Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the three month periods ended November 30, 2019 and 2018

(expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of Carube Copper Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's Audit Committee and Board of Directors has reviewed and approved these condensed consolidated interim financial statements.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements.

Carube Copper Corp.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Financial Position

(expressed in Canadian dollars)

	November 30, 2019 $	August 31, 2019 $
Assets		
Current assets:		
Cash and cash equivalents	106,512	109,863
Restricted deposits (note 4)	15,190	15,107
Amounts receivable (note 5)	16,023	49,990
Prepaid expenses	56,439	35,435
Marketable securities (note 6)	69,500	37,500
	263,664	247,895
Equipment	27,852	30,114
Mineral exploration properties (note 7)	5,830,710	5,831,490
Deferred exploration expenditures (note 7)	5,345,686	5,423,670
	11,204,248	11,285,274
Total assets	11,467,912	11,533,169
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	203,321	151,253
Total liabilities	203,321	151,253
Shareholders' equity		
Capital stock (note 8)	18,768,964	18,577,354
Warrants (note 8)	516,877	450,487
Contributed surplus	2,041,567	2,034,369
Accumulated deficit	(9,608,060)	(9,349,651)
Accumulated other comprehensive loss	(454,757)	(330,643)
Total shareholders' equity	11,264,591	11,381,916
Total liabilities and shareholders' equity	11,467,912	11,533,169

Going concern (note 1)

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

Approved by the Board of Directors:

/s/ Antony Manini
Director

/s/ Alar Soever
Director

Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Consolidated Interim Statements of Operations and Comprehensive Loss

(expressed in Canadian dollars)

	Three months ended November 30, 2019 $	Three months ended November 30, 2018 $
Expenses		
Promotion and investor relations	12,691	32,768
Regulatory authority and transfer agent fees	4,857	4,809
Legal, accounting, audit and financial advisory	16,289	12,816
Office, general and administrative	91,345	131,109
Project generation and evaluation	157,998	93,268
Share based compensation (note 8)	7,198	29,952
	290,378	304,722
Interest income	(255)	(4,205)
Gain on marketable securities (note 6)	(32,000)	-
Foreign exchange loss	286	42
	(31,969)	(4,163)
Net loss for the period	258,409	300,559
Other comprehensive loss (income)		
Items that may be subsequently reclassified to operations		
Foreign currency translation adjustment	124,114	(318,815)
Total comprehensive loss (income) for the period	382,523	(18,256)
Loss per common share:		
Basic and diluted	0.00	0.00
Weighted average number of common shares outstanding:		
Basic and diluted	175,835,500	170,272,576

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

Carube Copper Corp.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity

(expressed in Canadian dollars)

	Capital stock		Warrants		Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	#	$	#	$	$	$	$	$
Balance, August 31, 2019	170,806,929	18,577,354	25,775,000	450,487	2,034,369	(9,349,651)	(330,643)	11,381,916
Net loss for the period	-	-	-	-	-	(258,409)	-	(258,409)
Foreign currency translation adjustment	-	-	-	-	-	-	(124,114)	(124,114)
Total comprehensive loss for the period	-	-	-	-	-	(258,409)	(124,114)	(382,523)
Private placement of units (note 8)	5,200,000	193,610	5,200,000	66,390	-	-	-	260,000
Share issue costs	-	(2,000)	-	-	-	-	-	(2,000)
Stock option compensation charge (note 8)	-	-	-	-	7,198	-	-	7,198
	5,200,000	191,610	5,200,000	66,390	7,198	(258,409)	(124,114)	(117,325)
Balance, November 30, 2019	176,006,929	18,768,964	30,975,000	516,877	2,041,567	(9,608,060)	(454,757)	11,264,591
Balance, August 31, 2018	169,074,126	18,392,195	42,900,000	708,112	1,728,459	(7,078,506)	(433,194)	13,317,066
Net loss for the period	-	-	-	-	-	(300,559)	-	(300,559)
Foreign currency translation adjustment	-	-	-	-	-	-	318,815	318,815
Total comprehensive loss for the period	-	-	-	-	-	(300,559)	318,815	18,256
Shares issued for vested restricted share units (note 8)	86,250	6,900	-	-	(6,900)	-	-	-
Shares issued for vested deferred share units (note 8)	1,331,276	143,209	-	-	(143,209)	-	-	-
Restricted share units (note 8)	-	-	-	-	4,025	-	-	4,025
Stock option compensation charge (note 8)	-	-	-	-	25,927	-	-	25,927
	1,417,526	150,109	-	-	(120,157)	(300,559)	318,815	48,208
Balance, November 30, 2018	170,491,652	18,542,304	42,900,000	708,112	1,608,302	(7,379,065)	(114,379)	13,365,274

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

Carube Copper Corp.

