WildSky
RESOURCES INC

CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS

For the Three Months ended February 29, 2020

(Unaudited)

Notice of No Auditor Review

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), the Company discloses that the unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the three months ended February 29, 2020 have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)
AS AT

	Notes	February 29, 2020	November 30, 2019
ASSETS			
Current			
Cash		$ 79,928	$ 169,901
Receivables		5,060	6,563
Investments	3, 5	1,134,900	1,746,000
Prepaid expenses		5,312	11,307
Total current assets		1,225,200	1,933,771
Property, plant and equipment	4	450,861	433,025
Reclamation bonds	6	354,944	354,944
Exploration and evaluation assets	5	6,839,004	6,839,004
Total assets		$ 8,870,009	$ 9,560,744
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 86,733	$ 104,163
Due to related parties	9	84,000	66,700
Convertible debentures	7	321,980	302,920
Total current liabilities		492,713	473,783
Asset retirement obligation	6	2,823,129	2,809,783
Total liabilities		3,315,842	3,283,566
Shareholders' equity			
Share capital	8	52,991,720	52,991,720
Share-based payments reserve		10,072,391	10,072,391
Equity components of convertible debentures	7	36,240	36,240
Deficit		(57,546,184)	(56,823,173)
Total shareholders' equity		5,554,167	6,277,178
Total liabilities and shareholders' equity		$ 8,870,009	$ 9,560,744

Nature of operations and going concern (Note 1)
Events subsequent to the reporting period (Note 14)
Proposed transactions (Note 15)

On behalf of the Board:

"Wilson Jin" Director *"John Anderson"* Director

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended February 29, 2020	Three Months Ended February 28, 2019
EXPENSES		
Accretion of asset retirement obligation (Note 6)	$ 13,346	$ 12,461
Accretion of interest (Note 7)	19,060	-
Amortization (Note 4)	13,125	11,689
Filing and transfer agent	9,149	6,170
Management fees (Note 9)	42,000	42,000
Professional fees	-	3,571
Project investigation (Note 15)	4,084	12,718
Rent and office expenses (Note 9)	3,858	10,691
Shareholder relations	4,293	2,788
Camp maintenance	4,055	30,862
Total expenses	(112,970)	(132,950)
Fair value adjustment on investments (Note 3)	(611,100)	-
Interest income	1,059	904
	(610,041)	904
Loss and comprehensive loss for the period	(723,011)	(132,046)
Basic and diluted loss per common share	$ (0.05)	$ (0.01)
Weighted average number of common shares outstanding - Basic and diluted	14,839,813	14,839,813

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended February 29, 2020	Three Months Ended February 28, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (723,011)	$ (132,046)
Items not affecting cash:		
Accretion of asset retirement obligation	13,346	12,461
Accretion of interest	19,060	-
Amortization	13,125	11,689
Fair value adjustment on investment	611,100	-
Changes in non-cash working capital items:		
Other receivables and prepaids	7,498	18,616
Accounts payable and accrued liabilities	(17,430)	37,616
Due to related parties	17,300	-
Net cash used in operating activities	(59,012)	(51,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	-	(257)
Purchase of equipment	(30,961)	-
Net cash used in investing activities	(30,961)	(257)
Change in cash during the period	(89,973)	(51,921)
Cash, beginning of period	169,901	176,915
Cash, end of period	$ 79,928	$ 124,994

Supplemental disclosures with respect to cash flows (Note 13)

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

WILDSKY RESOURCES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Share Capital					
	Number	Amount	Share-Based Payments Reserve	Equity component of convertible debentures	Deficit	Total
Balance, November 30, 2018	14,839,813	$ 52,991,720	$ 9,953,777	$ -	$ (56,450,831)	$ 6,494,666
Loss for the period	-	-	-	-	(132,046)	(132,046)
Balance, February 28, 2019	14,839,813	52,991,720	9,953,777	-	$ (56,582,877)	$ 6,362,620
Equity component of convertible debentures	-	-	-	36,240	-	36,240
Share-based compensation	-	-	118,614	-	-	118,614
Loss for the period	-	-	-	-	(241,296)	(241,296)
Balance, November 30, 2019	14,839,813	52,991,720	10,072,391	36,240	(56,823,173)	6,277,178
Loss for the period	-	-	-	-	(723,011)	(723,011)
Balance, February 29, 2020	14,839,813	$ 52,991,720	$ 10,072,391	$ 36,240	$ (57,546,184)	$ 5,554,167

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Wildsky Resources Inc. ("Wildsky" or the "Company") was incorporated in January 2006 under the laws of British Columbia, Canada. The Company's registered office is Suite 890 – 580 Hornby Street, Vancouver, British Columbia, Canada. Wildsky is listed on the TSX Venture Exchange under the trading symbol "WSK". On March 4, 2020, the listing of the Company's common shares is transferred to NEX, and the trading symbol changes from "WSK" to "WSK.H". The Company and its subsidiary are in the business of acquisition, exploration and development of mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. As the Company is in the exploration stage, no revenue has been generated to date. At February 29, 2020, the Company had cash of $79,928 (November 30, 2019 - $169,901), a working capital of $732,487 (November 30, 2019 –$1,459,988) and a deficit of $57,546,184 (November 30, 2019 - $56,823,173).

