C3 Metals Inc.

(Formerly Carube Copper Corp.)
(An Exploration Stage Company)

Unaudited Condensed Consolidated Interim Financial Statements

For the three month periods ended November 30, 2020 and 2019

(expressed in Canadian dollars)

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

The accompanying condensed consolidated interim financial statements of C3 Metals Inc. (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.

C3 Metals Inc.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Financial Position

(expressed in Canadian dollars)

	November 30, 2020 $	August 31, 2020 $
Assets		
Current assets:		
Cash and cash equivalents	2,377,080	3,235,301
Restricted deposits (note 4)	15,111	15,062
Amounts receivable (note 5)	32,336	13,204
Prepaid expenses	110,842	18,889
Marketable securities (note 6)	252,000	199,500
	2,787,369	3,481,956
Equipment	23,813	23,585
Mineral exploration properties (note 8)	13,536,201	13,515,590
Deferred exploration expenditures (note 8)	5,720,268	5,473,858
	19,280,282	19,013,033
Total assets	22,067,651	22,494,989
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	214,222	377,698
Total liabilities	214,222	377,698
Shareholders' equity		
Capital stock (note 9)	29,702,603	29,702,603
Warrants (note 9)	564,110	564,110
Contributed surplus	2,735,436	2,735,436
Accumulated deficit	(10,388,078)	(10,111,974)
Accumulated other comprehensive loss	(760,642)	(772,884)
Total shareholders' equity	21,853,429	22,117,291
Total liabilities and shareholders' equity	22,067,651	22,494,989

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/ Kimberly Ann Arntson
Director

C3 Metals Inc.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Operations and Comprehensive Loss

(expressed in Canadian dollars)

	Three months ended November 30, 2020 $	Three months ended November 30, 2019 $
Expenses		
Promotion and investor relations	56,221	12,691
Regulatory authority and transfer agent fees	6,271	4,857
Legal, accounting, audit and financial advisory	22,192	16,289
Office, general and administrative	238,964	91,345
Project generation and evaluation	1,412	157,998
Share based compensation (note 9)	-	7,198
	325,060	290,378
Interest income	(2,774)	(255)
Gain on marketable securities (note 6)	(52,500)	(32,000)
Foreign exchange loss	6,318	286
	(48,956)	(31,969)
Net loss for the period	276,104	258,409
Other comprehensive loss (income)		
Items that may be subsequently reclassified to operations		
Foreign currency translation adjustment	(12,242)	124,114
Total comprehensive loss for the period	263,862	382,523
Loss per common share:		
Basic and diluted	0.00	0.00
Weighted average number of common shares outstanding:		
Basic and diluted	375,168,311	175,835,500

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

C3 Metals Inc.

(An Exploration Stage Company)

Unaudited Consolidated Interim Statements of Changes in Shareholders' Equity

(expressed in Canadian dollars)

	Capital stock #	Capital stock $	Warrants #	Warrants $	Contributed surplus $	Accumulated deficit $	Accumulated other comprehensive income (loss) $	Total shareholders' equity $
Balance, August 31, 2020	375,168,311	29,702,603	29,229,750	564,110	2,735,436	(10,111,974)	(772,884)	22,117,291
Net loss for the period	-	-	-	-	-	(276,104)	-	(276,104)
Foreign currency translation adjustment	-	-	-	-	-	-	12,242	12,242
Total comprehensive loss for the period	-	-	-	-	-	(276,104)	12,242	(263,862)
Balance, November 30, 2020	375,168,311	29,702,603	29,229,750	564,110	2,735,436	(10,388,078)	(760,642)	21,853,429
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 9)	5,200,000	193,610	5,200,000	66,390	-	-	-	260,000
Share issue costs	-	(2,000)	-	-	-	-	-	(2,000)
Stock option compensation charge (note 9)	-	-	-	-	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

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

C3 Metals Inc.
(An Exploration Stage Company)
Unaudited Consolidated Interim Statements of Cash Flows

(expressed in Canadian dollars)

