CASCADERO COPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2019 and 2018

(EXPRESSED IN CANADIAN DOLLARS)

Mao & Ying LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cascadero Copper Corporation

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

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

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 Consolidated financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated 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.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

1488 - 1188 West Georgia Street, Vancouver, British Columbia, V6E 4A2 Telephone: 778-379-8518 Fax: 778-379-8502

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Company'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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Linda Zhu.

Mao & Ying LLP

Vancouver, Canada,
March 30, 2020

Chartered Professional Accountants

CASCADERO COPPER CORPORATION

(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars unless otherwise stated)

	Notes	November 30, 2019	November 30, 2018
ASSETS			
Current assets			
Cash and cash equivalents		$ 266	$ 163,560
Marketable securities	4	178,422	280,378
Taxes receivable		17,900	69,482
Prepaid expenses		2,252	7,341
		198,840	520,761
Due from a related party	10(a)	168,848	168,848
Exploration and evaluation assets	6	—	—
Equipment		756	1,120
		$ 368,444	$ 690,729
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		$ 181,732	$ 104,207
Accrued Liabilities		10,219	128,053
Due to related parties	10(a)	1,016,217	861,197
Loans payable	10(b)	225,000	200,000
Share of net liabilities in joint venture	5	50,136	15,497
		1,483,304	1,308,954
EQUITY			
Share capital	8	22,382,188	22,382,188
Contributed surplus		4,852,653	4,810,812
Other comprehensive income		(430,137)	(328,240)
Accumulated deficit		(27,919,564)	(27,482,985)
		(1,114,860)	(618,225)
		$ 368,444	$ 690,729

Nature of operations and going concern (Note 1)

Approved by the Board of Directors

"Brian F. Causey"
Director

"George H. Gale"
Director

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

CASCADERO COPPER CORPORATION

(An exploration stage company)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars unless otherwise stated)

	Notes	For the year ended November 30, 2019	For the year ended November 30, 2018
Expenses			
Professional fees		$ 187,127	$ 223,671
Accretion and interest expense	10(b)	25,000	132,080
Depreciation		365	876
Management fees	10(c)	111,500	160,000
General and administrative	10(c)	72,031	230,751
Rent	10(c)	9,795	18,000
Share-based compensation	8(c)	41,841	441,054
Write-off exploration and evaluation assets	6	—	89,664
Gain on disposal of exploration and evaluation assets	6	—	(958,333)
Share of loss of investment in joint venture	5	24,569	426,965
		472,228	764,728
Loss before the other items		(472,228)	(764,728)
Other items			
Loss on disposition of marketable securities		—	(3,255)
Realized fair value adjustment		—	(9,900)
Foreign exchange gain (loss)		35,649	(31,950)
		35,649	(45,105)
Net loss for the year		$ (436,579)	$ (809,833)
Other comprehensive loss (income)			
Change of fair value of marketable securities		(101,956)	(343,522)
Exchange differences on translating foreign operations		59	(2,300)
Comprehensive loss for the year		(538,476)	(1,155,655)
Basic and diluted loss per common share		$ (0.002)	$ (0.005)
Weighted average number of shares outstanding, basic and diluted		177,177,472	177,177,472

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

CASCADERO COPPPER CORPORATION

(An exploration stage company)

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars unless otherwise stated)