In the past, operating capital and exploration requirements have been funded primarily from equity and debt financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with IAS 34 Interim Financial Reporting. These financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended November 30, 2019.

These financial statements were approved and authorized for issue by the Board of Directors on April 14, 2020.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Cassiar Gold Corp. ("Cassiar"). The Company consolidates these subsidiaries on the basis that it controls these subsidiaries. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. All intercompany transactions and balances have been eliminated on consolidation.

(Expressed in Canadian dollars)

Management judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management use of estimates, assumptions and judgment that impact the Company's reported financial results. These estimates are based on past experiences and expectations of future events. Uncertainty on these judgments could result in material differences of the carrying amounts in the Company's financial position.

The key judgments and estimates that affect the consolidated financial statements are:

Impairment of exploration and evaluation assets (E&E assets)

The Company carries out an impairment assessment on its E&E assets when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the E&E assets as it relies on both an interpretation of geological and technical data as well as market conditions including commodity prices, investor sentiment and global financing. As new information comes up, the recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates.

Impairment of property, plant and equipment

The Company carries out an impairment assessment on its property, plant and equipment when circumstances indicate their carrying values may exceed their recoverable amounts. The process of determining the impairment involves significant judgment and estimation on the recoverability of the carrying value of the property, plant and equipment, which is impacted by factors such as the condition of and demand for such assets. Therefore, actual recoverable amounts of the assets and the impairment loss may differ from these judgments and estimates.

Asset retirement obligation ("ARO")

Provision on the retirement of the E&E assets and site restoration is based on many assumptions and judgments: future estimated costs, expected amounts of cash flows to discharge the obligation, timing of such cash flows and the prevalent market discount rate. Any changes to the assumptions will result in an adjustment to the provision which affects the Company's liabilities and operating results.

3. INVESTMENTS

The Company received 17,460,000 shares from Margaux Resources Ltd. ("Margaux") in November 2019 (Note 5).

	Three months ended February 29, 2020	Year ended November 30, 2019
Investments – beginning balance	$ 1,746,000	$ -
Fair value of shares received	-	1,396,800
Fair value adjustment	(611,100)	349,200
Investments – ending balance	$ 1,134,900	$ 1,746,000

(Expressed in Canadian dollars)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computers	Geological equipment	Total
COST					
Balance, November 30, 2018 and 2019	$ 20,000	$ 875,217	$ 3,072	$ -	$ 898,289
Additions	-	-	-	30,961	30,961
Balance, February 29, 2020	$ 20,000	$ 875,217	$ 3,072	$ 30,961	$ 929,250
Accumulated amortization					
Balance, November 30, 2018	$ -	$ 417,912	$ 597	$ -	$ 418,509
Additions	-	45,731	1,024	-	46,7565
Balance, November 30, 2019	-	463,643	1,621	-	465,264
Additions	-	10,289	256	2,580	13,125
Balance, February 29, 2020	$ -	$ 473,932	$ 1,877	$ 2,580	$ 478,389
Carrying amounts					
At November 30, 2019	$ 20,000	$ 411,574	$ 1,451	$ -	$ 433,025
At February 29, 2020	$ 20,000	$ 401,285	$ 1,195	$ 28,381	$ 450,861

5. EXPLORATION AND EVALUATION ASSETS

Cassiar Project, British Columbia

The Company, through its subsidiary Cassiar Gold Corp. ("Cassiar"), owns 100% of the Cassiar project's mineral assets. The Cassiar project is located in northern British Columbia, Canada.

The Cassiar project's two major areas of exploration and development activities are the Table Mountain and Taurus properties. Table Mountain is a past-producing underground gold mine. The property has a fully permitted gold mill and tailings management facility which are available for future ore processing.