(An Exploration Stage Company)

Unaudited Consolidated Interim Statements of Cash Flows

(expressed in Canadian dollars)

	Three months ended November 30, 2019 $	Three months ended November 30, 2018 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(258,409)	(300,559)
Items not affecting cash:		
Share based compensation (note 8)	7,198	29,952
Depreciation of equipment	197	20
Interest income on restricted deposits	(83)	(74)
Gain on marketable securities	(32,000)	-
Change in working capital items:		
Amounts receivable	33,967	2,805
Prepaid expenses	(21,004)	(17,261)
Accounts payable and accrued liabilities	48,836	(3,437)
	(221,298)	(288,554)
Investing activities		
Mineral exploration properties costs (note 7)	(276)	(796)
Deferred exploration expenditures (note 7)	(39,777)	(146,050)
	(40,053)	(146,846)
Financing activities		
Issuance of common shares and warrants (note 8)	260,000	-
Share issue costs	(2,000)	-
	258,000	-
Net change in cash and cash equivalents	(3,351)	(435,400)
Cash and cash equivalents - Beginning of period	109,863	1,220,668
Cash and cash equivalents - End of period	106,512	785,268

Supplemental cash flow information (note 13)

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

(expressed in Canadian dollars)

1. Nature of operations and going concern

General information

On June 18, 2015, Miocene Resources Limited ("Miocene"), renamed Carube Copper Corp. (referred to herein collectively with its subsidiaries as the "Company"), completed a reverse takeover with Carube Resources Inc. (CRI). On July 7, 2015, the Company commenced trading on the TSX Venture Exchange ("TSX-V") under the ticker symbol CUC.

Carube Copper Corp. is an exploration stage junior mining company. Since November of 2009, the Company has been engaged in the identification, acquisition, evaluation and exploration of mineral properties. The Company has not determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's registered office is located at 133 Richmond Street West, Suite 501, Toronto, Ontario, Canada where it is domiciled. The Company's subsidiaries include Carube Resources Inc., domiciled in Toronto, Canada and Carube Resources Jamaica Limited and Rodinia Jamaica Limited, which are both domiciled in Kingston, Jamaica.

Going concern

These consolidated financial statements have been prepared using International Financial Reporting Standards (IFRS) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

From November 2009 to date, the Company has incurred losses from operations and has had negative cash flows from operating activities. As at November 30, 2019, the Company had working capital of $60,343. Existing funds on hand are not sufficient to support ongoing corporate costs, exploration costs or costs of acquiring new exploration properties. These conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. During August 2019, the Company announced a letter of intent for the acquisition of Latin America Resource Group Limited ("LARG") by way of a share exchange along with a $2.5 million private placement financing. This private placement closed on January 17, 2020 (see note 14). During September 2019, the Company concluded a private placement financing raising gross proceeds of $260,000 (see note 8). The Company will require additional funding to be able to acquire, advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; the generation of profits from operations; or, the sale of property assets in the future.

There is no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to management.

These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Significant accounting policies

Statement of compliance with International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). These condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the years ended August 31, 2019 and 2018 which have been prepared in accordance with IFRS.

These financial statements were approved by the board of directors for issue on January 28, 2020.

General information and basis of consolidation

Carube Copper Corp. (formerly Miocene Resources Limited) was incorporated under the *Business Corporations Act (Ontario)* on March 29, 2010. The Company completed a reverse takeover with CRI on June 18, 2015. Carube Resources Inc. was incorporated under the *Business Corporations Act (Ontario)* on August 2, 2007 under the name 2144321 Ontario Inc. and was inactive until October 2009 at which time its name was changed to CRI. On March 31, 2011, CRI incorporated Carube Resources Jamaica Limited (CRJL), a wholly-owned Jamaican subsidiary, in order for it to hold the Bellas Gate project mineral exploration licences and to conduct business as operator of the project. On March 31, 2012, CRI acquired all of the outstanding shares of Rodinia Jamaica Limited (RJL) in exchange for common shares of CRI. RJL held title to four Special Exclusive Prospecting Licenses (SEPLs) in Jamaica.

The Company's financial statements consolidate those of the parent company and each of its 100% wholly-owned subsidiaries CRI, CRJL and RJL. All inter-company balances and transactions are eliminated upon consolidation. The consolidated financial statements are expressed in Canadian dollars and are prepared using the historical cost method.

Critical accounting estimates and judgments

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2019.

(expressed in Canadian dollars)

3. Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared using accounting policies that are consistent with those used in the preparation of the Company's audited annual consolidated financial statements for the years ended August 31, 2019 and 2018 except as described in the notes to these condensed consolidated interim financial statements.