	Notes	Number of shares issued	Number of treasury shares	Number of Shares outstanding	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total
Balance, November 30, 2017		188,978,892	16,498,026	172,480,866	$ 21,978,738	$ 4,466,808	$ (26,673,152)	$ 17,582	$ (210,024)
Stock options exercised		5,320,000	—	5,320,000	403,450	(97,050)	—	—	306,400
Share-based compensation	8(c)	—	—	—	—	441,054	—	—	441,054
Foreign currency translation difference		—	—	—	—	—	—	(2,300)	(2,300)
Unrealized gain on marketable securities		—	—	—	—	—	—	(343,522)	(343,522)
Net loss for the year		—	—	—	—	—	(809,833)	—	(809,833)
Balance, November 30, 2018		194,298,892	16,498,026	177,800,866	$ 22,382,188	$ 4,810,812	$ (27,482,985)	$ (328,240)	$ (618,225)
Share-based compensation	8(c)	—	—	—	—	41,841	—	—	41,841
Foreign currency translation difference		—	—	—	—	—	—	59	59
Unrealized loss on marketable securities		—	—	—	—	—	—	(101,956)	(101,956)
Net loss for the year		—	—	—	—	—	(436,579)	—	(436,579)
Balance, November 30, 2019		194,298,892	16,498,026	177,800,866	$ 22,382,188	$ 4,852,653	$ (27,919,564)	$ (430,137)	$ (1,114,860)

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

CASCADERO COPPER CORPORATION

(An exploration stage company)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars unless otherwise stated)

	For the year ended November 30, 2019	For the year ended November 30, 2018
Operating Activities		
Net loss of the year	$ (436,579)	$ (809,833)
Adjustments for items not involving cash:		
Accretion	25,000	132,080
Depreciation	365	876
Share-based compensation	41,841	441,054
Foreign exchange	(36,840)	27,463
Write-off evaluation and exploration assets	—	89,664
Gain on disposal of exploration and evaluation assets	—	(958,333)
Loss on disposal of marketable securities	—	3,255
Realized change of fair value adjustment	—	9,900
Share of loss of investment in joint venture	24,569	426,965
	(381,644)	(636,909)
Net changes in non-cash working capital items		
Due from joint venture partner	—	300,125
Taxes receivable	51,581	(28,213)
Prepaid expenses	5,089	(1,931)
Due from/to related parties	155,079	(5,815)
Accounts payable and accrued liabilities	(40,309)	(132,239)
Cash used in operating activities	(210,204)	(504,982)
Investing activities		
Investment in joint venture	(245,742)	(715,315)
Evaluation and exploration assets	—	(89,664)
Cash received from disposition of exploration and evaluation assets	—	600,000
Proceeds from disposition of marketable securities	—	12,945
Cash (used in) from investing activities	(245,742)	(192,034)
Financing Activities		
Shares issued from exercise stock options	—	231,400
Evaluation and exploration assets	292,652	300,125
Cash from financing activities	292,652	531,525
Decrease in cash during the year	(163,294)	(165,491)
Cash and cash equivalents, beginning of the year	163,560	329,051
Cash and cash equivalents, end of year	$ 266	$ 163,560
Supplemental disclosures of cash flow information (Note 11)		

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cascadero Copper Corporation ("Cascadero" or the "Company") was incorporated pursuant to the Alberta Business Corporations Act on October 30, 2003 and continued into the Province of British Columbia on June 3, 2004. The Company is engaged in the business of acquiring, exploring and developing mineral properties located primarily in Argentina. The Company is considered to be in the exploration stage. The Company's head office, principal address, and records office is located at 1873 Burrill Avenue, North Vancouver, British Columbia, Canada.

The Company is in the process of exploring and developing mineral properties and has not yet determined whether these properties contain precious mineral reserves that are economically recoverable.

These consolidated financial statements have been prepared on the basis of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. Such adjustments could be material.

The Company has a history of losses with no operating revenue other than interest income. As at November 30, 2019, the Company has incurred cumulative losses of $27,919,564 and had a negative working capital of $1,284,464. The ability of the Company to continue operations and carry out its planned business objectives is dependent on its ability to raise adequate financing from shareholders and other investors, the continued support from its directors and creditors, and the successful development of mineral properties or alternatively upon the Company's ability to dispose of its interest in mineral properties on an advantageous basis in the future. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The above factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and liabilities in the normal course of business.