The Company's expenditures on its exploration and evaluation assets were as follows:

(Expressed in Canadian dollars)

	Three months ended February 29, 2020	Year ended November 30, 2019
Balance, beginning of the period	$ 6,839,004	$ 7,809,859
Exploration costs		
Asset retirement obligation – changes in estimation	-	467,826
Assay	-	25,520
BC Mining Exploration Tax Credit	-	(62,423)
Margaux Payment shares	-	(1,396,800)
Others	-	(5,500)
Balance, end of the period	$ 6,839,004	$ 6,839,004

Option agreement with Margaux Resources Ltd. ("Margaux")

On March 25, 2019, the Company entered into an option agreement (the "Agreement") with Margaux, a TSX-V listed junior exploration company. Pursuant to the terms of the Agreement, the Company will grant (the "Transaction") Margaux an option (the "Option") to acquire all of the common shares (the "Cassiar Shares") in the capital of the Company's wholly-owned subsidiary Cassiar.

In order to exercise the Option, Margaux will issue 58,200,000 common shares (the "Payment Shares") in the capital of Margaux, undertake exploration on Cassiar's property and satisfy certain other conditions as follows:

(a) Issue 5,820,000 Payment Shares (received, valued at $465,600) being issued to the Company on receipt of final TSX-V approval of the Agreement, as fully paid and non-assessable securities;

(b) Issue 11,640,000 Payment Shares (received, valued at $931,200) being issued to the Company on the date that is the earlier of six months from (i) the date of the Agreement, and (ii) the receipt of final TSX-V approval of the Agreement;

(c) Issue 17,460,000 Payment Shares (received subsequently on March 25, 2020, valued at $1,134,900) to the Company on the date that is the earlier of twelve months from (i) the date of the Agreement, and (ii) the receipt of final TSX-V approval of the Agreement; and

(d) Issue 23,280,000 Payment Shares to the Company on the date that is the earlier of eighteen months from (i) the date of the Agreement, and (ii) the receipt of final TSX-V approval of the Agreement.

(e) Margaux will expend at least $400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;

(f) Six months after execution of the Definitive Agreement, the Company will have the right to appoint one member to the board of directors of Margaux;

(g) Twelve months after execution of the Definitive Agreements, the Company will have the right to appoint an additional person (for a total of two board members) to the board of directors of Margaux; and

(Expressed in Canadian dollars)

(h) Twelve months after execution of the Definitive Agreements, the Company will have the right to appoint one person to the senior management team of Margaux, on terms and conditions to be agreed upon by Margaux and Wildsky, acting reasonably.

(i) The Company being granted a 30% net profit interest (the "NPI") on all minerals processed from Cassiar's TM #1 tailings pond (the "Tailings Pond") located on the Cassiar property, after capital payout of up to $500,000. The Definitive Agreement shall include a schedule detailing the calculation of NPI.

If, at any time prior to the exercise of the Option or the termination of the Agreement, Margaux or its agent(s) remove material from the Tailings Pond for purposes other than bona fide exploration and testing purposes, and such material is processed for its minerals and/or metals, then the time periods set out above in paragraph's (b), (c) and (d) of shall be accelerated to seven days from the date of first removal of such material.

All Payment Shares issued to the Company in accordance with the Agreement shall be subject to a statutory hold period (the "Statutory Hold Period") of 4 months plus a contractual hold period of a further 8 months (for a total of 12 months from the date of issuance). If Acceleration occurs, then all Payment Shares issued to the Company, including any Payment Shares issued prior to Acceleration, shall only be subject to the Statutory Hold Period. For greater certainty, if any Payment Shares have been issued to the Company more than 4 months prior to the occurrence of Acceleration, then those Payment Shares shall immediately become "free-trading".

For greater certainty, Margaux will not acquire any interest whatsoever in the Cassiar Shares until such time as it has satisfied all the requirements of exercise of the Option as set out in the Agreement. If Margaux fails to fully comply with all such conditions of exercise within the stipulated time periods, the Option shall immediately terminate and Margaux shall forfeit all interest in any and all Payment Shares issued to the Company.

6. ASSET RETIREMENT OBLIGATION ("ARO")

The Company has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

	Three months ended February 29, 2020	Year ended November 30, 2019
Asset retirement obligation – beginning balance	$ 2,809,783	$ 2,283,225
Changes in estimates	-	467,826
Accretion expense	13,346	58,732
Asset retirement obligation – ending balance	$ 2,823,129	$ 2,809,783

The total undiscounted cash flow estimated to settle the obligations as at February 29, 2020 was $2,750,214 (November 30, 2019 - $2,750,214) which was adjusted for inflation at the rate of 1.9% and then discounted at a risk free rate of 1.59%. Certain minimum amounts of ARO will occur each year with the significant amounts expected to be incurred in 2029.

