BENCHMARK METALS INC.

Consolidated Condensed Interim Financial Statements

For the three months and nine months ended November 30, 2019 and 2018

Expressed in Canadian Dollars

To the shareholders of Benchmark Metals Inc:

The consolidated condensed interim financial statements of Benchmark Metals Inc. (the “Company”) for the three and nine months ended November 30, 2019 and 2018 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors

Expressed in Canadian Dollars (unaudited)

	November 30, 2019	February 28, 2019
ASSETS		
Current		
Cash	**$ 4,815,939**	$ 377,498
Short-term investment	**10,000**	10,000
Goods and services tax credit receivable	**93,290**	136,236
Mineral exploration tax credit receivable	**632,130**	632,130
Other receivable	**4,239**	61,184
Prepaid expenses and deposits	**201,169**	133,422
	5,756,767	1,350,470
Fixed assets	**110,852**	-
Reclamation bond	**202,082**	56,000
Exploration and evaluation assets (note 4)	**13,978,756**	3,885,354
	$ 20,048,457	$ 5,291,824
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 7)	**$ 1,172,080**	$ 260,419
Deferred flow-through liability	**13,761**	41,230
	1,185,841	301,649
EQUITY		
Share capital (note 5)	**23,614,944**	8,561,669
Share subscriptions receivable	**-**	(21,250)
Option and warrant reserve (note 5)	**1,546,647**	1,161,489
Deficit	**(6,298,975)**	(4,711,733)
	18,862,616	4,990,175
	$ 20,048,457	$ 5,291,824

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENTS (note 10)

Authorized for issuance on behalf of the Board on January 29, 2020

Director (signed by) *"Jim Greig"*

Director (signed by) *"Sean Mager"*

The accompanying notes form an integral part of these financial statements.

Expressed in Canadian Dollars (unaudited)

For the	three months ended November 30 2019	2018	nine months ended November 30 2019	2018
Expenses				
Investor relations expenses	**$ 506,759**	$ 361,708	**$ 1,188,116**	$ 676,183
Management and consulting fees	**182,283**	47,282	**300,303**	280,455
Office and administration	**32,952**	102,003	**91,098**	126,857
Professional fees	**89,865**	34,372	**158,254**	87,187
Regulatory and filing fees	**(19,050)**	15,631	**27,022**	70,365
Share-based compensation (note 5)	**7,573**	5,795	**98,371**	309,445
	(800,382)	(566,791)	**(1,863,164)**	(1,550,492)
Other				
Interest income	**17,077**	7	**26,732**	7
Settlement of flow-through liability	**69,428**	-	**249,190**	-
Net loss and comprehensive loss	**$ (713,877)**	$ (566,784)	**$ (1,587,242)**	$ (1,550,485)
Basic and diluted loss per common share	**$ (0.01)**	$ (0.02)	**$ (0.02)**	$ (0.05)
Basic and diluted weighted average number of common shares outstanding	**86,393,623**	37,693,657	**60,525,228**	28,748,768

The accompanying notes form an integral part of these financial statements.

BENCHMARK METALS INC.
Consolidated Condensed Interim Statements of Changes in Equity
For the three and nine months ended November 30, 2019 and 2018
Expressed in Canadian Dollars *(unaudited)*

