MINFOCUS EXPLORATION CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED NOVEMBER 30, 2019

(EXPRESSED IN CANADIAN DOLLARS)

UNAUDITED – PREPARED BY MANAGEMENT

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements of Minfocus Exploration Corp. (the "Company") are the responsibility of the Directors.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board appropriate in the circumstances.

Management has established processes, which are in place to provide sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(s) Kenneth de Graaf
Chief Executive Officer

(s) Jody Bellefleur
Chief Financial Officer

Vancouver, Canada

January 27, 2020

Minfocus Exploration Corp.
Condensed Interim Consolidated Statements of Financial Position
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	November 30, 2019 $	February 28, 2019 $
ASSETS		
Current assets		
Cash	**10,335**	17,163
Amounts receivable and prepaid expenses	**577**	6,998
Total current assets	**10,912**	24,161
Equipment (Note 6)	**-**	8,013
Interest in exploration properties and exploration and evaluation expenditures (Note 7)	**774,582**	768,934
Total assets	**785,494**	801,108
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 10(b))	**326,083**	324,959
Loan (Note 13)	**10,000**	-
Total liabilities	**336,083**	324,959
Shareholders' equity		
Issued capital (Note 8)	**7,307,293**	7,307,293
Equity reserve (Note 8)	**247,801**	247,801
Deficit	**(7,105,683)**	(7,078,945)
Total shareholders' equity	**449,411**	476,149
Total shareholders' equity and liabilities	**785,494**	801,108

Going concern (Note 1)
Commitments and contingencies (Note 7)

These financial statements were approved by the Board of Directors and authorized for issue on January 27, 2020.

(s) Kenneth de Graaf, Director

(s) Graham Wilson, Director

Minfocus Exploration Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	Three months ended November 30 2019 $	Three months ended November 30 2018 $	Nine months ended November 30 2019 $	Nine months ended November 30 2018 $
General and administrative expenses				
Professional fees	1,500	17,171	6,661	106,707
Office and administrative	2,236	15,948	16,450	67,964
Salaries and consulting fees (Note 10)	-	-	-	124,401
Share-based payments (Note 8)	-	-	-	5,960
Depreciation (Note 6)	175	500	976	1,502
Interest	31	7,404	115	7,404
Total general and administrative expenses	3,942	41,023	24,202	313,938
Other				
Impairment of mineral properties (Note 7)	-	-	-	1,273,498
Terminal loss on sale of equipment (Note 6)	2,536	-	2,536	-
Write-off of accounts payable (Note 10)	-	-	-	(70,695)
Net (income)/loss and comprehensive (income)/loss	6,478	41,023	26,738	1,516,741
Basic and diluted net (income)/loss per share (Note 9)	0.00	0.14	0.00	0.12

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

Minfocus Exploration Corp.

Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended November 30, 2019 and 2018
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	November 30 2019 $	November 30 2018 $
Cash flows (used in) from operating activities		
Net loss for the period	(26,738)	(1,516,741)
Non-cash adjustments:		
Impairment of mineral properties	-	1,273,498
Share-based compensation	-	5,960
Terminal loss on sale of equipment	2,536	-
Depreciation	976	1,502
Write-off of accounts payable	-	(70,695)
Non-cash working capital items:		
Amounts receivable	6,421	(3,773)
Trade and other payables	1,125	271,686
Cash flows (used in) from operating activities	(15,680)	(38,563)
Cash flows from financing activities		
Loan	-	(750)
Cash flows from financing activities	-	(750)
Cash flows (used in) investing activities		
Interest in exploration properties and exploration and evaluation expenditures	(5,648)	(17,289)
Proceeds from sale of equipment	4,500	-
Mining tax credits	-	72,380
Cash flows (used in) investing activities	(1,148)	55,091
Net change in cash	(6,828)	15,778
Cash, beginning of period	17,163	14,098
Cash, end of period	10,335	29,876

Supplemental information:		
Change in accounts payable attributable to property exploration	-	(8,640)
Common shares issued for debt (Notes 8(b))	-	30,704
Common shares issued for interest in exploration and evaluation properties (Note 7 and Note 8(b))	-	324,807

