ -	$ -	$ 5,407,657

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

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 $228,376 (November 30, 2019 - $125,293) owing from the Canada Revenue Agency and the Australian Taxation Office. 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 August 31, 2020 equal $988,572 (November 30, 2019 - $491,992). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of August 31, 2020.

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 ("AUD") 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 $4,700 change in the Company's cash, $5,000 change in accounts payable and accrued liabilities and $700 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 nine months ended August 31, 2020. The Company is not subject to externally imposed capital requirements.

(Unaudited – Expressed in Canadian Dollars)

7. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2018	**$**	**8,496**
Additions		150,453
Disposals		(8,496)
Balance, November 30, 2019		**150,453**
Additions		2,692
Balance, August 31, 2020	**$**	**153,145**
Accumulated Depreciation		
Balance, November 30, 2018	**$**	**4,343**
Depreciation*		15,461
Disposals		(4,758)
Balance, November 30, 2019		**15,046**
Depreciation**		20,513
Balance, August 31, 2020	**$**	**35,559**
Net Book Value, November 30, 2019	**$**	**135,407**
Net Book Value, August 31, 2020	**$**	**117,586**

* includes $15,046 capitalized to exploration and evaluation assets
** includes $20,513 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.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

CTTR (continued)

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 91,666 common shares (issued and valued at $238,333) of the Company and 45,833 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 $4.50, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and
- Paying $50,000 (paid) and issuing 41,666 common shares (issued and valued at $270,833) of the Company and 20,833 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 $9.70.

The Company also issued 15,625 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.

On January 6, 2020, 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 108,695 common shares (issued and valued at $695,652) and 108,695 common share purchase warrants (issued and valued at $583,761) exercisable into one share at $3.50 for three years and pay $500,000 (paid $400,000), with remaining due upon grant of application. On January 7, 2020, the outstanding $100,000 payment was renegotiated down to AUD $50,000 and paid.

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 $1.90 per common share; and
- Fund exploration expenditures up to a maximum of $500,000.

(Unaudited – Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Arrow Pilbara (continued)

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 22,794 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 200,000 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

On January 6, 2020, the Company surrendered two tenement licenses, which resulted in an impairment charge of $636,906 for the year ended November 30, 2019.

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.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

Drummond East (continued)

Under the terms of the agreement, the Company paid Impact a total of $350,000 and issued to Impact 212,500 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 granted Impact a 2% net smelter return royalty ("NSR") in respect of the property. The Company retains an exclusive and unlimited right to purchase back 50% of the NSR from Impact for $500,000.

The Company paid a finder's fee of 29,187 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.

On January 6, 2020, 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 250,000 common shares of the Company (issued 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 300,000 common shares of the Company (issued and valued at $720,000).

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 (paid) and issuing 40,000 common shares on completion of the transaction (issued and valued at $40,000).

8. EXPLORATION AND EVALUATION ASSETS (Continued)

a) Pilbara Project (continued)

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 378,061 common shares of the Company (issued and valued at $1,323,215). In addition, the Company issued 30,000 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. 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 700,000 common shares of the Company (issued and valued at $1,925,000) and deferred compensation of 300,000 additional common shares of the Company (issued 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.

On January 6, 2020, 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.

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 125,000 common shares on completion of the transaction (issued on August 27, 2019 and valued at $281,250).

Sandstorm Royalties

On May 25, 2020, the Company entered into an agreement with Sandstorm Gold Ltd. ("Sandstorm"), whereby the Company granted Sandstorm a 1% NSR on all the tenements owned by Pacton in Australia for $81,819. The tenements covered are part of Arrow Pilbara, Friendly Creek, Yandicoogina and Boodalyerrie, Golden Palms Project, Hong Kong Project and Tardarinna Project above. The Company also assigned its royalty buyback on Drummond East to Sandstorm.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project

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 30,000 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 (paid).

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 250,000 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.