	Number of shares		Share capital		Advanced share Subscriptions received		Option and Warrant reserve		Deficit		Total equity
Balance at February 28, 2018	**15,473,198**	**$**	**3,740,504**	**$**	**-**	**$**	**497,048**	**$**	**(2,606,380)**	**$**	**1,631,172**
Shares issued for cash	25,271,240		4,985,782		-		-		-		4,985,782
Shares issued for exploration and evaluation assets (note 4)	1,453,582		325,260		-		-		-		325,260
Flow-through premium liability	-		(17,600)		-		-		-		(17,600)
Share issuance costs	-		(338,148)		-		-		-		(338,148)
Finders warrants issued	-		(104,929)		-		104,929		-		-
Share based payments	-		-		-		309,445		-		309,445
Comprehensive loss	-		-		-		-		(1,550,485)		(1,550,485)
Balance at November 30, 2018	**42,198,020**	**$**	**8,590,869**	**$**	**-**	**$**	**911,422**	**$**	**(4,156,865)**	**$**	**5,345,426**
Shares issued for cash	-		-		(21,250)		-		-		(21,250)
Flow through premium liability	-		(29,200)		-		-		-		(29,200)
Share based payments	-		-		-		250,067		-		250,067
Comprehensive loss	-		-		-		-		(554,868)		(554,868)
Balance at February 28, 2019	**42,198,020**	**$**	**8,561,669**	**$**	**(21,250)**	**$**	**1,161,489**	**$**	**(4,711,733)**	**$**	**4,990,175**
Shares issued for cash	41,311,419		11,541,462		21,250		(67,695)		-		11,495,017
Shares issued for exploration and evaluation assets (note 3,5)	12,000,000		4,860,000		-		-		-		4,860,000
Flow-through premium liability	-		(221,721)		-		-		-		(221,721)
Share issuance costs	-		(771,984)		-		-		-		(771,984)
Finders warrants issued	-		(354,482)		-		354,482		-		-
Share based payments	-		-		-		98,371		-		98,371
Comprehensive loss	-		-		-		-		(1,587,242)		(1,587,242)
Balance at November 30, 2019	**95,509,439**	**$**	**23,614,944**	**$**	**-**	**$**	**1,546,647**	**$**	**(6,298,975)**	**$**	**18,862,616**

The accompanying notes form an integral part of these financial statements.

Expressed in Canadian Dollars (unaudited)

For the nine months ended	**November 30, 2019**	**November 30, 2018**
Cash provided by (used in):		
Operating activities		
Net loss for the period	**$ (1,587,242)**	$ (1,550,485)
Items not effecting cash:		
Share-based payments (note 5)	**98,371**	309,445
Settlement of flow-through liability	**(249,190)**	-
	(1,738,061)	(1,241,040)
Changes in non-cash working capital:		
Amounts receivable	**99,890**	(87,490)
Prepaid expenses and deposits	**(213,829)**	(71,888)
Accounts payable and accrued liabilities	**(354,955)**	(112,803)
Cash used in operating activities	**(2,206,955)**	(1,513,221)
Investing activities		
Exploration and evaluation assets acquisition	**(3,952,908)**	(2,113,377)
Exploration and evaluation assets exploration	**(13,876)**	(12,990)
Additions to fixed assets	**(110,852)**	-
Cash used in investing activities	**(4,077,636)**	(2,126,367)
Financing activities		
Proceeds from private placement	**9,521,250**	4,232,500
Proceeds from exercise of options	**68,400**	-
Proceeds from exercise of warrants	**1,905,366**	753,282
Share issuance costs	**(771,984)**	(336,874)
Cash provided by financing activities	**10,723,032**	4,648,908
Net increase in cash	**4,438,441**	1,009,320
Cash – beginning of period	**377,498**	50,178
Cash – end of period	**$ 4,815,939**	$ 1,059,498
Non-cash transactions and supplemental disclosures		
Shares issued for exploration and evaluation assets	**$ 4,860,000**	$ 336,250
Finders warrants issued	**$ 354,482**	$ 95,976

The accompanying notes form an integral part of these financial statements.

1. Nature of operations and going concern

Benchmark Metals Inc. ("Benchmark" or the "Company") was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol "BNCH". The Company's head office is located at 10545 – 45 Avenue NW, 250 Southridge NW, Suite 300, Edmonton, AB, Canada T6H 4M9. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. Benchmark is an exploration stage company and is in the process of identifying and acquiring mineral properties.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At November 30, 2019, the Company has not generated revenues and had an accumulated deficit of $6,298,975 (February 28, 2019 - $4,711,733). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Basis of presentation

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended February 28, 2019, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These consolidated condensed interim financial statements were authorized for issue by the Audit Committee of the Company on January 29, 2020.

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary PPM Phoenix Precious Metals Corp. All intercompany transactions and balances have been eliminated.

Name of Subsidiary	Proportion of Ownership Interest	Principal Activity
PPM Phoenix Precious Metals Corp.	100%	Holds mineral interest in BC

These consolidated condensed interim financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 28, 2019, unless otherwise stated.

Expressed in Canadian Dollars (unaudited)

3. Acquisition of PPM Phoenix Precious Metal Corp. ("PPM")

On August 14, 2019, the parties executed a share exchange agreement (the "Agreement"). The Agreement provides for the transfer all of PPM's issued and outstanding shares to Benchmark, in exchange for payments of $250,000 in cash, 12,000,000 common shares of Benchmark and 0.5% net smelter returns royalty from any production of the Lawyers Property. As a result of this transaction, PPM became a wholly owned subsidiary and Benchmark acquired a 100% interest in the Lawyers' Property.

