zimtu CAPITAL CORP.

Financial Statements

November 30, 2019 and 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Zimtu Capital Corp.:

Opinion

We have audited the financial statements of Zimtu Capital Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2019 and November 30, 2018, and the statements of operations and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019 and November 30, 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Ron D. Miller.

MNP LLP

Vancouver, British Columbia
March 30, 2020

Chartered Professional Accountants

Zimtu Capital Corp.
Statements of Financial Position
As at November 30, 2019 and 2018
Expressed in Canadian Dollars

		2019		2018
Assets				
Current				
Cash	$	**35,996**	$	287,870
Investments (Note 6)		**4,081,007**		6,474,729
Advances and amounts receivable (Note 8)		**967,298**		961,603
Prepaid expenses (Note 9)		**360,456**		100,387
Convertible debentures (Note 10)		**86,874**		-
Due from related parties (Note 11)		**356,452**		1,008,826
		5,888,083		8,833,415
Deposits (Note 19**)**		**15,562**		-
Investment in associates (Note 7**)**		**256,545**		193,992
Mineral property interests (Note 12)		**168,911**		142,413
	$	**6,329,101**	$	9,169,820
Liabilities				
Current				
Accounts payable and accrued liabilities	$	**182,854**	$	204,162
GST/HST payable		**3,816**		24,099
Unearned revenue (Note 13)		**121,505**		337,240
Promissory notes payable (Note 14)		**67,100**		83,100
		375,275		648,601
Equity				
Share capital (Note 15)		**9,521,822**		9,346,662
Reserves		**4,920,817**		4,920,817
Deficit		**(8,488,813)**		(5,746,260)
Shareholders' equity		**5,953,826**		8,521,219
	$	**6,329,101**	$	9,169,820

On behalf of the Board:

"David Hodge" Director *"Sean Charland"* Director

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

Subsequent events (Note 23)

Zimtu Capital Corp.
Statements of Operations and Comprehensive Income (Loss)
For the years ended November 30
Expressed in Canadian Dollars

		2019		2018
Revenue				
Administrative fees	**$**	**621,500**	$	722,500
Corporate development and marketing		**746,167**		1,202,112
Income from property sales (Note 12)		**119,600**		543,626
		1,487,267		2,468,238
Expenses				
General and administrative expenses (Note 16)		**2,491,108**		2,835,272
Loss before other items		**(1,003,841)**		(367,034)
Other items				
Equity loss from investment in associates (Note 7)		**(156,582)**		(26,008)
Foreign exchange gain		**-**		5
Gain on purchase of debt		**-**		648
Gain on settlement of debt (Note 20)		**-**		54,750
Income from sale of software (Note 21)		**-**		135,321
Impairment of mineral properties (Note 12)		**(19,933)**		(134,665)
Interest income		**2,623**		1,346
Other income		**20,850**		278
Write off marketable securities (Note 6)		**(182,074)**		-
Unrealized gain (loss) on investments in public companies (Note 6)		**1,783,055**		(5,235,542)
Loss on sale of investment		**(3,253,832)**		(196,306)
Unrealized loss on promissory notes receivable (Notes 8,11)		**-**		(148,125)
Unrealized gain on investment in private companies (Note 6)		**67,181**		292,413
		(1,738,712)		(5,255,885)
Net loss for the year	$	**(2,742,553)**	$	(5,622,919)
Basic and diluted loss per share	$	**(0.17)**	$	(0.37)
Weighted average number of shares outstanding				
Basic		**15,891,908**		15,394,483
Diluted		**15,891,908**		15,394,483

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

Zimtu Capital Corp.
Statements of Changes in Equity
As at November 30, 2019 and 2018
Expressed in Canadian Dollars

	Share Capital				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total Equity**
Balance, November 30, 2017	**15,394,483**	**$ 9,346,662**	**$ 4,647,746**	**$ (123,341)**	**$ 13,871,067**
Share-based compensation	-	-	273,071	-	273,071
Net (loss) for the year	-	-	-	(5,622,919)	(5,622,919)
Balance, November 30, 2018	**15,394,483**	**$ 9,346,662**	**$ 4,920,817**	**$ (5,746,260)**	**$ 8,521,219**
Shares issued for cash	712,000	178,000	-	-	178,000
Share issuance costs	-	(2,840)	-	-	(2,840)
Net (loss) for the year	-	-	-	(2,742,553)	(2,742,553)
Balance, November 30, 2019	**16,106,483**	**$ 9,521,822**	**$ 4,920,817**	**$ (8,488,813)**	**$ 5,953,826**

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

Zimtu Capital Corp.
Statements of Cash Flows
For the year ended November 30,
Expressed in Canadian Dollars

	2019	2018
Operating Activities		
Net loss for the year	$ **(2,742,553)**	$ (5,622,919)
Items not involving cash:		
Unrealized loss (gain) of investments in public companies	**(1,783,055)**	5,235,542
Non-cash Income from property sale	**(119,600)**	(543,626)
Bad debt expenses	**71,756**	16,787
Unrealized loss on promissory notes receivable	**-**	148,125
Loss on sale of investment	**3,253,832**	196,306
Share based payment	**-**	273,071
Equity loss from investment in associates	**156,582**	26,008
Gain on settlement of debt	**-**	(54,750)
Impairment of mineral property	**19,933**	134,665
Unrealized gain on investment in private companies	**(67,181)**	(292,413)
Interest income accrued	**(1,874)**	-
Sale of software	**-**	(135,321)
Share received for other income	**(20,850)**	-
Shares issued for services	**9,200**	-
Write off marketable securities	**182,074**	-
Shares received for debt	**-**	(321,392)
Gain on purchase of debt	**-**	(648)
Changes in non-cash working capital:		
Advances and amounts receivable	**(132,734)**	(334,074)
Prepaid expenses and deposit	**(275,631)**	(65,518)
Accounts payable and accrued liabilities	**(40,338)**	6,287
Unearned revenue	**(215,735)**	98,223
Due to (from) related parties	**652,374**	(725,397)
Promissory notes payable	**(16,000)**	(7,000)
Cash used in operating activities	**(1,069,800)**	(1,968,044)
Investing Activities		
Acquisition of investments	**(3,062,763)**	(2,413,727)
Proceeds on disposition of investments	**3,768,190**	4,264,971
Mineral property acquisitions	**(63,401)**	(110,248)
Proceeds on disposition of mineral properties	**50,000**	380,000
Proceeds from sale of equity investment	**740**	-
Acquisition of convertible debt	**(50,000)**	-
Cash generated from investing activities	**642,766**	2,120,996
Financing Activities		
Issuance of shares, net of share issuance costs	**175,160**	-
Cash generated from financing activities	**175,160**	-
Change in cash during the year	**(251,874)**	152,952
Cash, beginning of year	**287,870**	134,918
Cash, end of year	$ **35,996**	$ 287,870

Supplemental disclosure with respect to cash flows (Note 18)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of British Columbia on July 4, 2006, under the Business Corporations Act of British Columbia. The Company's principal business activities are investments in junior resource companies, mineral resource property acquisitions and dispositions, and the provision of management services. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at Suite 800, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

These audited financial statements were authorized for issue by the Audit Committee and Board of Directors on March 30, 2019.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure.