	Three months ended November 30, 2020 $	Three months ended November 30, 2019 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(276,104)	(258,409)
Items not affecting cash:		
Share based compensation (note 9)	-	7,198
Depreciation of equipment	-	197
Interest income on restricted deposits	(49)	(83)
Gain on marketable securities (note 6)	(52,500)	(32,000)
Change in working capital items:		
Amounts receivable	(19,132)	33,967
Prepaid expenses	(91,953)	(21,004)
Accounts payable and accrued liabilities	(199,475)	48,836
	(639,213)	(221,298)
Investing activities		
Purchase of equipment	(1,881)	-
Mineral exploration properties costs (note 8)	(23,894)	(276)
Deferred exploration expenditures (note 8)	(193,233)	(39,777)
	(219,008)	(40,053)
Financing activities		
Issuance of common shares and warrants (note 9)	-	260,000
Share issue costs	-	(2,000)
	-	258,000
Net change in cash and cash equivalents	(858,221)	(3,351)
Cash and cash equivalents - Beginning of period	3,235,301	109,863
Cash and cash equivalents - End of period	2,377,080	106,512

Supplemental cash flow information (note 14)

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 July 31, 2020, the company changed its name to C3 Metals Inc. (referred to herein collectively with its subsidiaries as the "Company") from Carube Copper Corp. Additionally, the Company's ticker symbol on the TSX Venture Exchange ("TSX-V") was changed to CCCM. On June 18, 2015, Miocene Resources Limited ("Miocene") completed a reverse takeover with Carube Resources Inc. (CRI). On July 7, 2015, the Company commenced trading on the TSX-V under the former name Carube Copper Corp.

C3 Metals Inc. 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 217 Queen Street West, Suite 401, Toronto, Ontario, Canada where it is domiciled. The Company's subsidiaries include: Carube Resources Inc., domiciled in Toronto, Canada; Carube Resources Jamaica Limited and Rodinia Jamaica Limited, which are both domiciled in Kingston, Jamaica; Latin America Resource Group Limited, domiciled in Toronto, Canada; and, KA Oro S.A.C, domiciled in Lima, Peru.

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 inception to date, the Company has incurred losses from operations and has had negative cash flows from operating activities. As at November 30, 2020, the Company had working capital of $2,573,147. Given the Company's plans for significant exploration expenditures focused on the Jasperoide, Peru project during 2021, existing funds on hand are not sufficient to support planned exploration costs, costs of acquiring new exploration properties or ongoing corporate costs over the coming year. 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. On January 19 and January 25, 2021, the Company announced it had entered an engagement letter with Eight Capital, under which Eight Capital, acting as lead agent for the Company on behalf of a syndicate of agents, has agreed to offer for sale up to 46,429,000 common shares of the Company for gross proceeds of up to $6,500,060 (see note 16). The Company will require additional funding to be able to 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, 2020 and 2019 which have been prepared in accordance with IFRS.

These financial statements were approved by the board of directors for issue on January 28, 2021.

General information and basis of consolidation

C3 Metals Inc. (formerly Carube Copper Corp.) 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. On February 26, 2020, the Company acquired all of the outstanding shares of Latin America Resource Group Limited (LARG) along with its wholly-owned Peruvian subsidary, KA Oro S.A.C. (KAO).

The Company's financial statements consolidate those of the parent company and each of its 100% wholly-owned subsidiaries CRI, CRJL, RJL, LARG and KAO. 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.

(expressed in Canadian dollars)

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, 2020.

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, 2020 and 2019 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.

IFRS 16, Leases ("IFRS 16")
IFRS 16, Leases, was issued by the IASB in January 2016. For lessee accounting the new standard brings most leases on to the statement of financial position under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard was effective for annual reporting periods beginning on or after January 1, 2019. The Company has applied IFRS 16 with an initial application date of September 1, 2019 using a modified retrospective approach with the cumulative effect of initially applying the standard recognized at the date of initial application, without restating prior periods, in accordance with the transitional provisions specified in IFRS 16. The adoption of IFRS 16 had no impact on the Company's results of operations, financial position, and disclosures.

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 $15,111 (August 31, 2020 - $15,062) held in a guaranteed investment certificate has been pledged as collateral for the maximum credit limit on this credit card account.