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 10,000 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 7,500 common shares of the Company on or before November 19, 2019 (issued and valued at $7,875); and
- Pay $40,000 and issue 7,500 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 19,231 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 7,500 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.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

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 12,500 common shares of the Company within five days of approval by the TSX-V, which was received March 5, 2019 (issued and valued at $31,250);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 5, 2020 (issued and valued at $8,500); and
- Pay $50,000 and issue 12,500 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 10,000 common shares of the Company within five days of approval by the TSX-V, which was received March 21, 2019 (issued and valued at $23,000);
- Pay $50,000 (paid) and issue 10,000 common shares of the Company on or before March 21, 2020 (issued and valued at $6,000); and
- Pay $50,000 and issue 12,500 common shares of the Company on or before March 21, 2021.

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 10,000 common shares of the Company (issued and valued at $16,500) within five days of approval by the TSX-V, which was received on May 6, 2019;
- Pay $30,000 (paid) and issue 15,000 common shares of the Company on or before May 6, 2020 (issued and valued at $11,250); and
- Pay $30,000 (paid) 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 40,000 common shares of the Company upon approval by the TSX-V. A total of $200,000 was paid and 80,000 common shares were issued on August 12, 2019 and valued at $140,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

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

On April 23, 2020, 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 $15,000 (paid) and issue 25,000 common shares of the Company on or before April 30, 2020 (issued and valued at $20,000);
- Pay $15,000 and issue 15,000 common shares of the Company on or before April 30, 2021; and
- Pay $25,000 and issue 15,000 common shares of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $500,000.

On April 24, 2020, 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 $6,000 (paid) and issue 10,000 common shares of the Company on or before April 30, 2020 (issued and valued at $8,000);
- Pay $10,000 and issue 10,000 common shares of the Company on or before April 30, 2021; and
- Pay $20,000 and issue 10,000 common shares of the Company on or before April 30, 2022.

The claims are subject to a 1.5% NSR, of which one-half may be repurchased by the Company for $400,000.

On May 25, 2020, the Company entered into an agreement with Sandstorm, whereby the Company granted Sandstorm a 0.5% to 1% NSR on all mineral claims owned by the Company in Red Lake, and all mineral claims in which the Company was currently earning an interest in Red Lake. As of August 31, 2020, the Company has received $109,092 for the mineral claims it owns. Sandstorm has agreed to pay an additional $109,092 once the Company has earned a 100% interest in the remaining Red Lake mineral claims. The Company also assigned its royalty buybacks on all Red Lake agreements to Sandstorm.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project (continued)

Red Lake – Sidace Lake

On April 1, 2020, the Company entered into a purchase agreement 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 agreement, the Company must pay and issue the following to TomaGold:

- Upon final acceptance of the transaction by the TSX-V, pay $250,000 (paid) and issue 1,000,000 common shares (issued and valued at $1,000,000);
- Within six months of TSX-V acceptance, pay $250,000 (paid) and issue $800,000 worth of common shares at a price per share equal to the greater of $1.60 and the five-day volume weighted average price of the Company's shares immediately preceding the date of issuance (issued subsequent to August 31, 2020 and valued at $725,000); and
- Upon the Company filing a NI 43-101 technical report on the property showing a gold resource estimate of 750,000 ounces or greater of gold, issue 416,666 common shares or pay $500,000.

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 was required to make cash payments and issue common shares of the Company as follows:

- Issue 130,000 common shares of the Company (issued 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 130,000 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 130,000 common shares of the Company (issued and valued at $793,000) and pay $110,000 (paid) on or before January 25, 2019.

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 was then required to 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 retained a 2.5% NSR, of which two-fifths (1%) could be repurchased by the Company for an aggregate $1,000,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Tully West Gold Property (continued)

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.