Due to the fact that the PPM is an exploration stage, with no significant operations, no demonstrated technical feasibility or commercial viability of the project, no revenues and no ability to provide future economic benefits; the Company has accounted for its acquisition of PPM as an asset acquisition, whereby acquired assets and liabilities are measured at cost or an assigned fair value based on their relative fair values at the acquisition date; no goodwill is recognized; and acquisition-related costs are capitalized to the assets. Any existing assets in the PPM are not remeasured. The amounts shown below represent relative fair value of net assets on the effective date of the Agreement, which was August 14, 2019.

Assets acquired:		
Cash	$	10
Other current assets		2,077
Reclamation bonds		36,082
Mineral interest - Lawyers project (note 4)		5,183,046
		5,221,215
Less: liabilities assumed:		
Accounts payable and accrued liabilities		(51,379)
	$	**5,169,836**
Purchase consideration:		
Shares issued in exchange for PPM Shares (i)	$	4,860,000
Cash		250,000
Other transaction costs (ii)		59,836
Total Purchase consideration	**$**	**5,169,836**

(i) For accounting purposes, the shares issued were recorded at $0.405 per share, representing the Company's share price on the date of issuance.

(ii) In addition to the shares issued in consideration for the acquisition of PPM, the Company incurred costs totaling $59,836. These costs were incurred in the process of the acquisition and include fees relating to accounting and legal fees.

Expressed in Canadian Dollars (unaudited)

4. Exploration and evaluation assets

Lawyers Property in British Columbia, Canada

Total costs incurred on the Lawyers Property are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 28, 2018	**$ -**	**$ -**	**$ -**
Acquisition costs	525,260	2,217,044	2,742,304
Mineral exploration tax credit	-	(632,130)	(632,130)
Balance, February 28, 2019	**525,260**	**1,584,914**	**2,110,174**
Acquisition costs	5,183,046	4,846,480	10,029,526
Balance, November 30, 2019	**$ 5,708,306**	**$ 6,431,394**	**$ 12,139,700**

On June 18, 2018, the Company received final acceptance from the TSX Venture Exchange of its option and joint venture letter agreement (the "OJVA") with PPM Phoenix Precious Metals Corp. ("PPM") for the Company's option to acquire from PPM up to a 75% interest in the Lawyers Property, B.C. (the "Lawyers Property") over three years. The OJVA was superseded by the Agreement executed on August 14, 2019 (note 2).

In accordance with the OJVA, the Company paid an initial sum of $200,000 to PPM, issued 1.0 million common shares to PPM and incurred more than the required minimum $2 million of exploration expenditures on the Lawyers Property during the period. In accordance with an arms-length finder's agreement, the Company also issued an initial payment of 94,444 common shares and a final payment of 359,138 common shares (with a fair value of approximately $0.22 per share), which was conditional upon completion of the required minimum expenditures. The Company also posted a reclamation bond in the amount of $56,000 in connection with the Lawyers Property.

Pursuant to the OJVA, the Company was to incur a total of $5.0 million in exploration or development expenditures by June 6, 2021 to acquire a 51% interest in the project. The Company would have acquired an additional 9% interest (for a total interest of 60%) by issuing to PPM an additional two million common shares, and incurring a further $2.5 million in expenditures by June 6, 2021, and the Company would have further acquired an additional 15% (for a total interest of 75%) in the Lawyers Property by issuing to PPM an additional 1.0 million common shares, and incurring $1.5 million in further expenditures by June 6, 2021. As of February 28, 2019, the Company had incurred $2,417,044, including the initial payment of $200,000, of the required $5.0 million in expenditures.

Upon the Company earning its largest interest in the Property, the parties would either have entered into a joint venture agreement for the further exploration and development of the Property, or, if the Company had acquired a 75% interest, then PPM could have elected to sell its 25% interest in the Property to the Company, based on either an independent valuation, or a formula set out in the OJVA based on the Company's market capitalization. The Company was the operator of the Lawyers Property. The terms of the joint venture agreement were to include provisions for the dilution of a party's interest, in the event the party did not contribute its proportionate cost share to the further exploration and development of the Lawyers Property. The interest of any party diluted to 5% or less would have been automatically converted into a 2% net smelter returns royalty (the "NSR"), with the other party having the right to buy-down one-half of the NSR for $1 million.