At February 29, 2020, the Company has $354,944 (November 30, 2019 - $354,944) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. The reclamation bonds are interest bearing at the prime rate less 0.60% and 0.70% respectively. The reclamation bonds are hypothecated and automatically renewed upon maturity.

(Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURES

		Three months ended February 29, 2020		Year ended November 30, 2019
Convertible debentures at issuance	$	302,920	$	265,760
Interest accretion		19,060		37,160
Convertible debenture – ending balance	$	321,980	$	302,920

In May 2019, the Company closed a non-brokered, private placement of debentures (the "Debentures") of the Company at a price of $1,000 per Debenture for gross proceeds of $302,000. Each Debenture has the following terms and conditions attached:

1) Term: Twelve months from the date of issuance of the Debentures, subject to an option on the part of the holders thereof to extend the maturity to twenty-four months from the date of issuance of the Debentures.

2) Interest Rate: The Debentures shall bear a simple interest of 10% per annum, accrued monthly, and payable at maturity. As at November 30, 2019, there was $37,160 of interest accrued.

3) Security: The Debentures shall be unsecured.

4) Conversion: The Debenture holder may, at any time and from time to time up to maturity, elect to convert the outstanding Debentures and any interest accrued and unpaid thereon into common shares in the capital of the Company at a price of $0.10 per share.

For accounting purposes, the Debentures are separated into their liability ($265,760) and equity components ($36,240) by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows of the Debentures assuming an 25% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the Debentures and the fair value of the liability component.

8. SHARE CAPITAL

Authorized - unlimited number of common shares without par value

Share issuance

There were no share issuances during the year ended November 30, 2019 or the three months ended February 29, 2020.

Stock options

The Company has a stock option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years and vests immediately except for stock options granted to investor relations consultants whereby these options vest over 12 months. The maximum number of common shares reserved for issue shall not exceed 10% of the total number of common shares issued and outstanding as at the grant date.

(Expressed in Canadian dollars)

During the year ended November 30, 2018, the Company granted to directors, officers and consultants 950,000 stock options, exercisable at $0.20 per share for a term of 5 years. These options vested on the date of grant. The fair value of the stock options granted was $189,731 ($0.20 per option). The options were cancelled on July 26, 2019.

During the year ended November 30, 2019, the Company granted to directors, officers and consultants 1,400,000 stock options, exercisable at $0.10 per share for a term of 5 years. These options vested on the date of grant. The fair value of the stock options granted was $118,614 ($0.08 per option).

The fair value of the stock options granted was determined using the following assumptions:

Weighted average assumptions	**Year ended November 30, 2019**
Risk free interest rate	1.20%
Volatility	264.74%
Expected life of options	5 years
Dividend rate	0%

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2018	950,000	$ 0.20
Expired/cancelled	(950,000)	0.20
Granted	1,400,000	0.10
Balance, November 30, 2019 and February 29, 2020	1,400,000	$ 0.10
Exercisable, at February 29, 2020	1,400,000	$ 0.10

As at February 29, 2020, the following incentive stock options are outstanding:

Number of Options	Exercise Price	Expiry Date
1,400,000	$ 0.10	August 7, 2024

(Expressed in Canadian dollars)

Warrants

The continuity of the Company's warrants as of November 30, 2019 is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, November 30, 2018 and 2019	7,245,000	$	0.30
Expired	(7,245,000)	$	0.30
Balance, February 29, 2020	-	$	-

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the three months ended February 29, 2020:

a) During the three months ended February 29, 2020, the Company paid or accrued management fee of $24,000 (2019 -$24,000) to a company controlled by the CEO and President. As of February 29, 2020, $48,000 (November 30, 2019 - $36,400) payable to the company controlled by the CEO and President was included in accounts payable and accrued liabilities.

On May 21, 2019, the company controlled by the CEO and President subscribed for 42 units of the Company's convertible debenture for a principal of $42,000 (Note 7). The related accretion and interest expense for the three months ended February 29, 2020 are $2,840 (2019 - $nil).

b) During the three months ended February 29, 2020, the Company paid or accrued management of $18,000 (2019 - $18,000) to a company controlled by the CFO. As of February 29, 2020, $36,000 (November 30, 2019 - $30,300) payable to the company controlled by the CFO was included in accounts payable and accrued liabilities.

On May 21, 2019, the CFO subscribed for 10 units of the Company's convertible debenture for a principal of $10,000 (Note 7). The related accretion and interest expense for the three months ended February 29, 2020 are $631 (2019 - $nil).

c) During the three months ended February 29, 2020, the Company paid or accrued rent of $500 (2019 -$1,500) to a company of which the CEO and President is a director. As of November 30, 2019, the Company prepaid $525 for December rent.