These consolidated financial statements do not include adjustments that would be required if a going concern is not an appropriate basis for preparation of these consolidated financial statements. These adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS in effect as of November 30, 2019.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 30, 2020.

b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for those as explained in the accounting policies below.

c) Use of estimates

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

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to all periods presented in these consolidated financial statements.

a) Principles of consolidation

These consolidated financial statements include the accounts of Cascadero and the accounts and operations of the following entities:

Entities	Jurisdiction of Incorporation	Ownership
SESA Holdings, LLC ("SHL")	United States	Control
Cascadero Minerals Corporation ("CMC")	Canada	Note (i) below
Salta Exploraciones S.A. ("Salta")	Argentina	Note (i) below
Cascadero Minerals S.A. ("CMSA")	Argentina	Note (i) below
Salta Geothermal S.A. ("SGSA")	Argentina	Note (i) below
Trumetals S.A. ("TSA")	Argentina	Note (i) below

Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investees);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains controls over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the consolidated statements of loss and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

Up until November 29, 2016, Cascadero is the legal and beneficial holder of all of the issued and outstanding shares of CMSA, SGSA and TSA. These entities were duly formed under the laws of Argentina which holds certain mineral properties in Argentina. On November 30, 2016, the Company underwent a reorganization by transferring and assigning all legal and beneficial interests in CMSA, SGSA and TSA to CMC (the "Reorganization") and CMC became a vehicle indirectly holding all Argentina mineral properties. After the Reorganization, CMC, CMSA, SGSA and TSA are collectively referred to as the Argentina Entities. The Company lost control in the Argentina Entities effective November 30, 2016, and retained a joint control (see Note 5). The Argentina Entities' operating results are accounted for using the equity method effective November 30, 2016. CMC had no material transactions for the years ended November 30, 2019 and 2018.

b) Joint arrangements

A joint arrangement is a contractual arrangement where two or more parties undertake an economic activity that is subject to joint control. Joint control exists when the parties involved in the contractual arrangement agree to share control over the economic activity, and the financial and operating decisions are agreed to be made by unanimous consent.

There are two types of joint arrangements: joint operations and joint ventures. A joint operation exists when the parties with joint control have rights to the assets and the obligations for the liabilities. A joint venture exists when the parties with joint control have the rights to the net assets of the arrangement.

Joint ventures are accounted for using the equity method, which involves recognition in the income statement of the Company's share of the net result of the joint ventures for the year. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. The Company's interest in a joint venture is carried in the consolidated statements of financial position at its share in the net assets of the joint venture, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including other receivables forming part of the net investment in the joint venture), the carrying amount is written down to nil and recognition of further losses is discontinued, unless the Company has legal or contractual obligations relating to the joint venture in question.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as share of profit/loss of an associate and a joint venture in the consolidated statements of loss.

c) Presentation currency and foreign currency translation

The presentation currency of the Company is Canadian dollars.

Functional currency is the currency of the primary economic environment in which an entity operates. The functional currencies of the Company, CMC and SHL are Canadian dollars, the functional currencies of the Argentina entities are the Argentine pesos. The assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rate of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income.

d) Foreign currency transaction

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that state at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in other than the functional currency are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the consolidated statements of loss.

e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at November 30, 2019 and 2018, the Company did not have cash equivalents.

f) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided using the declining balance method at the following annual rates:

Computer equipment	45%
Furniture and fixtures	20%

Additions during the year are pro-rata amortized based on the annual amortization rate.

g) Exploration and evaluation assets

(i) Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred.

(ii) Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such exploration and evaluation ("E&E") costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proven and or probable mineral

reserves are determined to exist. The Company has not established NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest, with any excess cash accounted for as a gain on disposal.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(iii) Impairment

Exploration and evaluation assets are assessed for impairment at each reporting period or when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Indication of impairment includes but is not limited to expiration of the right to explore, substantive expenditures in the specific area is neither budgeted nor planned, and exploration for and evaluation of mineral resources in the specific area have not led to the discovery of any commercially viable quantities of mineral resources.