5. Amounts receivable

Amounts receivable of $32,336 (August 31, 2020 - $13,204) is comprised entirely of harmonized sales tax (HST) receivable in Canada.

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). During June 2020, the Company received an additional 200,000 common shares of Tocvan in connection with the first anniversary payment under the option agreement, increasing the Company's total holding to 700,000 common shares. 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.

	$
Balance, August 31, 2019	37,500
Addition during June 2020 (note 8)	50,000
Unrealized gain	112,000
Balance, August 31, 2020	199,500
Unrealized gain	52,500
Balance, November 30, 2020	252,000

(expressed in Canadian dollars)

7. Acquisition of Latin America Resource Group Limited

On February 26, 2020, the Company completed the acquisition of all of the issued and outstanding shares of Latin America Resource Group Limited (LARG) a private Canadian company located in Toronto, Ontario. LARG has a 100% wholly-owned Peruvian subsidiary named KA Oro S.A.C. (KAO) which holds a 100% beneficial interest in eight exploration concessions and has option agreements to earn a majority interest in five additional concessions. These 13 concessions comprise the Jasperoide copper-gold project, located in the Andahuaylas-Yauri belt of Peru (see note 8).

Under the terms of a share purchase agreement the Company acquired LARG with the issuance of 104,025,001 common shares. Additionally, the Company exchanged all of LARG's outstanding stock options for 14,070,000 stock options of the Company (see note 9). LARG was granted the right to nominate one director to the Company's board. The Company also issued 1,400,000 common shares to a finder for this acquisition. The fair value of the common share consideration issued for the acquisition of LARG was determined based on the five-day volume-weighted average of the Company's common shares at the time of closing of the share purchase agreement.

The Company determined that LARG did not meet the definition of a business under IFRS 3, Business Combinations, and as such has been accounted for as an asset aquisition. A summary of the consideration provided and the fair value of net identifiable assets acquired in the acquisition are as follows:

	#	$
Consideration provided:		
Common shares issued to LARG shareholders	104,025,001	6,241,500
Common shares issued to finder	1,400,000	84,000
Stock options issued (see note 9)	14,070,000	629,650
Severance liability		250,000
Total		7,205,150
Fair value of identifiable net assets acquired:		
Cash acquired		296,730
Other current assets		13,609
Equipment		1,379
Mineral exploration property interest - Jasperoide, Peru		7,540,390
Current liabilities		(646,958)
Total		7,205,150

(expressed in Canadian dollars)

8. Mineral exploration properties and deferred exploration expenditures

	Jasperoide (Peru) $	Bellas Gate (Jamaica) $	Rodinia and Other Licenses (Jamaica) $	Stewart Brook Gold (Nova Scotia, Canada) $	Rogers Creek and Mackenzie (BC, Canada) $	Total $
Mineral exploration properties:						
Balance, August 31, 2020	7,728,935	1,734,520	869,683	2,602	3,179,850	13,515,590
Licence and claim renewal fees	23,643	-	251	-	-	23,894
Translation to reporting currency	(25,394)	11,071	11,040	-	-	(3,283)
Balance, November 30, 2020	7,727,184	1,745,591	880,974	2,602	3,179,850	13,536,201
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
Deferred exploration expenditures:						
Balance, August 31, 2020	248,991	4,184,863	623,335	37,195	379,474	5,473,858
Geology	15,129	16,475	2,304	-	600	34,508
Geochemical	-	-	-	-	975	975
Geophysical	2,040	-	-	-	-	2,040
Drilling and related	112,880	5,542	-	-	-	118,422
Environmental	-	1,060	-	-	-	1,060
Community and social development	56,711	-	-	-	-	56,711
Health and safety	-	282	-	-	-	282
IVA tax recoverable	17,196	-	-	-	-	17,196
Translation to reporting currency	(1,913)	15,614	1,515	-	-	15,216
Balance, November 30, 2020	451,034	4,223,836	627,154	37,195	381,049	5,720,268
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

Jasperoide project, Peru
On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG (see note 7). LARG's subsidiary KAO holds a 100% beneficial interest in eight exploration concessions and has two option agreements to earn a potential 100% in five additional concessions. These 13 concessions comprise the Jasperoide copper-gold project, located in the Andahuaylas-Yauri belt of Peru. The Jasperoide project concessions cover a total area of 5,696 hectares. For the five concessions under option agreements, the Company must incur a cumulative total of US$5 million (including a minimum of US$2,000,000 for La Bruja) in exploration (approx. US$2.3 million incurred to November 30, 2020 including LARG and KAO expenditures prior to the February 26, 2020 acquisition date) and provide a balance of US$1,820,000 in cash option payments as detailed below.