Changes in IFRS accounting policies and future accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting years ended after December 31, 2019. Many are not applicable or do not have a significant impact on the Company and have been excluded from the summary below.

IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23")
In June 2017, the IASB issued IFRIC 23. IFRIC 23 clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 and requires an entity to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it uses or plans to use in its income tax filing. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 and permits early adoption. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

4. Restricted deposits

The Company has established a corporate credit card account for the payment of travel and corporate costs. An amount of $15,190 (August 31, 2019 - $15,107) held in a guaranteed investment certificate has been pledged as collateral for the maximum credit limit on this credit card account.

5. Amounts receivable

	November 30, 2019 $	August 31, 2018 $
Harmonized sales tax (HST) receivable	16,023	14,928
Quebec exploration tax credits receivable	-	35,062
	16,023	49,990

6. Marketable securities

During March 2019, the Company received 500,000 common shares of Tocvan Ventures Corp. ("Tocvan") under the terms of the option agreement for the Rogers Creek, BC project (see note 8). These shares are classified as fair value through profit and loss and are recorded at fair value using the quoted market price of Tocvan's common shares on the Canadian Securities Exchange. The following table summarizes information regarding the Company's marketable securities.

	$
Addition during March 2019 (note 8)	50,000
Unrealized loss	(12,500)
Balance, August 31, 2019	37,500
Unrealized gain	32,000
Balance, November 30, 2019	69,500

(expressed in Canadian dollars)

7. Mineral exploration properties and deferred exploration expenditures

	Bellas Gate (Jamaica) $	Rodinia and Other Licenses (Jamaica) $	Stewart Brook Gold (Nova Scotia, Canada) $	Rogers Creek, Mackenzie and Salal (BC, Canada) $	Total $
Mineral exploration properties:					
Balance, August 31, 2019	1,732,373	867,130	2,602	3,229,385	5,831,490
Licence and claim renewal fees	138	138	-	-	276
Translation to reporting currency	(538)	(518)	-	-	(1,056)
Balance, November 30, 2019	1,731,973	866,750	2,602	3,229,385	5,830,710
Balance, August 31, 2018	1,730,188	1,995,545	-	3,303,943	7,029,676
License and claim renewal fees	796	-	-	-	796
Translation to reporting currency	1,550	2,434	-	-	3,984
Balance, November 30, 2018	1,732,534	1,997,979	-	3,303,943	7,034,456
Deferred exploration expenditures:					
Balance, August 31, 2019	4,416,175	612,740	28,971	365,784	5,423,670
Geology	8,471	14,481	5,047	3,344	31,343
Geochemical	295	902	-	825	2,022
Drilling and related	8,222	-	-	-	8,222
Environmental	239	239	-	-	478
Community and social development	1,418	322	-	-	1,740
Health and safety	225	-	-	-	225
Translation to reporting currency	(111,716)	(10,298)	-	-	(122,014)
Balance, November 30, 2019	4,323,329	618,386	34,018	369,953	5,345,686
Balance, August 31, 2018	4,189,043	521,234	-	327,463	5,037,740
Geology	10,201	82,887	-	600	93,688
Geochemical	-	20,616	-	550	21,166
Drilling and related	31,208	21,902	-	-	53,110
Environmental	-	11	-	-	11
Community and social development	3,850	6,117	-	-	9,967
Health and safety	800	2,048	-	-	2,848
Translation to reporting currency	294,549	15,861	-	-	310,410
Balance, November 30, 2018	4,529,651	670,676	-	328,613	5,528,940

Bellas Gate property agreements

OZ Minerals Ltd. agreements

Current OZ Minerals agreement
During September 2016, the Company announced it had finalized a heads of agreement ("HoA") with OZ Minerals Ltd., an Australian copper-gold producer listed on the Australian Securities Exchange ("OZ Minerals"), to acquire all of OZ Minerals' property holdings in Jamaica which include the 70% interest that OZ Minerals had earned in the Bellas Gate Project (see below) and five licences covering 276 square kilometres which OZ Minerals had acquired directly in 2014. Additionally, the Company retained a 100% interest in the Above Rocks project as OZ Minerals elected not to proceed with the joint venture earn-in (see below). A definitive legal agreement incorporating the terms of the HoA was concluded in January 2017.

Under the terms of the definitive agreement, for the acquisition of the 70% interest in the Bellas Gate Project the Company is obligated to: (i) pay OZ Minerals $8.5 million within one year of commencement of commercial production at Bellas Gate; (ii) pay OZ Minerals an additional $4 million within two years of commencement of commercial production; and, (iii) grant OZ Minerals a 2% net smelter royalty (NSR) with a buyback right of two-thirds of the NSR for $1.3 million with any NSR payments capped at a maximum amount of $20 million.