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

Minfocus Exploration Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the nine months ended November 30, 2019 and 2018
Unaudited – prepared by management
(Expressed in Canadian Dollars)

	Number of Shares	Issued Capital $	Equity Reserve $	Deficit $	Total $
Balance, February 28, 2018	10,462,516	6,951,782	241,841	(5,556,183)	1,637,440
Shares issued debt (Note 8(b))	289,705	30,704	-	-	30,704
Shares issued for exploration and evaluation properties (Note 8(b))	7,630,001	324,807	-	-	324,807
Options granted (Note 8)	-	-	5,960	-	5,960
Net loss for the period	-	-	-	(1,516,741)	(1,516,741)
Balance, November 30, 2018	18,382,222	7,307,293	247,801	(7,072,924)	482,170

	Number of Shares	Issued Capital $	Equity Reserve $	Deficit $	Total $
Balance, February 28, 2019	18,382,222	7,307,293	247,801	(7,078,945)	476,149
Net loss for the period	-	-	-	(26,738)	(26,738)
Balance, November 30, 2019	18,382,222	7,307,293	247,801	(7,105,683)	449,411

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

1. Nature of operations and going concern

Minfocus Exploration Corp. ("Minfocus Exploration" or the "Company") was incorporated under the British Columbia Business Corporations Act on May 6, 2010. The Company completed its Initial Public Offering ("IPO") on October 19, 2010 and its shares were listed on the TSX Venture Exchange (the "TSXV") on October 21, 2010. The Company is principally engaged in the business of exploring and developing base and precious metal mineral properties. Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues. The head office of the Company is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

On August 1, 2018, the Company completed a consolidation of the outstanding common shares of the Company on the basis of seven (7) pre-consolidation shares for one (1) post-consolidation share. All shares referenced in these financial statements have been amended to reflect the post-consolidated values.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to social and government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These consolidated financial statements were prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business.

As at November 30, 2019, the Company has not earned revenue and has an accumulated deficit of $7,105,683 (February 28, 2019 - $7,078,945), had cash of $10,355 (February 28, 2019 - $17,163) and a working capital deficit of $325,171 (February 28, 2019 - $300,798). The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and/or achieve profitable operations in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. These adjustments could be material.

2. Summary of significant accounting policies

(a) Statement of compliance

The consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended February 28, 2019. However, this interim financial report provides selected significant disclosures that are required in the annual financial statements under IFRS.

2. Summary of significant accounting policies (Continued)

(b) Basis of presentation and consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for cash equivalents which are reflected at fair value as set out in the accounting policies below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The consolidated financial statements include the financial statements of the Company and its wholly owned Canadian subsidiaries Minfocus International Inc. ("Minfocus International") and 2244223 Ontario Inc. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(c) Presentation and functional currency

These consolidated financial statements are presented in the Canadian dollar functional currency, the currency of the primary economic environment in which the Company and its subsidiaries operate.

3. Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Going concern

Evaluation of the ability of the Company to realize its strategy for funding its future needs for working capital involves making judgements.

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of capitalized exploration and evaluation expenditures.

3. Critical judgements and estimation uncertainties (Continued)

Impairment of exploration and evaluation assets

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

4. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of metallic resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity, which comprises issued capital, equity reserve and accumulated deficit, which totalled $449,411 at November 30, 2019 (February 28, 2019 - $476,149).

The Company invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Company is currently attempting to identify economic base and precious metal resources with an emphasis on zinc, platinum and nickel and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
(ii) minimizing discretionary disbursements; and
(iii) exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

4. Capital management (Continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the nine months ended November 30, 2019 and the year ended February 28, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

As of November 30, 2019, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

5. Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and metals price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at November 30, 2019, the Company had a cash balance of $10,355 (February 28, 2019 - $17,163) to settle current liabilities of $336,083 (February 28, 2019 - $324,959). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. The Company has no other contractual obligations other than trade and other payables. As discussed in Note 1, the Company's ability to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt, other than the loans described in Note 10(d). The Company's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of select major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and all expenditures are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

(Expressed in Canadian Dollars)

5. Financial risk factors (Continued)

(c) Commodity price risk

The Company is exposed to price risk with respect to base and precious metal prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities. The Company closely monitors prices to determine the appropriate course of action to be taken by the Company.