Judgement is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, *Financial instruments: recognition and measurement; and*
- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;

Significant areas requiring the use of management estimates and assumptions include:

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Income Taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences") and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

Fair value of investment in warrants

Management uses Black-Scholes option pricing model in measuring the fair value of investment in warrants, where active market quotes are not available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

Fair value of share-based compensation

Management measures the fair value of equity-settled share-based transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses Black-Scholes option pricing model. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

Valuation of accounts receivable

The Company reviews the accounts receivable balances on a regular basis and estimates the likelihood of collection and records allowance for estimated losses. Management bases its estimates on historical experience and other relevant factors.

Fair value of promissory notes receivable

Management uses valuation techniques in measuring the fair value of promissory notes receivable, where active market quotes are not available. Details of the assumptions used are given in the note 8 to these financial statements. In applying the valuation technique, management makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Fair value of investment in private companies

The fair value of investments in private companies are not quoted in an active market may be determined by using third-pricing information and are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable. Changes in assumptions about these factors could affect the reported fair value of the investments in private companies.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Adoption of New Accounting Standards and Amendments

(i) IFRS 15 – Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") was issued to replace IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. IFRS 15 introduces a single contract-based five-step model that applies to contracts with customers and two approaches for the recognition of revenue: at a point in time or over time. The five steps are: identify the contract(s) with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price, and recognize revenue when the performance obligation is satisfied. Revenue is recognized when a customer obtains control of a good or service and has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 also requires enhanced disclosures about revenue to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers and improve the comparability of revenue from contracts with customers.

The Company adopted IFRS 15 retrospectively on December 1, 2018, using the modified retrospective approach.

The Company has evaluated the impact of applying IFRS 15 by performing a comprehensive review of existing sale contracts, control processes and revenue recognition methodology.

Revenue from management and administrative services and corporate development and marketing services is recognized as control of the services passes from the Company to the customer over time, revenue is recognized based on the extent of progress towards completion of the performance obligation.

Revenue from mineral property sales is recognized at the point of transfer of risk and reward for goods and services and transfer of control with the fulfilment of performance obligations. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statements of income and comprehensive income; and

There is no change in the timing of revenue recognized under the new standard, as the point of transfer of risk and reward for goods and services and transfer of control with the fulfilment of performance obligations occurs at the same time.

The Company will continue to recognize revenue by applying the five-step model under IFRS 15. The Company continues to recognize revenue at a contract level as performance obligations are satisfied over time, using project stage of completion or as performance obligations are satisfied at a point in time as the control of goods or services are transferred to the customer.

(ii) IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued to replace IAS 39 Financial Instruments: Recognition and Measurement. The Company adopted IFRS 9 retrospectively on December 1, 2018. IFRS 9 introduces new requirements for the classification and measurements of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities and amends the impairment model by introducing a new "expected credit loss" model for calculating impairment. It also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The adoption of this standard did not have material impact to the Company's financial statements. The Company's policies and procedures surrounding the identification of credit risk and the recognition of credit losses comply with the requirements of this standard.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) **Adoption of New Accounting Standards and Amendments** (continued)

(ii) IFRS 9 – Financial Instruments (continued)

Financial assets
The Company classifies its financial assets in the following categories:
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortized cost

The determination of the classification of financial assets is made at initial recognition. Cash, fixed term deposits held at the bank with a maturity more than three months ("GIC"), investment in public company shareholdings and private company shareholdings, promissory note receivable and convertible debentures are included in this category of financial assets. Investments in warrants are also classified as FVTPL and are carried at fair market value by using Black-Scholes option model if there is no active market for the warrants, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at year-end.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations and comprehensive income (loss). Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statements of operations and comprehensive income (loss).

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss). The Company does not have any assets classified as FVTOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Adoption of New Accounting Standards and Amendments (continued)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities
The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL
This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the consolidated statements of operations and comprehensive income (loss).

Financial liabilities at amortized cost
This category includes accounts payable and accrued liabilities, promissory notes payable, which are recognized at amortized cost using the effective interest method.
The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period.

Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in the statements of operations and comprehensive income (loss) immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

The following table shows the classification of the Company's financial assets under IFRS 9 and IAS 39:

	IAS 39 Classification	**IFRS 9 Classification**
Financial Assets		
Cash and Guaranteed investment certificate ("GIC")	Loans and receivables	Amortized cost
Accounts receivables	Loans and receivables	Amortized cost
Convertible debentures	FVTPL	FVTPL
Promissory note receivables	FVTPL	FVTPL
Investments (Excl. GIC)	FVTPL	FVTPL
Due from related parties	Loans and receivables	Amortized cost
Financial Liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Promissory note payable	Other financial liabilities	Amortized cost

The adoption of IFRS 9 did not have an impact on the Company's classification and measurement of financial assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Other Significant Accounting Polices

Cash

Cash consist of cash on hand and deposits in banks.

Investments

Investments consist of investments in shares, warrants and options of public and private companies and fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, which are recorded at fair value.

Investments that are bought and held principally for the purpose of selling them in the near term are classified as fair value through profit or loss and are reported at fair value, with unrealized gains and losses recognized in earnings. The fair value of substantially all investments is determined by quoted market prices, except for those investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. The investments in warrants and options of public and private companies are fair valued using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at reporting year end.

Mineral property interests

Mineral property interests involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Mineral property interests incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, mineral property interests incurred are capitalized. All capitalized mineral property interests are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statements of income (loss) and comprehensive income (loss) to the extent that they are not expected to be recovered. No amortization is taken during the exploration and evaluation phase.

From time to time, the Company may acquire or dispose of a mineral property interest, either by an option agreement or an acquisition agreement. As the consideration payable may consist of options, which are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statements of income and comprehensive income.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Foreign currency transaction

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transaction (continued)

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of income and comprehensive income.

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

manner of realization or settlement of the carrying amount of assets and liabilities on an undiscounted basis, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings/Loss per share

Basic earnings/loss per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Investment in associate

If the Company has significant influence over an investee as defined under IAS 28 – Investments in Associates and Joint Ventures, the investment is initially recognized at cost and is adjusted periodically to reflect the Company's portion of the investees' comprehensive profit or loss through the Company's statement of operations and comprehensive loss. The Company's share of profit or loss of an associate is shown on the face of the statement of operations and comprehensive loss.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the statement of operations and comprehensive loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and process from disposal is recognised in profit or loss.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Expressed in Canadian Dollars

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

Pronouncements that are not applicable to the Company have not been included in these financial statements.

IFRS 16 - Leases
On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. Based on the Company's assessment, the impact of IFRS 16 adoption is not expected to be significant.