(expressed in Canadian dollars)

Additionally, the Company acquired a 100% interest in the five OZ Minerals licences consisting of the Arthur's Seat, Berkshire Hall, Mount Ogle, Shirley Castle and Windsor Castle Special Exclusive Prospecting Licences (SEPLs). Under the terms of the January 2017 agreement the Company was obligated to provide OZ Minerals a single payment of $1.5 million within one year of commencement of commercial production on any of the five licences. Each of the licences was subject to a 2% NSR with a buyback of one-half of the NSR for $500,000. During May 2019, the Company completed amendments to the agreement with OZ Minerals to: (i) waive the $1.5 million payment within one year of commencement of commercial production if the mineral product is less than 10,000 tonnes per annum; and, (ii) reduce the 2% NSR to a 1% NSR with a buyback of one-half for $250,000 on any of the SEPLs.

On June 19, 2019, the Company announced an agreement with Geophysx Jamaica Ltd. ("Geophysx"), pursuant to which Geophysx agreed to acquire six of the Company's SEPLs located in Jamaica including four of the SEPLs acquired from OZ Minerals and two of the Rodinia SEPLs. The SEPLs contain early-stage copper-gold exploration projects and include the Belvedere, Mount Royal, Mount Ogle, Berkshire Hall, Windsor Castle and Shirley Castle SEPLs.

Pursuant to this agreement, Geophysx acquired a 100% interest in each of the projects for total cash of $277,605 (payment of US$5,000 upon execution of the initial letter of intent (received during May 2019); and, payment of US$205,000 from trust upon transfer of title of the SEPLs to Geophysx (received August 2019)). The Company retains a net smelter return (NSR) royalty of 1% on four of these SEPLs. Geophysx will have the right to buy down the first half of the NSR for US$50,000 per each 0.1% of the NSR (total of US$250,000) and the second half of the NSR for US$70,000 per each 0.1% of the NSR (total of US$350,000). Geophysx would make future cash payments to the Company at milestones following commencement of commercial production that could total US$240,000. The Company recorded a loss on sale of these licences of $980,295.

Preceding OZ Minerals agreements
During May 2013, the Company entered into a term sheet with OZ Minerals that lead to a farm-in joint venture agreement relating to the Bellas Gate Project which consists of the Bellas Gate and Browns Hall SEPLs which total 84 sq. km. in area.

The term sheet provided that upon certain conditions being met, that OZ Minerals and the Company would enter into an agreement which would potentially lead to a joint venture with respect to the Bellas Gate Project and the Company would grant OZ Minerals a right to enter into separate agreements on each of the Company's other projects in Jamaica (which comprise the other four SEPLs, excluding the Bellas Gate Project SEPLs). OZ Minerals agreed to make a US$900,000 equity investment in the Company, which was completed during January 2014, when OZ Minerals confirmed the satisfactory completion of their due diligence and that any conditions precedent had been satisfied such that the terms of the May 2013 term sheet became binding on OZ Minerals and the Company. A definitive agreement incorporating the terms contained in the term sheet and other conditions that are customary for mining exploration project joint venture agreements was completed during May 2015.

Significant terms of the definitive agreement included an initial phase of work by OZ Minerals for $500,000 of exploration expenditures. In total, to earn a 70% interest in the Bellas Gate Project, OZ Minerals was required to spend $6.5 million on exploration and make cash payments to the Company of $475,000 over a maximum period of 3.5 years. During January 2016, the Company announced that OZ Minerals had incurred cumulative exploration expenditures in excess of $8.3 million and had fulfilled the Phase 4 earn-in requirements to have a vested 70% interest in the Bellas Gate Project. OZ Minerals was then able to earn a further 10% interest by financing all work to the end of a feasibility study. This Phase 5 of the earn-in was initiated during February 2016.

Additionally, OZ Minerals was provided the option to fly airborne geophysics over the Company's other three Jamaican projects (comprised of four SEPLs, see *Rodinia Jamaica property licenses* below) in return for the right to enter into joint ventures on any or all of the projects. OZ Minerals completed the airborne geophysics during June 2015. During September 2015, the Company and OZ Minerals entered into a definitive agreement with respect to the earn-in and potential joint venture on the Above Rocks Project. OZ Minerals did not elect to proceed with joint ventures on the Hungry Gully and Main Ridge Projects.

The Bellas Gate Project is subject to a 2% NSR in favour of Clarendon Consolidated Minerals Ltd. ("CCM").