Where an impairment loss subsequently reversed the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately as profit or loss.

h) Earnings (loss) per share

Earnings (loss) per share are calculated using the weighted average number of shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

Diluted earnings (loss) per share for the years ended November 30, 2019 and 2018, are equal to loss per share as the effect of applying the treasury stock method is anti-dilutive.

i) Share-based payments

The Company recognizes share-based compensation expense for all stock options awarded to directors, officers and employees based on the fair values of the stock options at the date of grant. The fair values of the stock options at the date of grant are expensed over the vesting periods of the stock options with a corresponding increase to equity. The fair value of stock options granted to directors, officers and employees is determined using the Black-Scholes option pricing model with market related inputs as of the date of the grant. The fair value of stock options granted to non-employees is measured at the fair value of the services delivered unless fair value cannot be estimated reliably, in which case, fair value is determined using the Black-Scholes option pricing model. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Forfeitures are accounted for using estimates based on historical actual forfeiture data.

j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

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 tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

k) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

As at November 30, 2019 and 2018, the Company had no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

l) Financial Instruments

Effective December 1, 2019, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have a material impact on the carrying amounts of the Company's financial statements at the transition date.

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-

instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

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

Financial assets/liabilities	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	Available for sale	FVTPL
Due from related parties	Loans and receivable	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Loans payable	Other liabilities	Amortized cost
Due to related parties	Other financial liabilities	Amortized cost

ii) Measurement

Initial measurement
The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Subsequent measurement
Financial assets and liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or costs.

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

iii) 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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

m) Critical accounting estimates and judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Information about critical accounting estimates and judgements in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

(i) Judgements

Valuation of exploration and evaluation expenditures
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

Joint Arrangement
The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over the other companies. Management has used its judgement to determine which companies are controlled and require consolidation, and those which are significantly influenced or jointly controlled and require equity accounting. Determination of the date that the Company's interest in the Argentina Entities changed from control to joint control also required significant judgement. The Company has determined that effective November 30, 2016, the Company lost control in the Argentina Entities and retained joint control in these entities as the participating parties have joint control and a right to the net assets of the arrangement.
Significant judgements and estimates are also required to determine the fair value of the investments retained in the Argentina Entities that were former subsidiaries of the Company.

At each reporting date, the Company determines whether there is objective evidence that the investment in associate or joint venture is impaired. Significant judgement is required when determining whether facts and

circumstances suggest that the carrying amount of the investment in associate or joint venture may exceed its recoverable amount.

Business versus asset
Identifying a transaction as being a business or asset requires judgement regarding whether the set of assets and liabilities acquired or disposed constitutes a business based on the particular circumstances.

Provision
Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability.

(ii) Estimates

Share-based payment transactions
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. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and warrant, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payments are disclosed in Note 8 (c).

n) Accounting standards issued but not yet effective.

A number of new standards, amendments to standards and interpretations, are not yet effective for the year ended November 30, 2019, and have not been applied in preparing these consolidated financial statements. The standards, amendments and interpretations issued, which the Company reasonably expects to be applicable at a future date, are listed below. The Company intends to adopt those standards, amendments and interpretations when they become effective.

(i) IFRS 16 *Leases*
In January 2016, the IASB published a new standard, IFRS 16. The new standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 18 and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019. The Company did not have significant operating leases obligations as at November 30, 2019. The Company does not expect the adoption of this standard will have significant impact on its consolidated financial statements.

4. MARKETABLE SECURITIES

Marketable securities consist of common shares of Amarc Resources Ltd. ("Amarc'), a publicly traded company and are recorded at fair value based on quoted market prices, with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. During the year ended November 30, 2019, the Company recorded an unrealized loss of $101,956 (2018 –$343,522) in other comprehensive income. The continuity of the marketable securities is presented below:

	Number of Shares	Carrying Value	Fair Value
		$	$
Balance, November 30, 2017	1,944,444	281,944	291,667
Additions (Note 6)	3,333,334	358,334	
Disposals	(180,000)	(26,100)	
Balance, November 30, 2018	5,097,778	614,178	280,378
Additions	—	—	
Disposals	—	—	
Balance, November 30, 2019	5,097,778	614,178	178,422

As at November 30, 2019, 3 million Amarc shares were held as security for $100,000 loan owed by the Company, and these shares were sold subsequent to the year end to settle the loan payable (Note 7).