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

	November 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Fair value through profit or loss				
Promissory note receivables (Note 8)	555,958	-	-	555,958
Promissory note receivables – related parties (Note 11)	331,417	-	-	331,417
Convertible debentures (Note 10)	-	51,874	35,000	86,874
Investment in public company shareholdings (Note 6a)	2,864,365	-	-	2,864,365
Investment in private company shareholdings (Note 6d)	-	-	33,000	33,000
Investment in warrants (Note 6b)	-	1,149,142	-	1,149,142
	3,751,740	1,201,016	68,000	5,020,756

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

	November 30, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Fair value through profit or loss				
Promissory note receivables (Note 8)	516,208	-	-	516,208
Promissory note receivables – related parties (Note 11)	319,417	-	-	319,417
Investment in public company shareholdings (Note 6a)	5,126,697	-	-	5,126,697
Investment in private company shareholdings (Note 6d)	-	-	277,349	277,349
Investment in warrants (Note 6b)	-	1,036,183	-	1,036,183
	5,962,322	1,036,183	277,349	7,275,854

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investment bear interest at a variable rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would decrease/increase the net loss of the Company by $345.00. The convertible debentures bear interest at a fixed rate and therefore not exposed to interest rate risk as well. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and GIC due to its cash is placed with major financial institutions and investments are placed with a Canadian chartered bank or with independent investment dealer member of the Canadian Investor Protection Fund. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment.

With the adoption of IFRS 9 – Financial Instruments, the Company now uses the new expected credit loss impairment model, as opposed to the incurred loss model under the previous standard, IAS 39 – Financial Instruments: Recognition and Measurement. The change to the new model did not have an impact on the carrying amounts of the Company's financial assets on the date of adoption. Under IFRS 9, the Company is required to review impairment of its financial assets at amortized costs at each reporting period and to review its allowance for doubtful accounts for expected future credit losses.

The Company continues to minimize credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures. Management believes that the credit risk with respect to advances and amounts receivables is remote. One customer accounted for 58% (November 30, 2018: 50%) of the Company's administrative revenue.

d) Currency risk - The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

e) Liquidity risk - Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company' investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its administrative activities and proceeds from the disposition of its investments. The Company has sufficient investments that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

f) Market risk - Market risk is the risk that the fair value of or future cash flows from the Company’s financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company’s investment activities are currently concentrated primarily across several sectors in the natural resource industry, potash, precious metals, base metals, coal, graphite, rare earth elements, and rare metals. The Company also has set thresholds on purchases of investments. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. The Company is not exposed to commodity price at this time.

g) Capital management - The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended November 30, 2019 and 2018. The Company is not subject to externally imposed capital requirements.

Expressed in Canadian Dollars

6. INVESTMENTS

Investment continuity schedule

	Investment in public companies	Investment in private companies	Warrants	GIC	Total
	(a)	(d)	(b)	(c)	
Balance, November 30, 2017	**$ 9,999,972**	**$ 7,500**	**$ 2,514,542**	**$ 34,500**	**$ 12,556,514**
Cost of Shares/warrants acquired	3,200,503	29,936	395,596	-	3,626,034
Shares disposed/warrants exercised	(4,408,778)	(52,500)	(303,413)	-	(4,575,374)
Fair value change	(3,665,000)	292,413	(1,570,542)	-	(5,132,445)
Balance, November 30, 2018	**$ 5,126,697**	**$ 277,349**	**$ 1,036,183**	**$ 34,500**	**$ 6,474,729**
Cost of Shares/warrants acquired	2,801,553	58,000	83,333	-	2,942,886
Shares disposed/ warrants exercised	(6,938,687)	-	(83,333)	-	(7,022,020)
Investment reclassification	239,388	(239,388)	-	-	-
Shares received from spinoff	20,850	-	-	-	20,850
Shares received from property sales	5,600	-	-	-	5,600
Write-off	(51,932)	(130,142)	-	-	(182,074)
Shares issued for finder's fees	(9,200)	-	-	-	(9,200)
Fair value change	1,670,096	67,181	112,959	-	1,850,236
Balance, November 30, 2019	**$ 2,864,365**	**$ 33,000**	**$ 1,149,142**	**$ 34,500**	**$ 4,081,007**

Expressed in Canadian Dollars

6. INVESTMENTS (continued)

(a) Investment in public company shareholdings

	Investments at fair value through profit or loss as at November 30, 2019				
	Number of Shares	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Alpha Lithium	2,250	577	0.26	743	0.330
Arctic Star Exploration	163,470	73,959	0.45	8,174	0.050
Belmont Resources	647,500	86,165	0.13	22,663	0.035
Canadian Energy Materials	300,000	48,000	0.16	9,000	0.030
Commerce Resources	5,321,599	1,598,793	0.30	957,887	0.180
Corsurex Resources	18,906	-	0.00	378	0.020
Cresval Capital	500,000	100,000	0.20	10,000	0.020
Crown Mining	570,000	39,530	0.07	19,950	0.035
Emerita Gold	740,000	216,418	0.29	70,300	0.095
Falcon Gold	200,000	8,900	0.04	7,000	0.035
Gaia Metals	70,000	56,340	0.80	7,350	0.105
Goldhill Holdings	42,000	12,600	0.30	3,570	0.085
Group Ten Metals	150,000	9,000	0.06	24,750	0.165
Indigo Exploration	715,000	200,653	0.28	10,725	0.015
International Montoro	600,000	30,000	0.05	21,000	0.035
King's Bay Resources	5,600,000	372,428	0.07	224,000	0.040
Maple Gold Mines	1,299,000	163,810	0.13	103,920	0.080
Margaret Lake Diamonds	160,000	19,200	0.12	3,200	0.020
Maxtech Ventures	461,000	111,700	0.24	39,185	0.085
MGX Minerals	49,846	34,052	0.68	3,988	0.080
MGX Renewables (Zinc8 Energy)	4,361,732	379,430	0.09	719,684	0.165
MinKap Resources	1,008,333	413,363	0.41	90,750	0.090
Nouveau Life	230,000	50,051	0.22	138	0.001
Pistol Bay	2,100,000	121,072	0.06	42,000	0.020
Prospera Energy	1,400,000	98,000	0.07	42,000	0.030
Saville Resources	7,171,000	362,410	0.05	250,985	0.035
Ultracharge	1,200,000	53,758	0.04	2,158	0.002
Vatic Resources	467,600	35,070	0.08	46,760	0.100
VOIP-PAL	226,000	26,217	0.12	8,107	0.036
Ximen Mining	300,000	134,635	0.45	114,000	0.380
Balance, November 30, 2019		**4,856,131**		**2,864,365**	

Expressed in Canadian Dollars

6. INVESTMENTS (continued)

(a) Investment in public company shareholdings (continued)