Rodinia Jamaica property licenses

Acquisition of Rodinia Jamaica Limited
On March 31, 2012, the Company completed the acquisition of a 100% interest in Rodinia Jamaica Limited ("RJL") from Tigers Realm Metals Pty Limited ("TRM") and Rodinia Resources Pty Limited ("Rodinia"). At the time of the acquisition TRM held a non-controlling equity interest in the Company. RJL held a 100% interest in four SEPLs in Jamaica which are known as Belvedere, Hungry Gully, Main Ridge and Mount Royal and total 184 sq. km. in area. The Belvedere and Mount Royal SEPLs are contiguous and are considered one project area known as Above Rocks. Rodinia retains a 2% NSR in respect of the four SEPLs. The acquisition agreement for the SEPLs included certain commitments to conduct exploration work on the SEPLs within specified time periods as amended during December 2013. A series of common share issuances were completed during calendar 2014 and 2015 in lieu of completing the exploration work commitments. No further commitments remain.

OZ Minerals definitive agreement
During September 2015, the Company entered into a definitive agreement with OZ Minerals related to the earn-in and potential joint venture with respect to the Rodinia Jamaica licences comprising three separate projects. Terms of the agreement are as follows.

OZ Minerals had to elect on which projects it wished to earn into before December 20, 2015, and subsequently pay $50,000 to the Company within 30 days and spend $500,000 on exploration within one year of the election date to earn a 40% interest in each project elected. OZ Minerals then had a right to earn up to a 70% interest in any one of the three projects, in a staged earn-in, by paying $275,000 to the Company and solely funding $6.5 million of exploration expenditures over a period of five years or less. Thereafter, OZ Minerals could have advanced its interest in a project to 80% by solely funding all costs required for the completion of a National Instrument 43-101-compliant, Joint Ore Reserves Committee standard feasibility study.

(expressed in Canadian dollars)

On December 7, 2015, OZ Minerals provided the Company notice of its election to initiate an earn-in and potential joint venture with respect to the Above Rocks Project (comprising two SEPLs), totalling 104 sq. km. in area. The Company received the initial cash payment of $50,000 during December 2015. This payment was recorded as a reduction of mineral exploration property costs. OZ Minerals did not elect to proceed with joint ventures on the Hungry Gully and Main Ridge Projects. During September 2016, OZ Minerals elected not to continue with the Above Rocks earn-in.

Sale of licences to Geophysx Jamaica Ltd.
On June 19, 2019, the Company announced an agreement with Geophysx, pursuant to which Geophysx agreed to acquire six of the Company's SEPLs including four of the SEPLs acquired from OZ Minerals and the Belvedere and Mount Royal SEPLs (see above). The Company retains a 100% interest in the Hungry Gully and Main Ridge SEPLs subject to Rodinia's 2% NSR. In total, the Company recorded a loss on sale of these six licences of $980,295.

Stewart Brook Gold project, Nova Scotia
During April, 2019, the Company acquired, through staking, a 100% interest in 300 mineral claims covering the Stewart Brook Gold project area comprising over 46 sq. km. in Guysborough County, Nova Scotia.

Rogers Creek, Mackenzie and Salal properties
The Rogers Creek, Mackenzie and Salal projects were acquired with the reverse takeover of Miocene. These properties are described as follows.

Rogers Creek
The Company currently has a 100% interest in the Rogers Creek property, which is subject to the earn-in by Tocvan Ventures Corp. ("Tocvan") discussed below, and is located within the Coastal Mountain Belt of British Columbia, northeast of Vancouver and consists of 23 claims totalling 212 sq. km. in area. A 2.5% NSR royalty is payable to the original vendor of the property upon production, half of which can be purchased for $1.25 million.

During May 2018, the Company entered into an option earn-in agreement with Tocvan who has a right to earn an 80% interest in the Rogers Creek project by spending $1,900,000 on exploration; payment of $25,000 cash; and the issuance of 1,300,000 Tocvan common shares over the initial four year earn-in period. Initial payments of $25,000 cash and 500,000 common shares were payable following the Canadian Securities Exchange's approval of Tocvan's going public transaction. These initial payments were received during March 2019. Following the successful completion of the earn-in, an 80% / 20% joint venture will be formed where the Company would retain a 20% interest in the project subject to funding future pro-rata expenditures. A 3% NSR royalty is payable by Tocvan to the Company with advance royalty payments of $50,000 per year after Tocvan has earned its 80% interest.

Mackenzie
The Company has a 100% interest in the Mackenzie property located within the Coastal Mountain Belt of British Columbia, north of Vancouver which consists of 12 claims totalling 125 sq. km. in area. The property is subject to a 2% NSR royalty which is payable upon production, 62.5% of which can be purchased at $1 million adjusted for the Consumer Price Index for the City of Vancouver. The Company has the first right of refusal to purchase the remaining 37.5% of the NSR. Additionally, a 1.75% NSR royalty on the Mackenzie property was granted to Wallbridge Mining Company Ltd. ("Wallbridge") in connection with Miocene's prior line of credit arrangements with Wallbridge. The Wallbridge NSR can be repurchased for $1.75 million.