5. INVESTMENT IN JOINT VENTURE

On December 21, 2015, the Company and Regberg Ltd. ("Regberg") signed an Amendment #2 Operating Agreement SESA Holdings, LLC (the "Amendment #2 Agreement"). According to the Amendment #2 Agreement, Regberg acquired 25% in SHL for US$850,000. Regberg had an option to acquire a further 5% interest in SHL by paying US$175,000 before May 18, 2018 (collectively referred as the "Regberg Transaction"). In April 2016, Regberg exercised the option to acquire additional 5% interest. In connection with the Regberg Transaction, the Company also issued 5,824,600 treasury shares held by CMC to Regberg in November 2016. The treasury shares issued to Regberg was measured at $0.095 per share, being the Company's stock trading price at date of issuance.

SHL held certain mineral properties in Argentina through its wholly owned Argentina subsidiary, Salta. Immediately prior to disposition of Salta (Note 3 (a)), the Company transferred all of its Argentina mineral properties to CMSA, SGSA and TSA. On November 30, 2016, the Company underwent a reorganization whereby the Company transferred and assigned all of its beneficial interests in CMSA, SGSA and TSA to CMC and has agreed that Regberg has 30% of direct interest in CMC under the Regberg Transaction.

In accordance with the Amendment #2 Agreement, all decisions affecting Argentina Entities' operations shall require the consent of a majority of the managers. Each of the Company and Regberg is entitled to appoint one of the managers so long as they maintain at least a 25% interest in CMC. If either party's interest in CMC is reduced below 25%, there shall be three managers, and the party holding an interest greater than 75% shall be entitled to appoint two managers and the party holding an interest less than 25% shall be entitled to appoint one manager. The operating agreement does not give each party the right to the assets and obligations for the liabilities relating to the arrangement, rather they split the net value. Pursuant to the same agreement, each party is responsible for funding its respective share of exploration cost. Failing to provide its pro rata share of the funds required would cause an adjustment to its interests in the Argentina Entities based on the formula defined in the Amendment #2 Agreement. No profits can be distributed without consent by the majority of the managers.

The Company has concluded that the Argentina Entities is a joint venture, and it lost the control in Argentina Entities effective November 30, 2016, and the retained joint control in these entities on the same date. The Company has accounted for it using the equity method effective November 30, 2016.

Summarized financial information of the Argentina Entities and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	2019 $	2018 $
Current assets	136	41,168
Current liabilities	(71,107)	(62,711)
Non-current liabilities	(652)	(595)
Net (liabilities) assets	(71,623)	(22,138)
Ownership interest	70%	70%
Proportion of the Company's ownership interest	(50,136)	(15,497)

	2019 $	2018 $
Revenue	—	—
Expense	317,221	426,695
Net loss and total comprehensive loss	317,221	426,695

During the year ended November 30, 2019, the Company received $292,652 from Regberg (2018 - $300,125) representing its share of joint venture operations. The recovery from the joint venture partner is recorded as a reduction of investment in the joint venture when cash is received.

The Argentina Entities had no material contingent liabilities or capital commitments as at November 30, 2019 and 2018.

6. EXPLORATION AND EVALUATION ASSETS

Toodoggone Property

The Company had 49% interest in the Toodoggone property located in BC. The Company has written off all of the capitalized exploration expenditures relating to the Toodoggone property in prior years leaving the property with a carrying value of $nil because no significant expenditures were planned or budgeted, and the Company lacks the capital to continue spending on the property.