(Unaudited – Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Pilbara	Red Lake	Red Lake – Sidace	Tully West	Total
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 and field staff	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**
Property Acquisition Costs					
Acquisition and option payments	217,269	260,750	1,250,000	-	1,728,019
Claim costs	-	1,200	-	-	1,200
Currency translation difference	477,726	-	-	-	477,726
Total Additions to Acquisition Costs	694,995	261,950	1,250,000	-	2,206,945
Property Exploration Costs					
Assays	1,207	60,515	-	-	61,722
Camp and other	35,411	48,988	-	-	84,399
Depreciation	-	20,513	-	-	20,513
Drilling	-	2,407,050	27,664	-	2,434,714
Environmental	-	-	3,360	-	3,360
Geological and field staff	42,530	1,405,462	3,450	-	1,451,442
Geophysics	1,207	389,664	-	-	390,871
Recoveries	(81,819)	(109,092)	-	-	(190,911)
Travel	-	81,078	-	-	81,078
Currency translation difference	63,133	-	-	-	63,133
Total Additions to Exploration Costs	61,669	4,304,178	34,474	-	4,400,321
Balance, August 31, 2020	**$ 8,183,926**	**$ 8,074,614**	**$ 1,284,474**	**$ -**	**$ 17,543,014**

(Unaudited – Expressed in Canadian Dollars)

9. OTHER LIABILITIES

	August 31, 2020	November 30, 2019
Balance, beginning of period	$ 299,594	$ -
Liability incurred on flow-through shares issued December 20, 2018	-	264,666
Liability incurred on flow-through shares issued July 4, 2019	-	331,817
Liability incurred on flow-through shares issued December 23, 2019	317,376	-
Liability incurred on flow-through shares issued June 24, 2020	91,000	-
Liability incurred on flow-through shares issued July 9, 2020	190,980	-
Settlement of flow-through share liability by incurring expenditures	(498,555)	(296,889)
Balance, end of period	$ 400,395	$ 299,594

On December 14, 2018, the Company issued 588,147 flow-through shares at a price of $3.50 per share. The premium paid by investors was calculated as $0.45 per share. Accordingly, $264,666 was recorded as other liabilities.

On July 3, 2019, the Company issued 1,659,084 flow-through shares at a price of $1.20 per share. The premium paid by investors was calculated as $0.20 per share. Accordingly, $331,817 was recorded as other liabilities.

On December 23, 2019, the Company issued 3,173,758 flow-through shares at a price of $1.30 per share. The premium paid by investors was calculated as $0.10 per share. Accordingly, $317,376 was recorded as other liabilities.

On June 25, 2020, the Company issued 1,300,000 flow-through shares at a price of $0.77 per share. The premium paid by investors was calculated as $0.07 per share. Accordingly, $91,000 was recorded as other liabilities.

On July 9, 2020, the Company issued 2,122,000 flow-through shares at a price of $0.79 per share. The premium paid by investors was calculated as $0.09 per share. Accordingly, $190,980 was recorded as other liabilities.

At August 31, 2020, the Company had a remaining commitment to incur exploration expenditures of $nil (November 30, 2019 - $nil) in relation to its December 20, 2018 flow-through share financing, $nil (November 30, 2019 - $1,797,565) in relation to its July 4, 2019 flow-through share financing, $1,539,390 (November 30, 2019 - $nil) in relation to its December 23, 2019 flow-through share financing, $1,001,000 (November 30, 2019 - $nil) in relation to its June 24, 2020 flow-through share financing and $1,676,380 (November 30, 2019 - $nil) in relation to its July 9, 2020 flow-through share financing. Included in prepaid expenses and deposits is $376,250 of exploration expenditures paid but not yet incurred.

During the nine months ended August 31, 2020, the Company incurred $16,614 (2019 - $nil) for Part XII.6 tax and other provincial taxes in relation to its December 2018 flow-through share financings.

10. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

10. CAPITAL STOCK (Continued)

b) Issued

During the nine months ended August 31, 2020

On December 23, 2019 and January 17, 2020, the Company closed a private placement in two tranches. The Company issued 1,322,732 units at a price of $1.20 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 $1.80 for a period of two years from the date of issuance. The Company also issued 3,173,758 flow-through common shares at a price of $1.30 per share for gross proceeds of $4,125,886. The premium paid by investors on the flow-through shares was calculated as $0.10 per share. Accordingly, $317,376 was recorded as other liabilities. The Company paid finders' fees of $19,505 and issued 16,254 agent warrants with an exercise price of $1.80 and a term to expiry of two years (note 10(d)). The Company also incurred other share issue costs of $37,916.