(d) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with amounts receivable, which is comprised primarily of GST/HST receivable due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to amounts receivable is low.

Sensitivity analysis

As of November 30, 2019 and February 28, 2019, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature.

Based on management's knowledge and experience of the financial markets, the Company believes that there would be no material movements for the nine months ended November 30, 2019 or the year ended February 28, 2019 as a result of changes in interest and foreign exchange rates.

Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of base (copper, lead, zinc and nickel) and precious metals (gold and platinum-group element (PGE) metals). The prices of these metals have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of base or precious metals may be produced in the future, a profitable market will exist for them. As of November 30, 2019 and February 28, 2019, the Company was not a producer of any metals. As a result, the price risk of base and precious metals may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

6. Equipment

	November 30, 2019	February 28, 2019
Costs		
Opening balance	$ 36,617	$ 36,617
Accumulated amortization		
Opening balance	28,603	26,301
Additions	976	2,003
Ending balance	$ 29,579	$ 28,404
Net Book Value		
Ending balance	$ 7,036	$ 8,013
Proceeds of sale of equipment	(4,500)	-
Terminal loss on sale of equipment	$ 2,536	$ -

(Expressed in Canadian Dollars)

7. Interest in exploration properties and exploration and evaluation expenditures

	Nipigon Reefs	Coral Zinc	Myst Metals	Peregrine Zinc	Peregrine Extension	Round Pond	Total
Balance, February 28, 2018	$ 1,273,498	$ 432,214	$ -	$ 61,755	$ -	$ -	$1,767,467
Additions during the period –							
Property acquisition costs							
Acquisition – Shares issued	-	287,200	-	5,250	8,250	24,107	324,807
Staking costs					205	881	1,086
Property exploration costs							
Travel, meals & accommodation	-	-	-	-	-	6,693	6,693
Consulting fees	-	2,408	-	5,250	-	7,650	15,308
Assays	-	-	-	-	-	398	398
Miscellaneous	-	(947)	-	-	-	-	(947)
Total additions during the year	-	288,661	-	10,500	8,455	39,729	347,345
Mining tax credits	-	(72,380)	-	-	-	-	(72,380)
Impairment	(1,273,498)	-	-	-	-	-	(1,273,498)
Balance, February 28, 2019	$ -	$ 648,495	$ -	$ 72,255	$ 8,455	$ 39,729	$ 768,934
Additions during the period –							
Property acquisition costs							
Staking costs	-	-	-	-	-	5,648	5,648
Total additions during the period	-	-	-	-	-	5,648	5,648
Balance, August 31, 2019	$ -	$ 648,495	$ -	$ 72,255	$ 8,455	$ 45,377	$ 774,582

7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Coral Zinc Project, British Columbia

In January 2015, the Company entered into an agreement under the terms of which it has an option to earn up to an initial 60% interest in the Coral Zinc Project, a zinc project situated in northern British Columbia. The Coral tenures are in good standing with the BC Ministry of Energy & Mines until September 2024. Of the optionors, one is a director and officer of the Company (See Note 10(c)).

During the year ended February 28, 2017, the Company allowed certain claims to lapse and as compensation, issued 14,286 shares to the vendors, valued at $5,000. In August 2017, the Company issued 57,143 shares to acquire an initial 20% of the property.

The optioned claims are subject to work and payment commitments to the vendors in order to earn the initial 60% interest in the mineral rights. During the year ended February 28, 2019, the Company determined that it was not able to meet its commitment to earn the 60% interest in the claims and terminated the option agreement.