On June 7, 2017, the Company signed an option agreement (the "Option Agreement") with Amarc that enables Amarc to acquire a 100% interest in the Company's 49% interest in the Toodoggone property. In order to exercise the option, Amarc is required to make staged cash payments to the Company in the aggregate amount of $1 million and issuance of common shares of Amarc with the aggregated value of $950,000 before October 31, 2018. During the year ended November 30, 2017, the Company received $400,000 cash and 1,944,444 common shares of Amarc with the fair value of $281,044 based on the Amarc's common shares' trading price at the date of issuance, and recorded a gain on disposal in the amount of $681,944. During the year ended November 30, 2018, the Company received remaining proceeds consisting of $600,000 cash and 3,333,334 common shares of Amarc with the fair value of $358,333 based on the Amarc's common shares' trading price at the date of issuance (Note 4), and recorded a gain on disposal in the amount of $958,333.

Argentina Mineral Properties

The Company, through CMSA, SGSA and TSA holds certain mineral properties in Argentina (also see Note 5). The summary of exploration costs incurred directly by the Company for the years ended November 30, 2019 and 2018 are as follows. These expenditures have been written off as at November 30, 2019 and 2018 respectively because the Company had no budgeted or planned exploration for the next twelve months.

	2019 $	2018 $
Consulting	—	50,095
Food and lodging	—	25,145
Others	—	14,424
	—	89,664

7. LOAN PAYABLE

During the year ended November 30, 2019, the Company received a loan advance of $101,500 from a former director and CEO of the Company (resigned in October 2019). This loan is non-interest bearing and is secured by 3,000,000 Amarc shares owned by the Company (Note 4). This loan was repaid in full in January 2020.

8. SHARE CAPITAL

a) Authorized

Unlimited number of common shares with no par value.

b) Issued and outstanding

At November 30, 2019 and 2018, total 194,298,892 common shares were issued and of which 16,498,026 common shares are treasury shares. Therefore, total common shares outstanding as at November 30, 2019 and 2018 were 177,800,866. There were no new common shares issued during the year ended November 30, 2019.

c) Stock Option Plan

The Company has a stock option plan for the benefit of directors, management and certain consultants of the Company. An updated stock option plan was approved in January 2020 (the "2019 Stock Option Plan"). Under the 2019 Stock Option Plan, the maximum aggregate number reserved for optioned shares at any point in time is 21,173,922 shares. The exercise price of each option may be discounted up to the discounted market price as defined by policy 1.1 of the TSX Venture Polices. Each option's vesting period shall be at the discretion of the board of directors and its maximum term is ten years.

During the year ended November 30, 2019
No new stock options granted during the year ended November 30, 2019. Also see Note 14(a)

During the year ended November 30, 2018
During the year ended November 30, 2018, the Company granted 19,300,000 stock options to its directors and consultants to acquire common shares of the Company at a weighted average exercise price of $0.13 per share expiring between two to three years from the date of grant. All of these options vest 25% on the grant date, 25% six months from the grant date, 25% nine months from the grant date and 25% twelve months from the grant date.

The fair value of the options granted in 2018 were estimated using the Black-Scholes options pricing model with the following assumptions:

	2018 Grants
Weighted average fair value	$0.03
Risk-free interest rate	1.82%
Dividend yield	$0.00
Expected volatility	93.04%
Weighted average expected life of options	2-3 years

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the company's stock options. The Company's expected volatility is based on the historical volatility of the Company's share price.

For the year ended November 30, 2019, a total of $41,841 (2018 - $441,054) was recorded as share-based compensation expense relating to management and general consulting services.