	Investments at fair value through profit or loss as at November 30, 2018				
	Number of Shares	Cost Base		Market Base	
		$	$/Share	$	$/Share
92 Resources	3,126,720	251,941	0.08	109,435	0.035
Altamira Gold	100,000	60,627	0.61	7,500	0.075
ALX Uranium	2,431,998	404,949	0.17	194,560	0.080
Arctic Star Exploration	4,241,358	468,161	0.11	275,688	0.065
Belmont Resources	5,540,667	256,766	0.05	277,033	0.050
Bluenose Gold	33,333	7,105	0.21	5,333	0.160
Canadian Energy Materials	350,000	56,000	0.16	52,500	0.150
Canada Cobalt Works	100,000	19,469	0.19	56,000	0.560
Cobalt Power Group	26,250	15,682	0.60	394	0.015
Commerce Resources	17,784,178	2,691,494	0.15	1,067,051	0.060
Cresval Capital	500,000	100,000	0.20	25,000	0.050
Crown Mining	723,166	50,098	0.07	75,932	0.105
Emerita Gold	3,200,000	283,218	0.09	48,000	0.015
Equitorial Resources	400,000	16,230	0.04	18,000	0.045
Fanlogic Interactive	100,000	50,000	0.50	3,000	0.030
First Cobalt	48,034	89,478	1.86	11,048	0.230
Greatbanks Resources	1,000,000	30,000	0.03	15,000	0.015
Group Ten Metals	900,000	54,000	0.06	130,500	0.145
Indigo Exploration	715,000	200,653	0.28	10,725	0.015
Indiva Exploration	6,218	86,250	13.87	3,233	0.520
Kapuskasing Gold	6,050,000	413,363	0.07	90,750	0.015
Khiron Life Sciences	208	525	2.52	308	1.480
King’s Bay Resources	6,026,135	400,553	0.07	241,045	0.040
Maple Gold Mines	1,299,000	163,810	0.13	123,405	0.095
Margaret Lake Diamonds	833,333	100,000	0.12	29,167	0.035
Maxtech Ventures	661,000	160,100	0.24	125,590	0.190
Megastar Development	150,000	9,770	0.07	6,000	0.040
MGX Minerals	859,179	621,992	0.72	386,630	0.450
Montan Mining	5,333	1,932	0.36	187	0.035
Mountain Boy Minerals	331,400	99,420	0.30	71,251	0.215
Nickel One	2,051,000	102,550	0.05	51,275	0.025
Nouveau Life	230,000	50,051	0.22	138	0.001
NRG Metals	300,000	26,230	0.09	27,000	0.090
Pacific Silk Road	145,000	119,011	0.82	2,900	0.020
Parcelpal	1,055,000	54,432	0.05	258,475	0.245
Pistol Bay	4,007,500	268,475	0.07	120,225	0.030
Prospera Energy	1,500,000	105,000	0.07	135,000	0.090
Redfund Capital	533,333	100,000	0.19	160,000	0.300
Red Oak Mining	100,000	12,000	0.12	32,000	0.320
Sanatana Resources	300,000	12,150	0.04	16,500	0.055
Saville Resources	6,671,000	345,110	0.05	233,485	0.035
Sunvest Metals	2,150	5,072	2.36	86	0.040
True Leaf Medicine	1,003,063	152,500	0.15	436,332	0.435
Ultracharge	1,200,000	53,758	0.04	11,653	0.010
Vatic Resources	467,522	70,128	0.15	28,051	0.060
VOIP	226,000	26,217	0.12	22,504	0.100
Voltaic Minerals	647,250	96,037	0.15	110,033	0.170
White Metal Resources	180,000	4,500	0.03	9,900	0.055
WPC Resources	435,000	21,750	0.05	10,875	0.025
Balance, November 30, 2018		**8,788,557**		**5,126,697**	

Expressed in Canadian Dollars

6. INVESTMENTS (continued)

(b) Investments in warrants

	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value $/Warrant
ALX Uranium Corp.	500,000	November 16, 2020	0.20	3,742	0.007
Alpha Lithium	645,000	April 23, 2020**	0.20	3,996	0.006
Arctic Star Exploration	52,100	June 30,2020	2.00	865	0.017
Arctic Star Exploration	200,000	June 4, 2020	1.25	3,789	0.019
Arctic Star Exploration	220,000	March 26, 2021	0.40	8,365	0.038
Belmont Resources	162,500	March 8, 2020*	0.40	-	0.000
Belmont Resources	250,000	July 23, 2020	0.64	1,192	0.005
Belmont Resources	162,500	February 14, 2020*	0.40	-	0.000
Belmont Resources	200,000	June 28, 2021	0.08	5,101	0.026
Belmont Resources	140,000	May 14, 2021	0.08	3,330	0.024
Canadian Energy Materials	175,000	January 5, 2020*	0.25	-	0.000
Commerce Resources	5,061,500	October 11, 2021	0.35	304,853	0.060
Copper North	120,000	November 4, 2020	0.50	-	0.000
Emerita Resources	100,000	December 20, 2019	1.00	-	0.000
Group Ten	1,000,000	February 27, 2020*	0.12	55,660	0.056
International Montoro	600,000	March 20, 2021	0.10	8,375	0.014
King's Bay Resources	3,386,703	December 30, 2019	0.12	-	0.000
King's Bay Resources	2,625,000	June 8, 2020	0.10	-	0.000
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	4,357	0.005
Maxtech Ventures	286,000	March 9, 2020*	0.45	2,067	0.007
MGX Minerals	100,000	December 27, 2020	1.15	-	0.000
MGX Minerals	416,667	December 21, 2021	0.67	2,798	0.007
MGX Renewables (Zinc 8 Energy)	400,000	November 30, 2020	0.35	47,200	0.118
MGX Renewables (Zinc 8 Energy)	3,783,333	September 9, 2021	0.08	587,328	0.155
MinKap Resources	83,333	October 24, 2020	0.30	6,511	0.078
Palladium One	512,750	March 19, 2020*	0.20	6,028	0.012
Pistol Bay	2,250,000	April 25, 2020	0.06	5,578	0.002
Pistol Bay	2,000,000	November 28, 2020	0.06	12,271	0.006
Redfund Capital	533,333	August 1, 2020	0.55	997	0.002
Saville Resources	2,000,000	September 28, 2020	0.10	12,136	0.006
Vatic Resources	233,800	February 5, 2021	0.10	5,978	0.026
Ximen Mining	300,000	January 4, 2021	0.30	56,626	0.189
Balance, November 30, 2019				**1,149,142**	

**Expired unexercised*
***200,000 warrants have been exercised subsequent to November 30, 2019*
****298,500 warrants exercised and 701,500 sold subsequent to November 30, 2019*

Expressed in Canadian Dollars

6. INVESTMENTS (continued)

(b) Investments in warrants (continued)