On June 28, 2018, the Company announced its intention to acquire a 45% ownership interest (“New Coral Interest”) in the 80% interest in the Coral Zinc Project tenures that it currently does not hold. The Company currently holds a direct 20% interest and this acquisition would represent an additional 36% beneficial ownership interest in the Coral Zinc Project. The Company issued 7,180,000 shares and 7,180,000 share purchase warrants, exercisable at $0.07 for 2 years on September 19, 2018 with a fair value of $287,200.

The Company has pledged a $10,000 GIC as security under a safekeeping agreement with the Ministry of Finance, British Columbia relating to the application for permits on the Coral Zinc Project. This amount is included in cash on the statement of financial position.

Peregrine Zinc Project, British Columbia

The project comprises optioned claims supplemented by claims staked by the Company. In January 2017, the Company entered an option earn-in agreement on the Peregrine Project, in southeastern British Columbia. Minfocus can earn a 100% interest over a period of two years by making optional staged payments totaling $10,000 cash (paid) and issuing 142,857 shares (78,571 issued during the year ended February 28, 2018 and 50,000 issued during the year ended February 28, 2019) plus the grant of a 2% NSR. The Company has the option to repurchase up to 1% of the NSR for $1,000,000 after commercial production. The Peregrine tenures remain in good standing until September 2021.

Peregrine Zinc Project Extension, British Columbia

On April 11, 2018, the Company entered into an agreement to acquire a 100% interest in a mineral claim contiguous to the Company’s Peregrine Zinc Project. Total consideration for the claim is 28,571 shares (issued May 11, 2018 with a fair value of $3,000), plus a payment of $2,500 or 50,000 shares within 3 months of approval, at the discretion of the Company (50,000 shares issued during the year ended February 28, 2019 with a fair value of $5,250). A 2.0% Net Smelter Return (“NSR”) royalty was granted to the seller, of which $500,000 can be paid to reduce the royalty to a 1.0% NSR interest.

(Expressed in Canadian Dollars)

7. Interest in exploration properties and exploration and evaluation expenditures (Continued)

Round Pond, Newfoundland

In March 2018, the Company entered into an agreement to acquire a 100% interest in the Round Pond Zinc Project, comprising 30 claims (750 hectares), located in Western Newfoundland for total consideration of up to 750,000 shares (321,432 shares issued during the year ended February 28, 2019 with a fair value of $24,107) of the Company. A 2.0% Net Smelter Return ("NSR") royalty is to be granted upon completion of all payments to earn the 100% interest, of which $1.5 million can be paid to reduce the royalty to a 0.75% NSR interest.

Nipigon Reefs Property, Ontario

The Nipigon Reefs Property is an exploration project in the Thunder Bay Mining Division of Northwestern Ontario. The property comprises the claims previously referred to as the Springlet Lake Prospect which were staked by the Company, plus the Seagull North Prospect, which was optioned. The staked claims of the Springlet Lake Prospect, valued at $171,853, were impaired during the year ended February 28, 2018. The optioned claims are subject to work and payment commitments to the vendors (Canadian International Pharma Corp., Rainy Mountain Royalty Corp. and White Metal Resources) in order to earn the initial 55% interest in the mineral rights. During the year ended February 28, 2019, the Company determined that it was not able to meet its commitment to the option agreement and impaired the property.

8. Share capital

Common Shares

(a) Authorized

Unlimited number of common shares without par value.

On August 1, 2018, the Company completed a consolidation of the outstanding common shares of the Company on the basis of seven (7) pre-consolidation shares for one (1) post-consolidation share. All shares referenced in these financial statements have been amended to reflect the post-consolidated amounts.

(b) Issued

	Number of Shares		Amount
Balance, February 28, 2018	10,462,516	$	6,951,782
Shares issued for interest in exploration properties (i, ii, iii,v,vi,vii)	7,630,001		324,807
Shares issued for debt (iv)	289,705		30,704
Balance, November 30, 2019 and February 28, 2019	18,382,222	$	7,307,293

8. Share capital (Continued)

During the year ended February 28, 2019:

(i) On April 4, 2018, the Company issued 50,000 shares with a fair value of $5,250 in connection with the Peregrine Project.
(ii) On April 13, 2018, the Company issued 107,143 shares with a fair value of $11,250 in connection with the Round Pond Zinc Project.
(iii) On May 11, 2018, the Company issued 28,571 shares with a fair value of $3,000 in connection with the Peregrine Extension Project.
(iv) On May 31, 2018, the Company settled outstanding debt of $101,397, $11,242 of which was due to related parties, in exchange for the issuance of 289,705 shares at a deemed value of $0.35 per share. The fair value of the shares on the settlement date was $0.105 per share.
(v) On June 26, 2018, the Company issued 50,000 shares with a fair value of $5,250 in connection with the Peregrine Project.
(vi) On August 17, 2018, the Company issued 214,287 shares with a fair value of $12,857 connection with the Round Pond Zinc Project.
(vii) On September 19, 2018, the Company issued 7,180,000 shares and 7,180,000 share purchase warrants (exercisable at $0.07 for 2 years) with a fair value of $287,200 in connection with the Coral Zinc Project

Stock Options

On June 30, 2010, the directors of the Company consented to adopt a share option plan (the “Plan”). The Plan provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at any time. Such options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The approval of the Plan was initially approved by the Company’s shareholders on December 29, 2011. The Plan is subject to annual approval by the TSXV and the Company’s shareholders.

(Expressed in Canadian Dollars)

8. Share capital (Continued)

Stock Options (Continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 28, 2018	1,042,856	$0.35
Cancelled	(28,571)	0.70
Expired	(242,857)	0.70
Granted	42,857	0.35
Outstanding at November 30, 2019 and February 28, 2019	814,285	$0.41

i. On March 18, 2018, 157,143 stock options priced at $0.70 expired unexercised.
ii. On March 27, 2018, 42,857 stock options priced at $0.35 and expiring in 5 years, were granted to a consultant.
iii. On April 9, 2018, 85,714 stock options priced at $0.70 expired unexercised.
iv. On May 6, 2018, 28,571 options issued on December 19, 2016, priced at $0.70, were cancelled due the resignation of the holder of the options.

The grant date fair value of the options granted during the year ended February 28, 2019 was estimated at $5,960 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; volatility of 254% based on the historical volatility of the Company's stock; risk-free interest rate of 2.11% and average life of 5 years.

The following table summarizes information about stock options outstanding and exercisable at November 30, 2019:

Number of Options	Exercise Price	Expiry Date	Number of Exercisable Options	Weighted Average Remaining Life (years)
128,571	$0.70	December 19, 2021	128,571	2.05
514,286	$0.35	February 7, 2023	514,286	3.19
85,714	$0.35	February 14, 2023	85,714	3.21
42,857	$0.35	February 19, 2023	42,857	3.22
42,857	$0.35	March 27, 2023	42,857	3.32
814,285			814,285	3.02

(Expressed in Canadian Dollars)

8. Share capital (Continued)

Warrants

	Number of Warrants	Weighted Average Exercise Price
Outstanding at February 28, 2018	1,930,627	$ 0.68
Issued	7,180,000	0.07
Expired	(1,483,199)	0.68
Outstanding at February 28, 2019	7,627,428	$ 0.11
Expired	(447,428)	0.69
Outstanding at November 30, 2019	7,180,000	$ 0.07

The following table summarizes information about warrants outstanding and exercisable at November 30, 2019:

Number of Warrants	Exercise Price	Expiry Date	Number of Exercisable Warrants	Weighted Average Remaining Life (years)
7,180,000	$0.07	September 19, 2020	7,180,000	0.81

During the nine months ended November 30, 2019, 2019, the follow warrants expired unexercised:

a. 442,857 warrants expiring June 30, 2019 with a price of $0.70
b. 4,571 warrants expiring June 30, 2019 with a prince of $0.175

During the year ended February 28, 2019, the follow warrants expired unexercised:

a. 485,714 warrants expiring June 28, 2018 with a price of $0.70
b. 4,571 warrants expiring June 28, 2018 with a prince of $0.175
c. 768,571 warrants expiring July 7, 2018 with a price of $0.70
d. 40,914 warrants expiring July 7, 2018 with a price of $0.175
e. 174,286 warrants expiring July 15, 2018 with a price of $0.70
f. 9,143 warrants expiring July 15, 2018 with a price of $0.175

9. Basic and diluted net loss per share

The calculation of basic and diluted loss per share for the nine months ended November 30, 2019, was based on the loss attributable to common shareholders of $26,738 (November 30, 2018 - $1,516,741) and the weighted average number of common shares outstanding of 18,382,222 (November 30, 2018 – 12,223,820). Outstanding warrants and stock options have been excluded from the calculation of diluted income per share for the periods presented as their effect would be anti-dilutive.