Salal
The Salal property consisted of 34 claims totalling 124 sq. km. in area and is located within the Coastal Mountain Belt of British Columbia, northeast of Vancouver. A full impairment charge with respect to prior property and exploration costs associated with the Salal property was recorded by Miocene during 2013. No additional expenditures have been incurred since this time. The Salal property claims were allowed to lapse during August 2019.

8. Capital stock

Authorized
The Company is authorized to issue an unlimited number of common shares, having no par value.

Issued
Private placement financing closed in September 2019
During September 2019, the Company completed a private placement financing raising total gross proceeds of $260,000 with the issuance of 5,200,000 units. Each unit was comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at $0.08 per share and expires on September 4, 2022. These warrants were recorded at a value of $66,390.

Share issuances during fiscal 2019
During the year ended August 31, 2019, the Company issued a total of 239,583 common shares for vested restricted share units which were valued at $20,700. Additionally, the Company issued a total of 1,493,220 common shares for vested deferred share units which were valued at $165,209.

Warrants
As at November 30, 2019, a total of 30,975,000 warrants were outstanding as follows:

Number	Exercise price $	Expiry date
5,200,000	0.08	September 4, 2022
970,250	0.10	February 1, 2020
14,911,666	0.10	March 22, 2020
9,118,084	0.10	March 29, 2020
775,000	0.25	May 1, 2020
30,975,000	0.10	

(expressed in Canadian dollars)

During March 2019, a total of 10,000,000 warrants exercisable at $0.15 expired. During May 2019, a total of 6,500,000 warrants exercisable at $0.15 expired. During August 2019 a total of 625,000 warrants exerciable at $0.13 expired.

The fair value of warrants have been estimated using the Black-Scholes option pricing model and this value has been presented as a separate component of shareholders' equity. The range of assumptions used for the valuation of warrants during fiscal 2020 is as follows.

	2020
Expected life in years	3.0
Expected volatility	91%
Risk-free interest rate	1.70%
Dividend yield	Nil

Compensation options and compensation option warrants

In connection with the February / March 2018 unit financing, the Company issued an aggregate of 2,035,500 compensation options to eligible finders. These compensation options are exercisable at $0.06 per unit to obtain one common share and one-half common share purchase warrant and expire March 22, 2020 and March 29, 2020. A potential total of 1,017,750 common share purchase warrants are issuable upon exercise of the compensation options. These common share purchase warrants would be exercisable to obtain a common share at $0.10 per share and would expire on March 22, 2020 or March 29, 2020. These compensation options were valued at $85,850 at initial recognition.

The fair value of outstanding compensation options has been estimated using the Black-Scholes option pricing model and these values have been recorded in contributed surplus and share issue costs reducing capital stock. The assumptions used for the valuation of compensation options are as follows: expected life of two years; expected volatility of 58%; risk-free interest rate of 1.61%; and, dividend yield of nil.

Stock options

During October 2010, the Company approved a stock option plan available to its employees, officers, directors and service providers. The number of options available under the plan is a maximum of 10% of the total number of issued and outstanding common shares. The Compensation Committee recommends to the Board the vesting period and exercise rights for each stock option granted.

Activity with respect to stock options is as follows:

	Number	Weighted-average exercise price $	Expiry
Balance, August 31, 2018	8,935,000	0.13	February 2021 to July 2023
Granted	6,200,000	0.08	May 2024
Balance, August 31, 2019 and November 30, 2019	15,135,000	0.11	February 2021 to May 2024

As at November 30, 2019 outstanding stock options are as follows:

Options outstanding			Options exercisable		
Exercise price $	Number of options	Weighted-average remaining contractual life (years)	Number of options	Weighted-average remaining contractual life (years)	Expiry
0.08	2,350,000	1.3	2,350,000	1.3	February 28, 2021
0.08	6,200,000	4.4	6,200,000	4.4	May 15, 2024
0.10	2,085,000	2.4	2,085,000	2.4	April 30, 2022
0.10	500,000	2.6	500,000	2.6	June 22, 2022
0.10	1,000,000	3.7	1,000,000	3.7	July 31, 2023
0.15	1,000,000	3.7	1,000,000	3.7	July 31, 2023
0.20	1,000,000	3.7	-	3.7	July 31, 2023
0.25	1,000,000	3.7	-	3.7	July 31, 2023
	15,135,000	3.4	13,135,000	3.3	

(expressed in Canadian dollars)

During May 2019, the Company granted a total of 6,200,000 stock options exercisable at $0.08 per share to officers and directors of the Company. During August 2018, the Company granted a total of 4,000,000 stock options to its new Chief Executive Officer. These stock options comprise four tranches of 1,000,000 with exercise prices of each tranche being $0.10, $0.15, $0.20 and $0.25. The first two tranches vested after one year while the final two tranches vest after two years.