	Number of Warrants	Expiry Date	Weighted Average Exercise Price	Fair Value	Fair Value $/Warrant
92 Resources	2,750,000	Various	0.14	2,378	0.001
Altamira Gold Corp.	58,333	April 5,2019	0.33	-	0.000
ALX Uranium Corp.	500,000	May 16, 2019	0.20	6,127	0.012
Arctic Star Exploration	3,747,361	Various	0.17	25,641	0.007
Belmont Resources	7,575,667	Various	0.08	130,027	0.017
Berkwood Resources	838,650	Various	0.39	2,786	0.003
Canada Cobalt Works	416,666	March 16, 2019	0.20	151,656	0.364
Canadian Energy Materials	175,000	January 5, 2020	0.25	2,387	0.014
Commerce Resources	14,000,000	May 26, 2019	0.10	65,782	0.005
Copper North	120,000	November 4, 2020	0.50	428	0.004
Crown Mining	666,666	May 13, 2019	0.15	21,356	0.032
Emerita Resources	500,000	December 20, 2019	0.20	-	0.000
Golden Dawn	300,000	September 7, 2019	0.60	-	0.000
Group Ten	1,000,000	February 27, 2020	0.12	55,614	0.056
Kapuskasing	3,000,000	Various	0.12	4,537	0.002
King's Bay	7,011,703	Various	0.16	43,065	0.006
Maple Gold Mines	465,000	July 25, 2019	0.13	7,034	0.015
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	13,777	0.017
Maxtech Ventures	286,000	March 9, 2020	0.45	23,849	0.083
MGX	100,000	December 27, 2020	1.15	15,347	0.153
Mountain Boy	333,400	March 15, 2019	0.50	4,579	0.014
Nickel One	2,770,660	Various	0.10	12,867	0.005
Parcelpal	750,000	October 24, 2019	0.075	132,479	0.177
Pistol Bay	2,250,000	April 25, 2020	0.08	20,366	0.009
Prospera Energy	750,000	May 22, 2019	0.14	28,634	0.038
Redfund Capital	533,333	August 1, 2020	0.55	133,384	0.250
Rockcliff Metals	555,667	August 29, 2019	0.36	28,855	0.052
Saville Resources	6,000,000	September 28, 2020	0.10	99,660	0.017
Vatic Resources	467,522	February 1, 2019	0.30	-	0.000
Voltaic Minerals	645,000	April 23, 2020	0.20	3,568	0.006
Balance, November 30, 2018				**1,036,183**	

(c) Investment in GIC

As at November 30, 2019, the Company had two guaranteed investment certificates totaling $34,500 (2018: $34,500). Of the total, $23,000 matures on March 5, 2020 with an interest rate of prime minus 2.7% (subsequently renewed with an interest rate of prime less 2.7% and a maturity date of March 4, 2021). The remaining $11,500 matures on July 8, 2020 with an interest rate of prime minus 2.7%.

Expressed in Canadian Dollars

6. INVESTMENTS (continued)

(d) Investment in private companies

The Company made investments in private companies with the expectation that they will enter public markets in the foreseeable future. The Company has written down the value of the investments based on current market conditions.

	Investments at fair value through profit or loss as at November 30, 2019				
	# of Shares	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Avalon Bridge	500,000	25,000	0.05	-	0.000
District One Exploration	160,000	8,000	0.05	8,000	0.050
Eagle Bay Resources	2,000,000	50,000	0.03	-	0.000
Hexa Resources	601,809	55,142	0.09	-	0.000
S1 Capital	100,000	50,000	0.50	25,000	0.250
Balance, November 30, 2019		**188,142**		**33,000**	

	Investments at fair value through profit or loss as at November 30, 2018				
	# of Shares	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Avalon Bridge	500,000	25,000	0.05	25,000	0.050
Corsurex Resources	18,906	-	0.00	1,890	0.100
Hexa Resources	601,809	55,142	0.09	127,615	0.201
Jack's Fork Exploration	2,307,500	239,388	0.10	72,844	0.030
S1 Capital	100,000	50,000	0.50	50,000	0.500
Balance, November 30, 2018		**369,530**		**277,349**	

7. INVESTMENTS IN ASSOCIATES

	Core	D5	Total
As of November 30, 2017	$ -	$ -	$ -
Shares received for sale of software (Note 21)	-	300,000	300,000
Sale of shares	-	(180,000)	(180,000)
Purchase of shares in private placement	-	100,000	100,000
Loss from equity investee	-	(26,008)	(26,008)
As of November 30, 2018	-	193,992	193,992
Acquisition of shares	105,100	14,775	119,875
Sale of shares	-	(740)	(740)
Shares received for property sale	100,000	-	100,000
Loss from equity investee	(10,940)	(145,642)	(156,582)
As of November 30, 2019	$ 194,160	$ 62,385	$ 256,545

(1) Dimension Five Technologies Inc. ("D5")

On July 1, 2018, the Company received 10,000,000 shares of Dimension Five Technologies Inc. ("D5") valued at $300,000 for the sale of the Zimtu App (see Note 21) and immediately sold 6,000,000 of the received shares to management and employees of the Company, for $0.03 per share for gross proceeds of $180,000, all covered by promissory notes. On July 27, 2018, the Company acquired 2,000,000 shares valued at $0.05 in a private placement.

During the year ended November 30, 2019, the investment was adjusted for $145,642 (2018: $26,008) of equity loss due to the decrease of net assets of D5. As at November 30, 2019 and 2018, the Company holds 6,260,000 shares of D5, equal to 27% (2018: 26%) of D5's outstanding common shares.

Expressed in Canadian Dollars

7. INVESTMENTS IN ASSOCIATES (continued)

The financial information of D5 as of November 30, 2019 and 2018 are presented as follows:

	November 30,2019	November 30, 2018
	$	$
Current assets	219,956	443,018
Non-current assets	-	300,000
Current liabilities	(50,829)	(28,267)
Shareholders' equity	(169,127)	(714,751)

	December 1, 2018 to November 30, 2019	July 1, 2018 to November 30, 2018
	$	$
Revenue	123,381	50,000
Expenses	669,005	165,656
Net loss for the year/period	(545,624)	(115,656)

(2) Core Assets Corp. ("Core")

On December 10, 2018 and August 1, 2019, the Company signed an agreement with Core, a private company with common directors, whereby Core can earn a 100% interest in and to the Blue Property and Silver Lime Property respectively (See Note 12(f) and Note 12(g)). The Company received 2,000,000 shares, valued at total of $100,000. On August 14, 2019, the Company acquired 5,250,000 shares of Core valued at $105,100.

During the year ended November 30, 2019, the investment was adjusted for $10,940 (2018: $nil) of equity loss due to the decrease of net assets of Core. As at November 30, 2019, the Company holds 7,250,000 shares of Core, equal to 40% (2018: nil%) of Core's outstanding common shares.

The financial information of Core as of November 30, 2019 and August 14, 2019 (acquisition date) are presented as follows:

	November 30, 2019	August 14, 2019
	$	$
Current assets	252,189	129,653
Non-current assets	247,994	75,292
Current liabilities	(12,708)	(197,962)
Shareholders' equity	(487,475)	(6,983)

	August 14, 2019 to November 30, 2019
	$
Expenses	26,919
Net loss for the period	(26,919)

Expressed in Canadian Dollars

8. ADVANCES AND AMOUNTS RECEIVABLE

	November 30, 2019 $	November 30, 2018 $
Accounts receivable	527,951	509,250
Allowance for doubtful accounts	(116,611)	(63,855)
Accounts receivable – net of allowance (a)	411,340	445,395
Promissory note receivable – nominal value	649,500	609,750
Promissory note receivable – Fair value Change	(93,542)	(93,542)
Promissory note receivable – Fair value (b)	555,958	516,208
Total advances and amounts receivable:	967,298	961,603

(a) The Company's accounts receivable consists of amounts billed and outstanding for providing marketing, managerial, and administrative services. The amounts are unsecured, non-interest bearing, and have no specific terms of repayments.