The Company had a period of one year to incur a minimum of $2 million in exploration expenditures on the Lawyers Property, including the initial $200,000 payment (paid). Upon completion of the first year's minimum exploration work the Company paid a further $90,000 (issued in common shares) to the Finder. In accordance with the OJVA, the Finder elected to be paid the finder's fee as 359,138 common shares issued at a deemed price of $0.2506 per share.

Expressed in Canadian Dollars (unaudited)

4. Exploration and evaluation assets (continued)

<u>Diamond Permits in Nunavut, Canada</u>

Total costs incurred on the Diamond Permits are summarized as follows:

		Acquisition		Exploration		Total
Balance, February 28, 2018	**$**	**325,881**	**$**	**753,736**	**$**	**1,079,617**
Net refund of acquisition costs		(7,423)		-		(7,423)
Geology		-		8,772		8,772
Assay		-		(803)		(803)
Permits		-		1,877		1,877
Travel and Support		-		851		851
Balance, February 28, 2019	**$**	**318,458**	**$**	**764,433**	**$**	**1,082,891**
Acquisition		54,264		-		54,264
Geology		-		7,908		7,908
Balance, November 30, 2019	**$**	**372,722**	**$**	**772,341**	**$**	**1,145,063**

During the year ended February 29, 2016, the Company signed a property purchase agreement ("Agreement") to acquire a 100% interest in eight Prospecting Permits (the 'Property') totaling 1,150 km^2 located in Nunavut, Canada from private owners (the "Vendor"). As consideration, the Company paid a total of $75,000 in cash and issued 333,333 common shares of the Company with a fair value of $125,000.

The Company has also agreed to pay the Vendor a 1% royalty interest on the Property. The Company also has the sole and exclusive option to purchase the NSR royalty interest at a purchase price of $3,000,000 at any time.

As part of the agreement, The Company is required to make annual payments of $50,000 on each anniversary date, May 5th, for the first four years, payable by the Company in either cash or common shares of the Company ("Performance Shares"), or any combination thereof, in its sole discretion. As of February 28, 2019, the Company has made the first three payments of $50,000 with cash. The final payment is due on May 5, 2019.

On June 26, 2019, the Company paid the final annual payment of $50,000.

The Company has also agreed to make the following additional performance payments to the Vendor, upon the completion of the following milestones:

- payment of $50,000 for each new discovery of a kimberlite pipe or dyke on the Property, payable by the Company in either cash or Performance Shares, or any combination thereof, in its sole discretion;
- issue 166,667 Performance Shares on completion of an inferred mineral resource estimate by a qualified independent geologist or mining engineer of not less than 5,000,000 tonnes on each kimberlite pipe or dyke; and
- issue 166,667 Performance Shares upon completion of a feasibility study.

Expressed in Canadian Dollars (unaudited)

4. Exploration and evaluation assets (continued)

Contwoyto Property in Nunavut, Canada

Total costs incurred on the Contwoyto Property are summarized as follows:

		Acquisition		Exploration		Total
Balance, February 28, 2018	**$**	**167,151**	**$**	**456,113**	**$**	**623,264**
Acquisition costs		63,705		-		63,705
Drilling		-		(3,800)		(3,800)
Geology		-		2,541		2,541
Assay		-		6,029		6,029
Permits		-		550		550
Balance, February 28, 2019	**$**	**230,856**	**$**	**461,433**	**$**	**692,289**
Geology		-		1,704		1,704
Balance, November 30, 2019	**$**	**230,856**	**$**	**463,137**	**$**	**693,993**

During the year ended February 28, 2018, the Company signed a property purchase agreement to acquire an undivided interest in the Contwoyto Property that contains the potential for diamond-bearing kimberlites along with historical gold occurrences from North Arrow Minerals Inc. ("North Arrow"), in consideration for $100,000 total cash payments and the issuance of 333,333 shares of the Company. As at February 28, 2018 the Company had paid the initial cash payment of $50,000, upon closing of the property purchase agreement and issued the 333,333 shares.

During the year ended February 28, 2019, the Company paid the remaining $50,000 cash payment.