La Bruja
Two concessions are subject to an option agreement with Inversiones La Bruja S.A.C. ("La Bruja"), where the Company can earn a 100% interest in the equity shares of La Bruja subject to minimum exploration expenditures of US$2,000,000 and total cash option payments of US$2,000,000. During June 2020, amending agreements to adjust the timing of cash option payments and exploration expenditure requirements were concluded. Cash option payments totalling US$180,000 have been provided to November 30, 2020 with a balance of US$1,820,000 in future payments as follows.

Due date	Cash US$	Cumulative exploration expenditures US$
August 31, 2021	320,000	500,000
August 31, 2022	500,000	-
August 31, 2023	1,000,000	1,500,000
Total	1,820,000	2,000,000

(expressed in Canadian dollars)

As at November 30, 2020, a total of US$307,037 of cumulative exploration expenditures had been incurred with a balance of US$1,692,963 remaining. Following the earn-in of a 100% interest in the concessions a net smelter return ("NSR") royalty of 1.5% would be payable to the former shareholders of La Bruja.

Ares

Three concessions are subject to an option agreement with Compania Minera Ares S.A.C. ("Ares") where the Company has the right to earn an initial 51% interest in these concessions subject to incurring cumulative exploration expenditures of US$5,000,000, including certain administrative costs, by October 2023. As of November 30, 2020, a total of US$2,281,612 in expenditures had been incurred with an outstanding balance of US$2,718,388 remaining. The La Bruja concessions are located within an area of interest defined in the option agreement such that exploration expenditures of $307,037 incurred for the La Bruja concessions also qualify for the Ares earn-in.

Following the earn-in of a 51% interest in these mineral concessions, a new joint venture company is to be formed where the Company would hold an initial 51% equity interest and Ares would hold a 49% equity interest. Either party will then be required to co-fund their pro-rata share of ongoing exploration expenditures or would be subject to dilution. If either party were diluted to less than a 15% interest their interest would convert to a 1.5% NSR royalty with the other party then holding a 100% interest in the joint venture company. If the Company maintains greater than a 50% interest in the joint venture it would continue to be operator.

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.

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 (US$210,000). 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.

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). During January 2014, OZ Minerals completed a US$900,000 equity investment in the Company and confirmed the satisfactory completion of their due diligence and that all conditions precedent had been satisfied such that the terms of the May 2013 term sheet became binding. 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").

(expressed in Canadian dollars)

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.

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.

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

Rogers Creek and Mackenzie properties
The Rogers Creek and Mackenzie 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. During June 2020, the Company received a second payment of 200,000 common shares. 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 9 claims totalling 91 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.

(expressed in Canadian dollars)

9. Capital stock

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

Issued

Share issuances during fiscal 2020
During September 2019, the Company completed a non-brokered 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.

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 compensaton options to finders. Each compensation option entitles the holder to purchase a common share at a price of $0.05 per share until their expiry date on January 18, 2022. These compensation options were recorded at a value of $25,758.

On February 26, 2020, the Company issued 104,025,001 common shares for the acquisition of LARG and 1,400,000 common shares to a finder in connection with this transaction (see note 7).

On August 26, 2020, the Company closed a non-brokered private placement financing with the issuance of 43,636,381 common shares at a price of $0.055 per common share raising gross proceeds of $2,400,001. In connection with this financing, the Company paid cash commissions of $108,319 and issued 1,755,000 compensation options to finders. Each compensation option entitles the holder to purchase a common share at a price of $0.055 per share until their expiry date on August 26, 2022. These compensation options were recorded at a value of $66,500.