Accounts payable to related parties do not bear interest, are unsecured and repayable on demand.

10. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets located in Canada.

11. FAIR VALUE MEASUREMENT AND RISK MANAGEMENT

The Company's accounts payable and accrued liabilities, due to related parties, and convertible debentures are measured at amortized cost. Its financial assets, GST receivable and reclamation bonds, are also measured at amortized cost. The Company's carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Financial risk management

The Company's objective in risk management is to maintain its ability to continue as a going concern. It is exposed to the following risks:

Liquidity risk

Liquidity risk is the risk that the Company might not be able to meet its obligations and commitments as they come due. As at February 29, 2020, the Company had cash of $79,928 (November 30, 2019 - $169,901) and a working capital of $732,487 (November 30, 2019 – $1,459,988).

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash and receivables on its consolidated statement of financial position.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk
Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's convertible debentures bear interest at 10% per annum. The Company's exposure to interest rate risk is insignificant.

ii. Foreign currency risk
Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. CAPITAL MANAGEMENT

The Company's capital management objective is to ensure its ability to continue as a going concern to meet its operational obligations and to maintain capital access to fund its Cassiar mineral exploration activities.

The capital that the Company manages is the total of liabilities and equity on the consolidated statements of financial position. The Company may modify the capital structure to meet its funding needs by issuing new equity shares and/or debt instruments, disposing assets or bringing in joint venture partners. To facilitate the management of its capital, the Company prepares annual budgets approved by the Board of Directors. The budget is reviewed and updated periodically to account for changes in the expenditures and economic conditions. The Company is not subject to any externally imposed capital requirements.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the three-month periods ended February 29, 2020 and February 28, 2019.

14. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Proposed financing - convertible debenture

On March 10, 2020, the Company announced a non-brokered, private placement of debentures (the "Debentures") of the Company at a price of $1,000 per Debenture for gross proceeds of $200,000. Each Debenture has the following terms and conditions attached:

1) Term: Twelve months from the date of issuance of the Debentures, subject to an option on the part of the holders thereof to extend the maturity to twenty-four months from the date of issuance of the Debentures.

2) Interest Rate: The Debentures shall bear a simple interest of 10% per annum, accrued monthly, and payable at maturity.

3) Security: The Debentures shall be unsecured.

4) Conversion: The Debenture holder may, at any time and from time to time up to maturity, elect to convert the outstanding Debentures and any interest accrued and unpaid thereon into common shares in the capital of the Company at a price of $0.10 per share.

This transaction is subject to TSX-V's approval.

Proposed financing - private placement

On March 23, 2020, the Company announced a non-brokered, private placement of up to 8,000,000 share units (the "Unit") of the Company at a price of $0.10 per Unit for gross proceeds up to $800,000. Each Unit shall be comprised of one common share and ½ of one share purchase warrant. Each Warrant shall be exercisable into a common share at a price of $0.15 per share for a period of three years.

This transaction is subject to TSX-V's approval.

15. PROPOSED TRANSACTIONS

Proposed acquisition of Exploration Licenses in Nigeria

Pursuant to a Letter of Intent dated October 2, 2019, the Company entered into a Share Purchase Agreement (the Agreement) with 1187395 BC Limited. (the "Vendor") on December 5, 2019.

The Vendor, a British Columbia corporation wholly-owned by Mr. Chaoyi Wang, legally and beneficially owns 9,900,000 common shares (the "Shares") of the 10,000,000 issued and outstanding common shares in the capital of Zijin Midas Nigeria Limited ("ZMNL"). Pursuant to the terms of the Agreement, the Company will purchase the Shares from the Vendor for cash consideration of US$96,000.

ZMNL holds ten Exploration Licenses (the "EL's") in Nigeria, three of the EL's pertain to niobium-tantalum ("Nb-Ta") exploration (each being a "Nb-Ta EL"), and the remaining seven EL's are for gold and lead-zinc exploration (each being a "Au-Pb EL"). The ten EL's cover a total area of 742 km^2.

The EL's are subject to a call option (the "Slight Edge Option") in favour of Slight Edge HK Limited ("Slight Edge"). Slight Edge's Nigerian subsidiary assisted ZMNL through the application process which lead to the issuance of the EL's. According to a call-option deed entered into between ZMNL and Slight Edge, Slight Edge has an option permitting it to obtain up to a 30% interest in the seven Au-Pb EL's and a 20% interest in the three Nb-Ta EL's. Slight Edge may exercise its Slight Edge Option before February 8, 2021 by reimbursing ZMNL for its respective percentage of costs and expenses incurred by ZMNL with respect to the EL's.

This transaction is subject to TSX-V's approval.