As at November 30, 2019, accounts receivable of $116,611 (2018: $63,855) were impaired and fully provided by allowance. See below for the movements in the provision for impairment of receivable:

	$
As of November 30, 2017	309,403
Charge for the year	16,787
Utilized	(262,335)
As of November 30, 2018	63,855
Charge for the year	71,756
Utilized	(19,000)
As of November 30, 2019	116,611

(b) Promissory notes are issued to management and employees for the private sale of shares. These notes are non-interest bearing, have specific dates of repayment but due on demand, and hold share certificates as collateral. The borrowers have the option of repaying by either cash based on the nominal amount of the notes or the underlying shares. The fair values of the promissory notes as at each reporting date are determined as the lower of the market value of the underlying shares and the nominal loan amount.

9. PREPAID EXPENSES

The Company's current prepaid expenses consist mainly of payments made for future investments, marketing expenses paid in advance of service, and advance payments made on the Company's credit card or as employee advances.

	November 30, 2019 $	November 30, 2018 $
Prepaid share subscriptions	329,751	55,000
Deposits (Note 19)	3,310	18,873
Others	27,395	26,514
Total prepaid expenses	360,456	100,387

Expressed in Canadian Dollars

10. CONVERTIBLE DEBENTURES

(a) On August 8, 2019, the Company acquired a convertible note in the principal amount of $50,000 from King's Bay Resources Corp. ("King's Bay"), a public company on the TSX Venture Exchange. The note will mature in one year and bears interest at 12% per annum, payable at maturity. The principal amount of the note is convertible at the option of the subscriber at any time into units ("Units") of the Company at a conversion of $0.20 per Unit. Each Unit consists of one common share of the Issuer and one common share purchase warrant ("Warrant"). Each Warrant shall entitle the holder to purchase one common shares of the Company for a period of 2 years at an exercise price of $0.35 during the first year and $0.60 during the second year.

(b) On October 19, 2018, the Company acquired a convertible debenture note in the principal amount of $35,000 from Linceo Media Group Inc. ("Linceo"), a private junior mining company. The note will mature on October 19, 2020 and bears interest at 12% per annum, payable on the maturity date. The principal amount of the note is convertible at the option of the subscriber at any time into common shares of the Company at a conversion price per common share equity to 50% of the go public transaction or 50% of the last financing price.

11. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount.

Year ended November 30,	**2019**	**2018**
Key management compensation*	**$**	**$**
Key management compensation	676,975	657,196
Share-based compensation	-	129,286

Year ended November 30,	**2019**	**2018**
Revenue**	**$**	**$**
Management administration fees	409,500	360,000
Corp development and advertising income	-	8,000
Other income	15,350	1,500
Expenses		
App development and marketing fees (Note 21)	50,000	-
Licensing fees (Note 21)	128,400	50,000

Amounts due from related parties	**November 30, 2019** **$**	**November 30, 2018** **$**
Commerce Resources Corp.***	2,297	684,309
David Hodge, CEO and director	12,819	-
Sean Charland, director	9,919	-
Promissory note receivable - Fair Value		
David Hodge, CEO and director	52,250	52,250
Jody Bellefleur, CFO	29,000	25,000
Kevin Bottomley, director	115,750	113,750
Sean Charland, director	47,000	43,000
Chris Grove, director	87,417	85,417
Loan receivable		
Core Assets Corp.	-	5,100
Total amount due from related parties	**356,452**	**1,008,826**

Expressed in Canadian Dollars

11. RELATED PARTY TRANSACTIONS (continued)

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain members of its Board of Directors.

** The Company provides Management and Administrative services to related parties. These services include rent, office costs, administration, and staffing.

******* Commerce Resources Corp. ("Commerce") is a company with common directors and management of the Company. The Company provides key management services to Commerce.

12. MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2018 $	Additions $	Impairment $	Property sales $	Balance, November 30, 2019 $
Blue Property (f)	N/A	26,500	-	-	(26,500)	-
Carbonatite Ridge (α)	N/A	-	888	-	-	888
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	4,847	-	-	-	4,847
Glenora/Bay Horse (h)	N/A	-	1,500	-	(1,500)	-
Mell & Tucha Claims (α)	Dahrouge	7,045	-	(7,045)	-	-
Munn Lake (α)	Dahrouge	62,416	43,126	-	-	105,542
Nunavut (c) (α)	Various	27,005	24,417	-	-	51,422
Rare Metal Belt (α)	N/A	-	10,000	(10,000)	-	-
Pell Claims (α)	Dahrouge	2,888	-	(2,888)	-	-
Silver Lime (g)	N/A	8,000	-	-	(8,000)	-
Sunny Boy (α)	N/A	-	2,500	-	-	2,500
		142,413	82,431	(19,933)	(36,000)	168,911

Property Name	Partner	Balance, November 30, 2017 $	Additions $	Impairment $	Property sales $	Balance, November 30, 2018 $
AB Potash (α)	Dahrouge	84	-	(84)	-	-
Blue Property (f)	N/A	-	26,500	-	-	26,500
Carlow Lithium (α)	Dahrouge	5,193	-	(5,193)	-	-
Covette Property (d)	N/A	335,999	1,255	-	(337,254)	-
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	7,339	1,069	(3,561)	-	4,847
Eastmain River (α)	N/A	3,041	-	(3,041)	-	-
Johnson Croft (b)	N/A	360	-	-	(360)	-
Lac Gueret Graphite (α)	N/A	239	-	(239)	-	-
Lac Patu Vandium (e)	S. Jamal	-	6,261	-	(6,261)	-
Mell & Tucha Claims (α)	Dahrouge	2,450	4,595	-	-	7,045
Munn Lake (α)	Dahrouge	133,202	44,064	(114,850)	-	62,416
Nunavut (c) (α)	Various	12,037	14,968	-	-	27,005
Pelican Frac Sands (α)	Dahrouge	7,049	-	(7,049)	-	-
Pell Claims (α)	Dahrouge	-	2,888	-	-	2,888
Silver Lime (g)	N/A	-	8,000	-	-	8,000
Two Creeks (α)	Dahrouge	-	648	(648)	-	-
		510,705	110,248	(134,665)	(343,875)	142,413

(α) Properties Held for Sale

12. MINERAL PROPERTY INTERESTS (continued**)**

Joint Venture Partners

Dahrouge Geological Consulting Corp., 877384 Alberta Ltd., and DG Resource Management Ltd. ("Dahrouge")

The Company entered into verbal mutual agreements with Dahrouge Geological Consulting Corp. ("Dahrouge"), 877384 Alberta Ltd. ("877384"), and DG Resource Management Ltd. ("DG Resource"), in which Dahrouge, 877384, and/or DG Resource will stake and hold the ownerships of the properties on behalf of the Company.