Warrants
As at November 30, 2020, a total of 29,229,750 warrants were outstanding as follows:

Number	Exercise price $	Expiry date
5,200,000	0.08	September 4, 2022
14,911,666	0.10	March 22, 2021
9,118,084	0.10	March 29, 2021
29,229,750	0.10	

During February 2020, a total of 970,250 warrants exercisable at $0.10 expired. During May 2020, a total of 775,000 warrants exercisable at $0.25 expired.

On March 16, 2020, the Company announced a one-year extension of the expiry dates related to the 14,911,666 warrants which were to expire on March 22, 2020 and the 9,118,084 warrants which were to expire March 29, 2020. The new expiry dates are March 22, 2021 and March 29, 2021, respectively. An increase in estimated fair value of $130,270 was recorded during March 2020 relating to the expiry date extension of these warrants.

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 January 17, 2020 private placement, the Company issued 997,200 compensaton options to finders. Each compensation option entitles the holder to purchase one common share at a price of $0.05 per share until their expiry date on January 18, 2022. These compensation options were recorded at a value of $25,758. In connection with the August 26, 2020 private placement, the Company issued 1,755,000 compensaton options to finders. Each compensation option entitles the holder to purchase one common share at a price of $0.055 per share until their expiry date on August 26, 2022. These compensation options were recorded at a value of $66,500. The fair value of these compensation options was estimated using the Black-Scholes option pricing model and the values were recorded in contributed surplus and share issue costs reducing capital stock. The assumptions used for the valuation of these compensation options are as follows: expected life of two years; expected volatility of 90.5% to 93.8%; risk-free interest rate of 0.22% to 1.72%; and, dividend yield of nil.

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 were exercisable at $0.06 per unit to obtain one common share and one-half common share purchase warrant and expired on March 22, 2020 and March 29, 2020.

(expressed in Canadian dollars)

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, 2019	15,135,000	0.11	February 2021 to May 2024
Forfeited	(500,000)	0.08	February 2021
Issued in exchange for LARG stock options (note 8)	14,070,000	0.05	December 2024
Balance, August 31, 2020 and November 30, 2020	28,705,000	0.08	February 2021 to December 2024

As at November 30, 2020 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
0.05	5,460,000	0.3	5,460,000	0.3	February 26, 2021
0.05	8,610,000	4.0	8,610,000	4.0	December 7, 2024
0.08	1,850,000	0.3	1,850,000	0.3	February 28, 2021
0.08	6,200,000	3.4	6,200,000	3.4	May 15, 2024
0.10	2,085,000	1.4	2,085,000	1.4	April 30, 2022
0.10	500,000	1.6	500,000	1.6	June 22, 2022
0.10	1,000,000	2.7	1,000,000	2.7	July 31, 2023
0.15	1,000,000	2.7	1,000,000	2.7	July 31, 2023
0.20	1,000,000	2.7	1,000,000	2.7	July 31, 2023
0.25	1,000,000	2.7	1,000,000	2.7	July 31, 2023
	28,705,000	2.5	28,705,000	2.5	

Subsequent to quarter end, on January 5, 2021, the Company granted a total of 8,000,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at $0.11 per share and expire on January 5, 2026.

On February 26, 2020, in connection with the LARG acquisition the Company issued a total of 14,070,000 stock options exercisable at $0.05 per share in exchange for outstanding LARG options (see note 7).

During the three month period ended November 30, 2020, the Company recorded a total of $Nil (Q1 fiscal 2020 - $7,198) 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 2020, utilized the following assumptions and values.

	2020
Expected volatility	96%
Expected option life (in years)	4.8
Risk-free interest rate	1.62%
Expected dividend yield	Nil
Weighted-average exercise price	0.05
Weighted-average market price at grant date	0.06
Weighted-average fair value	0.045

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

(expressed in Canadian dollars)

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 have been utilized 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.

Subsequent to quarter end, on January 5, 2021, the Company granted 1,500,000 RSUs to a director. These RSUs will vest over a one year period. As at August 31, 2020, no RSUs remained outstanding with all prior RSUs having vested and been settled with the issuance of shares. The value of RSUs granted is recorded as share based compensation expense in contributed surplus over the vesting period.