During the three month period ended November 30, 2019, the Company recorded a total of $7,198 (Q1 fiscal 2019 - $25,927) in share based compensation expense related to stock options. Share based compensation amounts are included in shareholders' equity as contributed surplus. The values determined using the Black-Scholes option pricing model, with respect to stock options granted during fiscal 2019 and 2018, utilized the following assumptions and values.

	2019	2018
Expected volatility	80%	78%
Expected option life (in years)	5.0	5.0
Risk-free interest rate	1.70%	1.97%
Expected dividend yield	Nil	Nil
Weighted-average exercise price	0.08	0.18
Weighted-average market price at grant date	0.04	0.07
Weighted-average fair value	0.02	0.03

The Company determines expected volatility in relation to both historical Company volatility and by analysis of comparable companies in the mineral exploration sector.

Restricted share unit / Deferred share unit plan ("RSU / DSU Plan")

On June 13, 2013, Company shareholders adopted a RSU/DSU Plan. The Plan provides for granting of RSUs and DSUs for the purpose of advancing the interests of the Company through motivation, attraction and retention of employees, consultants and non-employee directors by granting equity-based compensation incentives, in addition to the Company's stock option plan. The number of shares reserved for issuance for the RSU/DSU Plan and the stock option plan combined shall not exceed 20% of the issued and outstanding common shares on the date of adoption. Under the RSU/DSU Plan, no cash settlements are made as settlement is in common shares only. On June 16, 2017, shareholders of the Company approved an increase in the number of common shares reserved for the RSU/DSU Plan to 9,126,451. Under the terms of the RSU/DSU Plan, the number of common shares issued and issuable to insiders within a one-year period shall not exceed 10% of the issued and outstanding common shares; and, to any one insider within one year shall not exceed 5% of the issued and outstanding common shares. The maximum grant within a one-year period to any one participant shall not exceed 5% of the total issued and outstanding common shares.

Restricted share units

RSUs are used to compensate participants for their individual performance based achievements and corporate performance, and they are intended to supplement stock option awards. The Company's Compensation Committee may determine the vesting schedule of RSUs at the time of grant. The settlement date shall be no later than the third anniversary of the date of grant and all payments in respect of the vested units shall be paid in full before the end of the same calendar year. Non-vested RSUs are forfeited if the participant voluntarily leaves employment with the Company. On exercise of RSUs, the shares are issued from treasury.

As at November 30, 2019 and August 31, 2019, no RSUs remained outstanding with all prior RSUs having vested and been settled with the issuance of shares. The value of RSUs has been recorded as share based compensation expense in contributed surplus over the vesting period. During the three month period ended November 30, 2018, a total of $4,025 was recorded in share based compensation expense related to RSUs. During October 2018, a total of 86,250 vested RSUs were settled with the issuance of 86,250 common shares valued at $6,900.

Deferred share units

DSUs have been utilized as a means of reducing the cash payable by the Company for amounts owing to non-executive directors. A DSU is a notional share that has the same value as one share of the Company as at the grant date. DSUs are paid out to directors as common shares when they retire from the Board. As DSUs are equity settled, they are fair valued based on the market value of the shares at the grant date.

As at November 30, 2019 and August 31, 2019, a total of 1,551,694 DSUs are outstanding having been previously granted to directors of the Company. No additional DSUs were granted during the three month period ended November 30, 2019 or during the year ended August 31, 2019. During the three month period ended November 30, 2018, a total of 1,331,276 DSUs were settled with the issuance of 1,331,276 common shares to former directors who had departed from the Board. These shares were valued at $143,209.

9. Related party transactions and compensation of key management

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of Chief Executive Officer and President, Chief Financial Officer, Vice President and Director. Compensation awarded to key management has been recorded at the exchange amount, being the amount agreed to by the respective parties, and is with respect to short-term compensation and was conducted in the normal course of business. Amounts are summarized as follows:

	Three months ended November 30, 2019 $	Three months ended November 30, 2018 $
Chief Executive Officer and President salary	62,500	62,500
Vice-President Corporate Development service contract fees	36,000	36,000
Chief Financial Officer service contract fees	34,425	34,661
Value of RSUs with officers expensed	-	4,025
Value of stock options with officers and directors expensed	7,198	25,927
	140,123	163,113

(expressed in Canadian dollars)

As at November 30, 2019, a total of $76,094 (August 31, 2019 - $17,526) is included in accounts payable and accrued liabilities with respect to amounts due to key executive management for service contract obligations.