Farmed-out Properties

(a) Alberta Lithium & Two Creeks

On February 1, 2016, the Company announced that the Company and two of its prospecting partners have signed an agreement with MGX Minerals Inc. ("MGX Minerals") whereby MGX Minerals can acquire a 100%-interest in 12 Metallic and Industrial Mineral Permits and Permit Applications encompassing 96,000 hectares throughout the Province of Alberta (the "Properties"). For its participation in the transaction, the Company will receive cash and share payments from MGX Minerals as follows: (i) $10,000 on signing (received), 250,000 common shares within 10 days of signing (received with a fair value of $52,500), 250,000 common shares within 12 months of signing (received with a fair value of $140,000), and 250,000 common shares within 24 months of signing (received with a fair value of $447,500). During the year ended November 30, 2019, $nil (2018: $447,500) is recognized as revenue from the property sale.

(b) Johnson Croft Property

On November 17, 2017, the Company signed an agreement with Karim Rayani ("Mr. Rayani") whereby Mr. Rayani can earn a 100% interest in and to the Johnson Croft Property. For its participation in the transaction, the Company will receive $7,500 ($7,500 received). During the year ended November 30, 2019, $nil (2018: $7,140) is recognized as revenue from the property sale.

(c) Nunavut Property

On November 23, 2017, the Company and its prospecting partners signed an agreement with John Tugak ("Mr. Tugak") to acquire certain rights to approximately 579 hectares in the Huckleberry Exploration Area, to be called the Nunavut Property, located in Nunavut, Canada. The total cost of property is $612,525 in staged payments over 20 years ($60,000 paid). The Company will own 29% of the property.

(d) Covette Property

On November 27, 2017, the Company signed an agreement with Saville Resources Inc. ("Saville") whereby Saville can earn a 100% interest in and to the Covette Property, in the James Bay Region of Quebec. For its participation in the transaction, the Company received $350,000. During the year ended November 30, 2019, $nil (2018: $12,746) is recognized as revenue from the property sale.

(e) Lac Patu Vandium Project

On August 15, 2018, the Company and one of its prospecting partners signed an agreement with Maxtech Ventures Inc. ("Maxtech") whereby Maxtech can earn a 100% interest in and to the Lac Patu Vandium Project. For its participation in the transaction, the Company will receive $92,500 ($22,500 received) and 1,625,000 common shares of Maxtech over a 2 year period (375,000 received). The vendors will collectively retain a 2% Net Smelter Royalty on production, of which 1% can be purchased by Maxtech for $1 million. During the year ended November 30, 2019, $nil (2018: $76,240) is recognized as revenue from the property sale. Subsequent to November 30, 2019, Maxtech defaulted on the property and it was returned to the Company. See Note 23.

12. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(f) Blue Property

On December 10, 2018, the Company signed an agreement with Core Assets Corp. ("Core") whereby Core can earn a 100% interest in and to the Blue Property, in the British Columbia. For its participation in the transaction, the Company will receive $100,000 in cash ($50,000 received during the year ended November 30, 2019) and 3,000,000 common shares of Core in staged payments (1,000,000 shares received during the year ended November 30, 2019 with a fair value of $50,000). During the year ended November 30, 2019, $73,500 (2018: $nil) is recognized as revenue from the property sale. See also Note 7.

(g) Silver Lime Property

On August 1, 2019, the Company signed an agreement with Core Assets Corp. ("Core") whereby Core can earn a 100% interest in and to the Silver Lime Property, in the British Columbia. For its participation in the transaction, the Company received 1,000,000 common shares of Core (received during the year ended November 30, 2019 with a fair value of $50,000). During the year ended November 30, 2019, $42,000 (2018: $nil) is recognized as revenue from the property sale. See also Note 7.

(h) Glenora/Bay Horse Property

On October 29, 2019, the Company and two of its prospecting partners signed an agreement with Belmont Resources Inc. ("Belmont") whereby Belmont can earn a 100% interest in and to the Glenora/Bay Horse Property. For its participation in the transaction, the Company will receive 280,000 common shares (received 140,000 shares and warrants during the year ended November 30, 2019 valued at $5,600) of Belmont over a one year period. The vendors will collectively retain a 1.5% Net Smelter Royalty on production, of which 75% can be purchased by Belmont for $500,000, to be split evenly between the partners. During the year ended November 30, 2019, $4,100 (2018: $nil) is recognized as revenue from the property sale.

13. UNEARNED REVENUE

The Company has entered into agreements with multiple companies to provide corporate development and marketing services for a twelve-month period. These services are billed for in advance and recorded as revenue on the first of the month. Amounts received for services provided in the future are included as unearned revenue.

14. PROMISSORY NOTES PAYABLE

The Company entered into an agreement to privately acquire shares from an individual. The promissory note has a principal balance totaling $90,100 (2018 - $90,100), is non-interest bearing, and due to be paid by June 17, 2020. During the year ended November 30, 2019, the Company paid $16,000 (2018 - $7,000) towards this promissory note, leaving a balance due of $67,100 (2018: $83,100).

Expressed in Canadian Dollars

15. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Issued:

On March 20, 2019, the Company closed a non-brokered private placement (the "Private Placement") of 712,000 units (the "Units") at a price of $0.25 per Unit, for gross proceeds of $178,000. Each Unit is comprised of one common share and one non-transferable share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share in the capital of the Company for a period of 24 months from the date of closing at an exercise price of $0.30. The fair value of the common share component of the units at the date of issuance was $0.25 being equal to market price therefore the Company allocated the entire proceeds to common share and $Nil to warrants.

c) Share purchase warrants:

A summary of the share purchase warrant transactions is presented below:

	November 30, 2019		November 30, 2018	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	-	$ -	-	$ -
Issued	712,000	0.30	-	-
Outstanding and exercisable, end of year	712,000	$ 0.30	-	$ -

As at November 30, 2019, the Company had the following share purchase warrants outstanding:

Expiry Date	Exercise Price	Number of Warrants
March 21, 2021	$0.30	712,000

d) Stock Option Plan

The Company has a Stock Option Plan (the "Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. At the Company's Annual General Meeting on April 18, 2017, the shareholders approved the "2018 Stock Option Plan" and set the number of options granted under the Plan to be fixed at 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years. Options granted to employees and consultants vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three-month period.

On March 26, 2018, the Company granted 930,000 stock options at an exercise price of $0.325 for a term of 5 years. Of the total, 570,000 were issued to directors and officers of the Company. The fair value of each option was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 2.09%, a dividend yield of nil, an expected volatility of 89.29% and an average expected life of 5 years. The share-based compensation related to these stock options have been determined to be $210,940.

Expressed in Canadian Dollars

15. SHARE CAPITAL (continued)

d) Stock Option Plan (continued)

On March 29, 2018, the Company cancelled 210,000 stock options priced at $0.50 with an expiry date of March 31, 2019 and 150,000 stock options priced at $0.50 with an expiry date of April 30, 2019.

On April 12, 2018, the Company granted 300,000 stock options to a consultant at an exercise price of $0.355 for a term of 3 years. The fair value of each option was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 2.01%, a dividend yield of nil, an expected volatility of 91.20% and an average expected life of 3 years. The share-based compensation related to these stock options have been determined to be $62,131.