(Expressed in Canadian Dollars)

10. Related party balances and transactions

Related parties include the Board of Directors, Officers, and close family members of members of the Board of Directors and Officers and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company entered into the following transactions with related parties during the nine months ended November 30, 2019:

(a) During the nine months ended November 30, 2019, directors and officers charged the Company $6,500 (November 30, 2018 - $124,957) in fees related to the provision of professional services, geological services, and management of the Company.

(b) Officers and directors of the Company and companies controlled by such individuals were owed $132,594 as at November 30, 2019 (February 28, 2019 – $120,061) for services rendered and for expenses incurred in the ordinary course of business. This amount is unsecured, non-interest bearing with no fixed terms of repayment. In May 2018, the Company settled $11,242 of amounts due to officers and directors by issuing 32,120 shares with a fair value of $3,373.

(c) In January 2015, the Company entered into an option agreement allowing it to acquire up to a 60% interest in the Coral Zinc Project as discussed in Note 7. Two of the optionors, who together have a 50% interest in the claims ownership, are (or were) directors and officers of the Company at that time. At this time, there is only one optionor who is a director and officer of the Company who holds a 5% interest in the claim ownership. In August 2017, the Company issued 28,571 shares to those directors and officers as part of the shares issued to acquire a 20% direct ownership in the mineral tenures comprising the project, of which the current director and officer received 2,857 shares.

(d) In January 2017, the Company entered into an option agreement allowing it to acquire a 100% interest in the Peregrine Zinc Project (see Note 7). The optionor, who has 100% interest in the claims, became a director of the Company in February 2018. During the year ended February 28, 2018, the Company issued 78,571 shares and paid $10,000 to the director as per the option agreement. During the year ended February 28, 2019, 50,000 shares were issued as per the option agreement. The director did not stand for re-election at the Company's Annual General Meeting on September 17, 2018.

(e) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key management of the Company was as follows.

For the nine months ended November 30,	2019	2018
Compensation - cash	$ 6,500	$ 124,957

11. Segmented information

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. All of the operating costs for the nine months ended November 30, 2019 and the year ended February 28, 2019 were incurred in Canada and all of the assets as at November 30, 2019 and February 28, 2019 were located in Canada.

12. Commitments and contingencies

Environmental contingencies
The Company's exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management and consulting contracts
The Company is party to certain management and consulting contracts. During the current and prior fiscal periods, certain parties under the management and consulting contracts agreed to reduced salaries and to not receive salaries until further significant financing is obtained, with future salaries and other amounts to be negotiated at that stage. Minimum commitments under management and consulting contracts are approximately $105,000 payable within one year. The contracts also require that additional payments of up to $360,000 be made, based on the contract amounts, upon the occurrence of certain events such as change of control. As a determinable triggering event has not taken place, the contingent payments have not been reflected in these financial statements. All management employment agreements were terminated as of end of the period August 31, 2018 with $108,761 payable outstanding to a certain officer following the termination.

13. Loans payable

In April 2018, the Company entered into a loan agreement with an individual for the principal sum of $33,800. Interest was charged on the loan based on an agreed upon bank rate and the repayment was to be no later than October 20, 2018. The loan was repaid with principal and interest as of September 7, 2018.

During the nine months ended November 30, 2019, the Company entered into a loan agreement with an individual for the principal sum of $10,000. Interest will be charged on the loan based on an agreed upon bank rate and the term of the loan is six months. Subsequent to November 30, 2019, the term of the loan has been extended by mutual agreement between the parties.