The Company has management service agreements with each of its President and Chief Executive Officer, Vice President, Business Development and Chief Financial Officer which provide for a payment upon termination without cause. These payments are equivalent to 3 months' compensation for each of these individuals. The service agreements also provide that under certain conditions, including a change in control of the Company, that each of these individuals would be entitled to a lump sum payment equivalent to 6 months' compensation irrespective of whether their services were retained subsequent to the change in control.

10. Financial instruments and risk management

As at August 31, 2019 and 2018, the Company's financial instruments include cash and cash equivalents, restricted deposits, marketable securities, accounts payable and accrued liabilities. Due to the short-term nature of these financial instruments the carrying values approximate their fair values.

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk, price risk, currency risk and interest rate risk. These condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Company’s annual financial statements as at August 31, 2019. There have been no changes in the Company’s risk management policies or procedures since the year end.

11. Segmented information

The Company's operations comprise one reportable segment being the exploration and development of mineral resource properties. The Company's corporate and administrative offices are in Ontario, Canada. The Company's exploration property assets are in Jamaica and in Nova Scotia and British Columbia, Canada. Long-term assets by geographic area are as follows:

	November 30, 2019			August 31, 2019		
	Equipment $	Mineral exploration properties $	Deferred exploration expenditures $	Equipment $	Mineral exploration properties $	Deferred exploration expenditures $
Canada	23,077	3,231,987	403,971	25,145	3,231,987	394,755
Jamaica	4,775	2,598,723	4,941,715	4,969	2,599,503	5,028,915
	27,852	5,830,710	5,345,686	30,114	5,831,490	5,423,670

12. Capital management

The Company's capital structure is comprised of shareholders' equity. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs (see note 1, going concern).

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants. The Company's capital management objectives have remained unchanged over the periods presented in these consolidated financial statements.

13. Supplemental cash flow information

Non-cash transactions not reflected in the consolidated statements of cash flows are as follows:

	Three months ended November 30, 2019 $	Three months ended November 30, 2018 $
Exploration expenditures included in accounts payable and accrued liabilities	3,232	31,908
Depreciation of field vehicle and equipment charged to exploration expenditures	2,065	2,830
Shares issued for vested RSUs	-	6,900
Shares issued for vested DSUs	-	143,209

(expressed in Canadian dollars)

14. Subsequent events

Acquisition of Latin America Resource Group Limited

During August 2019, the Company entered into a non-binding letter of intent ("LOI") with Latin America Resource Group Limited ("LARG") whereby the the companies would merge by way of a share exchange transaction. LARG is a private company holding the Jasperoide copper-gold project located in the Andahuaylas-Yauri belt in Peru. The Jasperoide project consists of interests in 13 exploration concessions covering approximately 5,700 hectares where LARG beneficially owns a 100% interest in eight exploration concessions and is earning a majority interest in five other exploration concessions. The LOI provided the Company a 90 day exclusivity period to conclude the proposed transaction for consideration of a cash payment of $75,000 which was paid following the signing of the LOI in August 2019. This amount was recorded in project generation and evaluation expense in the consolidated statement of operations during the period ended August 31, 2019.

Subsequent to quarter end, the Company and LARG shareholders concluded a definitive share purchase agreement ("SPA") dated December 9, 2019. Final closing of this transaction remains subject to final approval of the TSX-V and is currently expected to be completed in January 2020. In accordance with the terms of the SPA, each LARG shareholder will receive 3.1 common shares (the "Exchange Ratio") of the Company for each common share of LARG held, resulting in the issuance of a total of 104,025,001 common shares of the Company. All outstanding LARG stock options will be exchanged for Company stock options at the Exchange Ratio, resulting in the issuance of 14,070,000 stock options exercisable at $0.05 per share and expiring on December 7, 2024.

The acquisition of LARG will be accounted for as an asset purchase with the majority of the fair value of the share and other consideration provided allocated to mineral exploration property assets adjusted for LARG's current assets and liabilities acquired.

Private placement of $2.5 million

Subsequent to quarter end, on January 17, 2020, the Company closed a non-brokered private placement financing with the issuance of 50,100,000 common shares at a price of $0.05 per common share raising gross proceeds of $2,505,000. In connection with this financing, the Company paid cash commissions of $49,860 and issued 997,200 finder's warrants. Each finder's warrant entitles the holder to purchase a common share at a price of $0.05 per share until their expiry date on January 18, 2022.