In further consideration of the Contwoyto Property, the Company agreed to:

- grant North Arrow a 1% GOR/NSR (gross overriding royalty/net smelter return) and purchase half the royalty (0.5%) for $1-million at any time. Butterfly Interests included in the property carry a 5% royalty subject to terms of specific royalty agreements;
- issue 166,667 common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces within an already established mineralized zone; and
- issue 166,667 common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces outside of the established mineralized zone, but within the area of interest.

Expressed in Canadian Dollars (unaudited)

5. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value.

A summary of changes in common share capital in the period is as follows:

	Number of shares		Amount
Balance, February 28, 2019	**42,198,020**	**$**	**8,561,669**
Shares issued in private placements	32,424,243		9,500,000
Shares issued for exploration and evaluation assets	12,000,000		4,860,000
Share issuance costs	-		(771,984)
Finders warrants issued	-		(354,482)
Flow-through premium liability	-		(221,721)
Share issued upon exercise of options	390,000		129,000
Share issued upon exercise of warrants	8,497,176		1,912,462
Balance, November 30, 2019	**95,509,439**	**$**	**23,614,944**

During the period, the Company issued 12,000,000 common shares for property acquisition (note 3).

During the period, the Company completed a non-brokered private placement of 9,090,909 flow-through common shares at $0.22 per share to raise $2,000,000 in gross proceeds. The proceeds will be used to incur qualifying Canadian exploration expenses (the "Qualifying Expenses") on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers, and each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finder's fees to arm's length finders of $123,245 and issued 560,204 warrants to certain arm's length finders.

During the period, the Company completed a brokered private placement with a combination of 18,333,334 units at $0.30 per unit for gross proceeds of $5,500,000 and 5,000,000 flow-through common shares at $0.40 per share for gross proceeds of $2,000,000. Each unit consisted of one common share and one-half non-transferable share purchase warrant of the Company. Each whole warrant is exercisable to acquire one additional common share at $0.40 per share until September 27, 2021. The proceeds from the flow-through common shares will be used to incur Qualifying Expenses on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers. Each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finders' fees of $421,950 and issued 1,306,500 warrants to certain arm's length finders

Expressed in Canadian Dollars (unaudited)

5. Share capital (continued)

b) Warrants

A summary of share purchase warrant activity in the period is as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2019	**18,013,591**	**$ 0.23**
Issued	11,033,369	0.38
Exercised	(8,497,176)	0.23
Expired	(68,700)	0.54
Balance, November 30, 2019	**20,481,084**	**$ 0.31**

As part of the June 10, 2019 private placement, the Company issued 560,204 finders' warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.22 until June 10, 2021. The fair value of finders' warrants granted was $44,816 and was recorded as an offset against share capital.

As part of the September 27, 2019 private placement, the Company issued 9,166,665 warrants and 1,306,500 finders' warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.40 until September 27, 2021. Each finders' warrant entitles the holder to purchase and additional common share at a price of $0.30 until September 27, 2021. The fair value of finders' warrants granted was $309,667 and was recorded as an offset against share capital.

A summary of the warrants outstanding and exercisable is as follows:

November 30, 2019			February 28, 2019		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
$ -	-	-	$ 0.54	68,700	0.33
0.225	8,739,407	0.52	0.225	17,166,096	1.28
0.36	552,595	0.52	0.36	552,595	1.28
0.25	206,100	0.85	0.25	226,200	1.62
0.22	509,817	0.48	-	-	-
0.40	9,166,665	1.82	-	-	-
0.30	1,306,500	1.82	-	-	-
$ 0.31	**20,481,084**	**1.19**	**$ 0.23**	**18,013,591**	**1.28**

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options.

Expressed in Canadian Dollars (unaudited)

5. Share capital (continued)

c) Stock options (continued)

The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors

	Number of options	Weighted average exercise price
Outstanding options, February 28, 2019	**4,094,998**	**$ 0.23**
Issued	350,000	0.26
Cancelled	(120,000)	0.19
Exercised	(390,000)	0.18
Expired	(250,000)	0.18
Outstanding options, November 30, 2019	**3,684,998**	**0.24**
Exercisable options, November 30, 2019	**3,429,998**	**$ 0.23**

On July 9, 2019, the Company granted incentive stock options, for the option to purchase up to 250,000 common shares. The options are exercisable at a price of $0.25 cents per common share, for a period of five years. The estimated fair value of these options of $50,000, or $0.20 per option, has been recorded as share-based compensation expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.24; expected life, 5 years; expected volatility, 129%; risk-free rate 1.56%; expected dividends, 0%.