On February 18, 2020, the Company issued 40,000 common shares valued at $40,000 for the Pilbara Project (note 8(a) – Golden Palms Project).

On March 4, 2020, the Company issued 10,000 common shares valued at $8,500 for the Red Lake Property (note 8(b)).

On March 11, 2020, the Company issued 10,000 common shares valued at $6,000 for the Red Lake Property (note 8(b)).

On April 22, 2020, the Company issued 950,000 common shares valued at $712,500 for the Red Lake – Sidace Lake Property (note 8(b)). The Company also issued 50,000 common shares valued at $37,500 as a finder's fee on the transaction.

On April 30, 2020, the Company issued 25,000 common shares valued at $20,000 for the Red Lake Property (note 8(b)).

On April 30, 2020, the Company issued 10,000 common shares valued at $8,000 for the Red Lake Property (note 8(b)).

On May 5, 2020, the Company issued 15,000 common shares valued at $11,250 for the Red Lake Property (note 8(b)).

On June 24, 2020 and July 9, 2020, the Company closed a private placement in two tranches. The Company issued 2,773,000 common shares at a price of $0.70 per share and 2,856,226 common shares at a price of $0.70 per share for gross proceeds of $3,940,458. The Company also issued 1,300,000 flow-through common shares at a price of $0.77 per share and 2,122,000 flow-through common shares at a price of $0.79 for gross proceeds of $2,677,380. The premium paid by investors on the $0.77 flow-through common shares was calculated as $0.07 per share and the premium paid by investors on the $0.79 flow-through shares was calculated as $0.09 per share. Accordingly, $91,000 and $190,980 was recorded as other liabilities. The Company paid finders' fees of $68,550 and issued 97,928 agent warrants, which have an exercise price of $1.00 and a term to expiry of one year (note 10(d)). The Company also incurred other share issue costs of $35,339.

The Company received $665 on the exercise of 500 stock options. The Company transferred $482, 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 $1.36 when the stock options were exercised.

10. CAPITAL STOCK (Continued)

b) Issued (continued)

During the year ended November 30, 2019

On December 5, 2018, the Company issued 700,000 common shares valued at $1,925,000 for the Pilbara Project (note 8(a) – Keras Project).

On December 10, 2018, the Company issued 378,061 common shares valued at $1,323,215 for the Pilbara Project (note 8(a) – Hong Kong Project). The Company also issued 30,000 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 588,147 shares at a price of $3.50 per share. The Company incurred share issue costs of $11,043. The premium paid by investors on the flow-through shares was calculated as $0.45 per share. Accordingly, $264,666 was recorded as other liabilities.

On February 6, 2019, the Company issued 19,231 common shares valued at $48,077 for the Red Lake Property (note 8(b)).

On February 28, 2019, the Company issued 7,500 common shares valued at $19,125 for the Red Lake Property (note 8(b)).

On March 6, 2019, the Company issued 12,500 common shares valued at $31,250 for the Red Lake Property (note 8(b)).

On March 8, 2019, the Company issued 300,000 common shares valued at $720,000 for the Pilbara Project (note 8(a) – Yandicoogina and Boodalyerrie).

On March 15, 2019, the Company issued 250,000 common shares valued at $562,500 for the Pilbara Project (note 8(a) – Friendly Creek).

On March 22, 2019, the Company issued 10,000 common shares valued at $23,000 for the Red Lake Property (note 8(b)).

On May 6, 2019, the Company issued 10,000 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 3,540,000 common shares at a price of $1.00 per share and 16,666 common shares at a price of $1.20 per share for gross proceeds of $3,560,000. The Company also issued 1,659,084 flow-through common shares at a price of $1.20 per share for gross proceeds of $1,990,902. The premium paid by investors on the flow-through shares was calculated as $0.20 per share. Accordingly, $331,817 was recorded as other liabilities. The Company paid finders' fees of $111,048 and issued 67,800 agent warrants, of which 20,550 warrants have an exercise price of $1.50 and a term to expiry of two years, and 47,250 have an exercise price of $2.00 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 80,000 common shares valued at $140,000 for the Red Lake Property (note 8(b)).