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 settled with the issuance of common shares to directors 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, 2020 and August 31, 2020, a total of 1,551,694 DSUs were outstanding having been previously granted to directors of the Company. No additional DSUs were granted during the three month period ended November 30, 2020 or during the year ended August 31, 2020.

10. 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, 2020 $	Three months ended November 30, 2019 $
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	28,261	34,425
Value of stock options with officers and directors expensed (note 9)	-	7,198
	126,761	140,123

As at November 30, 2020, a total of $31,370 (August 31, 2020 - $21,038) is included in accounts payable and accrued liabilities with respect to amounts due to key executive management for service contract obligations and expenses. Additionally, as at November 30, 2020, a corporation related to a director of the Company is owed $49,383 (US$38,030) related to liabilities acquired or arising from the acquisition of LARG (see note 7).

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 three 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 six months' compensation irrespective of whether their services were retained subsequent to the change in control.

11. Financial instruments and risk management

As at November 30, 2020, the Company's financial instruments include cash and cash equivalents, restricted deposits, marketable securities, acounts 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, 2020. There have been no changes in the Company's risk management policies or procedures since the year end.

(expressed in Canadian dollars)

12. 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 Peru, Jamaica and in Nova Scotia and British Columbia, Canada. Long-term assets by geographic area are as follows:

	November 30, 2020			August 31, 2020		
	Equipment	Mineral exploration properties	Deferred exploration expenditures	Equipment	Mineral exploration properties	Deferred exploration expenditures
	$	$	$	$	$	$
Canada	16,895	3,182,452	418,244	18,264	3,182,452	416,669
Peru	2,769	7,727,184	451,034	1,038	7,728,935	248,991
Jamaica	4,149	2,626,565	4,850,990	4,283	2,604,203	4,808,198
	23,813	13,536,201	5,720,268	23,585	13,515,590	5,473,858

13. 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.

14. Supplemental cash flow information

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

	Three months ended November 30, 2020	Three months ended November 30, 2019
	$	$
Exploration expenditures included in accounts payable and accrued liabilities	35,999	3,232
Depreciation of field vehicle and equipment charged to exploration expenditures	1,653	2,065

15. Global COVID-19 pandemic

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. COVID-19 may hinder both the Company’s ability to conduct exploration activities in the jurisdictions that it operates in and its ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company’s business and financial condition. It is management’s assumption that the Company will continue to operate as a going concern.

(expressed in Canadian dollars)

16. Subsequent events

Stock option and RSU grants
On January 5, 2021, the Company granted a total of 8,000,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at $0.11 per share and expire on January 5, 2026. A total of 2,000,000 of these stock options vested immediately, while 6,000,000 stock options will vest one year from the date of grant. Additionally, on January 5, 2021, the Company granted 1,500,000 RSUs to a Company director. The RSUs will vest one year from the date of grant.

Private placement financing
On January 19, 2021, the Company announced it had entered into an engagement letter with Eight Capital, under which Eight Capital, acting as lead agent for the Company on behalf of a syndicate of agents, has agreed to offer for sale up to 28,572,000 common shares of the Company on a best- efforts private placement basis at an issue price of $0.14 per common share, for aggregate gross proceeds of up to $4,000,080. On January 25, 2021, the Company announced an amended agreement with Eight Capital to increase the size of the private placement for sale of up to 46,429,000 common shares of the Company for aggregate gross proceeds of up to $6,500,060. The Company also granted the agents an overallotment option to distribute up to an additional 6,964,300 common shares at the issue price, exercisable in whole or in part at any time within 48 hours prior to the closing of the offering. If this option is exercised in full, an additional $975,002 will be raised and the aggregate proceeds of the offering would be $7,475,062. The agents will receive a cash commission of 7 percent of the gross proceeds of the offering, and compensation warrants in an amount equal to 7 percent of the number of common shares sold pursuant to the offering. Each compensation warrant will be exercisable to purchase one share at the issue price for a period of 12 months from the closing of the offering.

Exercise of stock options, warrants and compensation options
During January 2021, a total of 387,500 warrants were exercised for proceeds of $38,750; 1,000,000 stock options were exercised for proceeds of $80,000; and, 24,000 compensation options were exercised for proceeds of $1,200.