On July 22, 2019, the Company granted incentive stock options, for the option to purchase up to 100,000 common shares. The options are exercisable at a price of $0.30 cents per common share, for a period of five years. The estimated fair value of these options of $25,000, or $0.25 per option, has been recorded as share-based compensation expense in the period and as an increase to option and warrant reserve, and was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price $0.30; expected life, 5 years; expected volatility, 129%; risk-free rate 1.39%; expected dividends, 0%.

A summary of the options outstanding is as follows:

November 30, 2019			February 28, 2019		
Exercise Price	**Number of options**	**Remaining contractual life (years)**	**Exercise Price**	**Number of options**	**Remaining contractual life (years)**
$ 0.33	633,332	1.13	$ 0.33	633,332	1.90
0.435	16,666	1.90	0.435	16,666	2.70
0.30	765,000	3.27	0.30	765,000	4.00
0.16	1,220,000	3.64	0.16	1,480,000	4.40
-	-	-	0.18	250,000	0.50
0.20	700,000	4.03	0.20	950,000	4.80
0.25	250,000	4.61	-	-	-
0.30	100,000	4.65	-	-	-
$ 0.24	**3,684,998**	**3.29**	**$ 0.22**	**4,094,998**	**3.79**

6. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk as low, but acknowledges this may change in the future.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

6. Financial instruments and risk management (continued)

Commodity price risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash are held with financial institutions in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at November 30, 2019, all of the Company's account payable and accrued liabilities of $1,172,080 are due within one year.

Determination of fair value

The statement of financial position carrying amounts for cash and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3: unobservable inputs for the asset or liability.

Expressed in Canadian Dollars (unaudited)

6. Financial instruments and risk management (continued)

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

As at November 30, 2019:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 4,815,939	-	-	$ 4,815,939

As at February 28, 2019:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 377,498	-	-	$ 377,498

7. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the nine months ended	**November 30, 2019**	**November 30, 2018**
Management fees paid to companies controlled by directors, officers	**$ 107,500**	$ 249,500
Management fees paid to companies controlled by directors, officers - capitalized to exploration and evaluation assets	**$ 72,500**	54,500
Share based payments	**-**	185,795
	$ 180,000	$ 489,795

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the nine months ended	**November 30, 2019**	**November 30, 2018**
Short term benefits	**$ 180,000**	$ 304,000
Share based payments	**-**	185,795
	$ 180,000	$ 489,795

At November 30, 2019, accounts payable and accrued liabilities include $33,347 (2018 - $7,717) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

8. Flow-through premium liability

During the year ended February 28, 2019, the Company issued 4,090,000 flow-through shares for gross proceeds of $1,022,500 and recognized a deferred flow-through premium of $46,800, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at May 31, 2019, the Company incurred $341,297 of required eligible exploration expenditures relating to these flow-through shares. As a result, the amount of $17,222 in connection with the settlement of the flow-through liability was recognized in other income. As at August 31, 2019, the Company had incurred the required eligible exploration expenditures relating to these flow-through shares.

During the nine months ended November 30, 2019, the Company issued 14,090,909 flow-through shares (note 5) for gross proceeds of $3,897,040 and recognized a deferred flow-through premium of $221,721, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units.

As at November 30, 2019, the Company is still required to spend $558,647 in eligible exploration relating to these flow-through shares.

9. Capital management

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

As at November 30, 2019, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

10. Subsequent events

Private Placement

Subsequent to November 30, 2019, the Company completed a brokered private placement of 13,673,334 flow-through common shares units at $0.45 per share for gross proceeds of $6,153,000. Each unit consisted of one flow-through common share and one-half of a non flow-through common share purchase warrant of the Company. Each whole warrant is exercisable to acquire one additional common share at $0.40 per share until December 30, 2021. The proceeds from the flow-through common shares will be used to incur Qualifying Expenses on the Lawyers Property, British Columbia, and the Company will renounce the Qualifying Expenses to the subscribers. Each subscriber will be entitled to their pro rata share of the flow-through expenses renounced, a 15% federal tax credit and, if a BC resident, at least 20% BC mining expenditures tax credit, less any government assistance. The Company paid finders' fees of $369,180 and issued 820,400 warrants to certain arm's length finders.