On August 27, 2019, the Company issued 125,000 common shares valued at $281,250 for the Pilbara Project (note 8(a) – Tardarinna Project).

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

b) Issued (continued)

On November 13, 2019, the Company issued 300,000 common shares valued at $330,000 for the Pilbara Project (note 8(a) – Keras Project).

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

On November 19, 2019, the Company issued 7,500 common shares valued at $7,875 for the Red Lake Property (note 8(b)).

The Company received $155,000 on the exercise of 95,000 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 $1.90 when the stock options were exercised.

c) Warrants

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

	Nine Months Ended August 31, 2020		**Year Ended November 30, 2019**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	2,514,588	$ 3.60	2,560,421	$ 3.60
Issued	1,322,732	$ 1.80	-	-
Expired	(20,833)	$ 9.70	(45,833)	$ 4.50
Outstanding, end of period	3,816,487	$ 2.91	2,514,588	$ 3.60

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**August 31, 2020**
May 9, 2021	0.69	$ 3.50	2,385,060
May 22, 2021	0.72	$ 3.50	108,695
December 23, 2021	1.31	$ 1.80	654,066
January 17, 2022	1.38	$ 1.80	668,666
	0.92		3,816,487

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

d) Agent warrants

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

	Nine Months Ended August 31, 2020		**Year Ended November 30, 2019**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	212,594	$ 3.00	144,794	$ 3.50
Issued	114,182	$ 1.80	67,800	$ 1.80
Expired	(47,250)	$ 2.00	-	-
Outstanding, end of period	279,526	$ 2.38	212,594	$ 3.00

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**August 31, 2020**
May 9, 2021	0.69	$ 3.50	144,794
July 3, 2021	0.84	$ 1.50	20,550
July 7, 2021	0.85	$ 1.00	97,928
December 23, 2021	1.31	$ 1.80	15,654
January 17, 2022	1.38	$ 1.80	600
	0.79		279,526

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its agent warrants granted. During the nine months ended August 31, 2020, 114,182 agent warrants were issued with a fair value of $82,386. During the year ended November 30, 2019, 67,800 agent warrants were issued with a fair value of $36,686.

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

	Nine Months Ended August 31, 2020	**Year Ended November 30, 2019**
Expected life (years)	1.14	1.30
Risk-free interest rate	0.48%	1.49%
Annualized volatility	123%	95%
Dividend yield	N/A	N/A
Stock price at issue date	$ 1.34	$ 1.70
Exercise price	$ 1.11	$ 1.85
Weighted average issue date fair value	$ 0.72	$ 0.54

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.

(Unaudited – Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

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.

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

	Nine Months Ended August 31, 2020		**Year Ended November 30, 2019**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	1,545,000	$ 2.46	675,000	$ 4.30
Granted	1,750,000	$ 1.33	1,185,000	$ 1.60
Exercised	(500)	$ 1.33	(95,000)	$ 1.60
Expired	-	-	(220,000)	$ 4.10
Outstanding, end of period	3,294,500	$ 1.86	1,545,000	$ 2.46

The following stock options were outstanding and exercisable at August 31, 2020:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
November 15, 2020	0.21	$ 2.20	10,000	10,000
May 10, 2021	0.69	$ 3.50	312,500	312,500
May 14, 2021	0.70	$ 5.50	10,000	10,000
July 19, 2021	0.88	$ 5.50	142,500	142,500
July 25, 2021	0.90	$ 5.70	25,000	25,000
July 5, 2022	1.84	$ 1.60	685,000	685,000
August 12, 2022	1.95	$ 1.70	175,000	175,000
August 16, 2022	1.96	$ 1.70	155,000	155,000
October 1, 2022	2.08	$ 1.60	30,000	30,000
July 24, 2023	2.90	$ 1.33	1,749,500	1,749,500
	2.25		3,294,500	3,294,500

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 $1,688,352 were recognized during the nine months ended August 31, 2020 (year ended November 30, 2019 - $1,397,607).