A summary of the stock option transactions under the Company's stock option plan is presented below:

	November 30, 2019			**November 30, 2018**		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	3,010,000	$	0.32	2,140,000	$	0.34
Granted	-		-	1,230,000		0.33
Cancelled/Expired	(250,000)		0.50	(360,000)		0.50
Outstanding and exercisable, end of year	2,760,000	$	0.30	3,010,000	$	0.32

As at November 30, 2019, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	Number of Options
June 10, 2021	$0.28	1,530,000
March 26, 2023	$0.325	930,000
April 12, 2021	$0.355	300,000
		2,760,000

16. GENERAL AND ADMINISTRATIVE EXPENSES

During the years ended November 30, 2019 and 2018, the Company incurred the following general and administrative expenses:

		2019		**2018**
Expenses				
Advertising and promotion	$	**562,648**	$	452,519
Bad debt expenses (Note 8)		**71,756**		16,787
Filing fees and transfer agent expenses		**17,343**		19,112
Office, rent and telephone		**298,955**		298,033
Professional fees		**113,479**		213,918
Share-based payments (Note 15(d))		**-**		273,071
Wages and benefits		**1,426,927**		1,561,832
		2,491,108		2,835,272

Expressed in Canadian Dollars

17. SEGMENT INFORMATION

All of the Company's business is located in Canada. The Company's segment information is presented by industry according to the nature of their operations and the products and services they provide. Each of the Company's industry segments represents a strategic business unit offering products and services subject to different risks and returns from those of the other industry segments. Summary details of the industry segments are as follows:

For the year ended November 30, 2019

	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue				
Administrative fees	-	621,500	-	621,500
Corporate development fees	-	746,167	-	746,167
Income from property sale	119,600	-	-	119,600
	119,600	1,367,667	-	1,487,267
Segment assets	168,911	-	6,161,190	6,329,101
Expenditure for segment capital assets	82,431	-	-	82,431

For the year ended November 30, 2018

	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue				
Administrative fees	-	722,500	-	722,500
Corporate development fees	-	1,202,112	-	1,202,112
Income from property sale	543,626	-	-	543,626
	543,626	1,924,612	-	2,468,238
Segment assets	142,413	-	9,027,407	9,169,820
Expenditure for segment capital assets	110,248	-	-	110,248

Expressed in Canadian Dollars

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		2019		2018
Accounts payable portion of mineral property	$	**19,030**	$	2,348
Payable (Prepaid) expenses for share subscription	$	**(329,751)**	$	(55,000)
Shares received for property sales	$	**(105,600)**	$	(507,500)
Shares received for other income	$	**(20,850)**	$	-
Shares issued for services	$	**9,200**	$	-
Shares received for sale of app	$	**-**	$	300,000
Shares received for debt	$	**-**	$	321,392

19. LEASE COMMITMENTS

The Company leases its main office premises under a long-term lease that expires August 31, 2021. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises. The Company also paid one month's basic rent of $15,562 to the landlords as the deposit which will be applied to the last month of rent in the Company's lease. This amount was recorded as deposits and was classified as a current asset as at November 30, 2018, prior to renewal of the lease. With the subsequent renewal during the year ended November 30,2019, the amount was reclassified to long term assets.

The rent payable in the next three fiscal years is as follows:

November 30, 2020	146,484
November 30, 2021	112,680
	$ 259,164

The Company also leases a second office premises under a sub-lease effective June 1, 2017 that expires May 31, 2020. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises. The Company also paid one month's basic rent of $3,310 to the landlords as the deposit which will be applied to the last month of rent in the Company's lease. This amount was recorded as deposits and has been classified as a current asset as at November 30, 2019 and 2018.

The rent payable in the next fiscal year is as follow:

November 30, 2020	$ 10,632

20. GAIN ON SETTLEMENT OF DEBT

In December 2017, the Company received 3,650,000 shares of Saville Resources Ltd. with a deemed price of $0.06 per share to settle $219,000 of debt. On the day the shares were received, the fair value of the shares was $273,750, or $0.075 per share. The gain of $54,750 has been recorded in the statement of income for the year ended November 30, 2018.

Expressed in Canadian Dollars

21. SALE OF SOFTWARE

On July 1, 2018, the Company entered into an agreement with Dimension Five Technologies Inc. ("D5") to sell the Zimtu App, a software program developed by the Company. For its part in the transaction, the Company received 10,000,000 common shares of D5, valued at $0.03 per share. During the year ended November 30, 2019, $nil (2018: $135,321) is recognized as income from sale of software.

On July 1, 2018, the Company entered into a licensing agreement with D5 for access to the Zimtu App for $10,000 per month for 18 months. The licencing agreement was terminated effective February 1, 2020 due to a potential change in business by D5.

On September 11, 2018, the Company entered into an App Further Development Agreement with D5. The Company will pay for the app development and marketing services provided by D5 for a cost of $100,000. As of November 30, 2019, $50,000 (2018: $nil) has been paid by the Company to D5.

22. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of income (loss) and comprehensive income (loss) for the years ended November 30, 2019 and 2018.

	2019	2018
	$	$
Net income (loss) before tax	(2,742,553)	(5,622,919)
Statutory tax rate	27%	26.92%
Expected income tax expense (recovery)	(740,489)	(1,513,502)
Non-deductible (taxable) items	231,633	749,247
Change in deferred tax asset not recognized	508,856	764,255
Income tax expense (recovery)	-	-

	2019	2018
	$	$
Current tax expense (recovery)	-	-
Deferred tax expense (recovery)	-	-
Total tax expense (recovery)	-	-

Expressed in Canadian Dollars

22. INCOME TAXES (continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets at November 30, 2019 and 2018 are comprised of the following:

	2019	2018
	$	$
Non-capital losses carry forwards	32,530	16,677
Mineral property interests	(32,530)	(16,677)
Net deferred tax asset (liability)	-	-

The unrecognized deductible temporary differences are as follows:

	2019	2018
	$	$
Non-capital losses carry forwards	2,036,721	1,008,571
Investments in associates	182,590	26,008
Investments	997,766	2,717,860
Capital loss carry forwards	3,909,723	4,513,681
Promissory notes receivable	148,125	148,125
Equipment	31,459	39,439
Financing costs	2,272	8,915
Unrecognized deductible temporary differences	7,308,655	8,462,599

The Company has non capital loss carry forwards of approximately $2,036,721 (2018: $1,008,571) which may be carried forward to apply against future years' net income for Canadian income tax purposes, subject to the final determination by taxation authorities, beginning to expire from 2034 to 2039.

23. SUBSEQUENT EVENTS

i. Subsequent to November 30, 2019, Maxtech defaulted on the Lac Patu Vandium Property. The Company and Maxtech agreed to a settlement of cash and shares.

ii. On February 1, 2020, the Company and D5 mutually terminated their licencing agreement due to the change in business for D5.

iii. On March 11, 2020, the Company and Core amended the mineral property acquisition agreement for the Blue Property, delaying the first anniversary cash payment. (Note 12 (f)).

iv. Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.