(Unaudited – 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:

	Nine Months Ended August 31, 2020	Year Ended November 30, 2019
Expected life (years)	3.00	2.96
Risk-free interest rate	0.28%	1.49%
Annualized volatility	126%	121%
Dividend yield	N/A	N/A
Stock price at grant date	$ 1.33	$ 1.67
Exercise price	$ 1.33	$ 1.65
Weighted average grant date fair value	$ 0.96	$ 1.18

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 220,000 stock options granted to consultants.

11. RELATED PARTY TRANSACTIONS

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

	Nine Months Ended August 31, 2020		Nine Months Ended August 31, 2019	
Short-term compensation	$	457,500	$	548,500
Share-based compensation		482,388		311,691
	$	939,888	$	860,191

During the nine months ended August 31, 2020, short-term compensation to related parties consisted of $67,500 (2019 - $135,000) in management fees, $80,000 (2019 - $98,500) in professional fees and $310,000 (2019 - $315,000) in geological fees included in exploration and evaluation assets.

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

	Nine Months Ended August 31, 2020		Nine Months Ended August 31, 2019	
Related company with a common officer (rent)	$	54,000	$	34,000
Related company with a common director (geological fees included in exploration and evaluation assets)	$	60,000	$	47,500

As at August 31, 2020, the Company has outstanding amounts payable to officers and directors of the Company of $10,477 (November 30, 2019 - $113,065) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and repayable on demand.

(Unaudited – Expressed in Canadian Dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine Months Ended August 31, 2020	Nine Months Ended August 31, 2019
Cash and Cash Equivalents		
Cash	$ 1,154,031	$ 422,476
Term deposits	4,253,626	1,951,867
	$ 5,407,657	$ 2,374,343
Supplemental Disclosure with Respect to Cash Flows		
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 98,423	$ 146,378
Exploration and evaluation expenditures in accounts payable (closing)	$ 863,742	$ 213,806
Exploration and evaluation expenditures in prepaid expenses and deposits (opening)	$ 300,110	$ 112,046
Exploration and evaluation expenditures in prepaid expenses and deposits (closing)	$ 332,831	$ -
Fair value of shares issued for exploration and evaluation assets	$ 843,750	$ 5,172,417
Fair value of stock options exercised	$ 482	$ 99,613
Fair value of stock options expired	$ -	$ 573,691

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
August 31, 2020	$ 9,826,674	$ 8,210,176	$ 18,036,850
November 30, 2019	$ 3,944,003	$ 7,427,262	$ 11,371,265

14. SUBSEQUENT EVENTS

a) On September 23, 2020, 25,000 stock options were exercised for proceeds of $33,250.

b) On October 5, 2020, the Company issued 500,000 common shares valued at $725,000 for the Red Lake Project (note 8(b) – Red Lake – Sidace Lake)

14. SUBSEQUENT EVENTS (Continued)

c) On October 13, 2020, the Company entered into a binding letter of intent ("LOI") with Pilbara Gold Corp. Ltd. ("PGC"), whereby PGC agreed to purchase 75% of the Arrow, Yandicoogina and Boodalyerrie gold properties.

Raiden Resources Ltd. ("Raiden"), an Australian Stock Exchange-listed company, has entered into an exclusive option agreement to acquire all the issued shares of PGC. Under the terms of the option agreement between Raiden and PCG, Raiden will assume all obligations and rights of PGC under the LOI, which will be formalized by a definitive agreement.

The LOI includes payments as follows:

- Upon completion of the transaction, a payment of $500,000 to the Company and the issuance of 129,721,250 common shares of Raiden to the Company; and
- A further $500,000 payment to the Company on the first anniversary of completion of the transaction.

The Company will retain a 25% carried interest in the properties until the delineation of a mineral resource in accordance with the Joint Ore Reserves Committee 2012 guidelines (or other globally recognized code) of at least 250,000 ounces gold at a minimum grade of one gram per tonne gold across any of the properties. Following that, the parties will be required to enter into a joint venture, under which the Company can contribute proportional to its respective equity interest or dilute.