The continuity schedule of stock options as at November 30, 2019 and 2018 is as follows:

	Outstanding	Exercise Price	Outstanding	Exercise Price
Balance, beginning of year	18,100,000	$0.13	7,720,000	$0.06
Increase (decrease):				
Stock options granted	—	$0.00	19,300,000	$0.13
Exercised	—	$0.00	(5,320,000)	$0.06
Stock options expired	(300,000)	$0.11	(3,600,000)	$0.11
Balance, end of year	17,800,000	$0.13	18,100,000	$0.13

The following table summarizes information about stock options outstanding as at November 30, 2019:

Number of Options Outstanding		Number of Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life Years
7,000,000	(i)	7,000,000	$0.15	0.03
7,300,000	(i)	7,300,000	$0.15	0.10
3,500,000	(ii)	3,500,000	$0.05	1.63
17,800,000		17,800,000		

(i) expired subsequent to the year ended November 30, 2019; and
(ii) of which 1,000,000 expired subsequent to the year ended November 30, 2019

c) Share Purchase Warrants

During the years ended November 30, 2019 and 2018, the Company did not issue any new share purchase warrants. The following summarizes the share purchase warrants' activities:

	2019		2018	
	Outstanding	Weighted Average Exercise Price	Outstanding	Weighted Average Exercise Price
Balance, beginning of the year	14,097,700	$0.13	14,097,700	$0.13
Increase (decrease)				
Warrants expired	(10,347,700)	$0.15	—	—
Balance, end of the year	3,750,000	$0.08	14,097,700	$0.13

All of 3,750,000 share purchase warrants will expire on October 3, 2022.

9. INCOME TAXES

	2019 $	2018 $
Loss before income taxes	(436,579)	(809,833)
Statutory tax rate	27%	27%
Expected income tax recovery	(117,876)	(218,655)
Temporary differences	6,732	151,179
Non-deductible expenses	1,373	13,642
Tax loss not utilized	109,771	(55,986)
Income tax expense	—	—

Significant components of the Company's unrecognized deferred income tax assets and liabilities after applying enacted corporate income tax rates are as follows:

	2019 $	2018 $
Non-capital losses carry forward	3,857,063	3,452,860
Canadian exploration expenditures	1,369,150	1,369,150
Unrecognized deferred income tax assets	5,226,213	4,822,010

The Company has non-capital losses of approximately $14,285,000 available to offset future income for income tax purposes which expire in various amount from 2025 to 2039. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in these consolidated financial statements.

10. RELATED PARTY TRANSACTIONS

The related party balances and transactions not disclosed elsewhere in these consolidated financial statements are listed below. Related party transactions in normal course of operations are measured at the exchange amount. Due from and to the related parties are unsecured, and non-interest bearing.

a) The Company has the following balances owed to and from related entities as at November 30, 2019:

(i) $457,916 (November. 30, 2018 - $406,925) due to Bill McWilliam ("Mr. McWilliam"), the director of the Company until March 2020 when he passed away;
(ii) $310,888 (November 30, 2018 - $310,891) due to Judith Harder ("Ms. Harder), the director and CEO of the Company until December 2018 when she passed away;
(iii) $124,682 (November 30, 2018 - $115,278) due to Argentine Frontier Resources Inc. ("AFRI"), an entity controlled by Mr. McWilliam and Ms. Harder;
(iv) $6,105 (November 30, 2018 - $12,978) due to the Company's Chief Financial Officer until November 2019 (the "Former CFO");
(v) $15,126 (November 30, 2018 - $15,126) due to Cosmos Minerals SA Inc., an entity controlled by Mr. McWilliam and Ms. Harder;
(vi) $168,848 (November 30, 2018 - $168,848) due from Cosmos Minerals S.A. an entity controlled by Mr. McWilliam and Ms. Harder;
(vii) $101,500 (November 30, 2018 - $Nil) due to a former director and officer (resigned in October 2019) (see Note 7), non-interest bearing and secured by 3,000,000 Amarc shares owned by the Company. The entire amount was paid in January 2020; and
(viii) $Nil (November 30, 2018 - $10,500) to a private entity controlled by the spouse of a director of the Company.

b) Effective October 3, 2017, the Company enter into a loan agreement with Ms. Harder and Mr. McWilliam (the "Lenders") whereby the Lenders agreed to advance up to $300,000 in readily available funds to the Company. The loan bears an interest rate of 6% per annum. The loan has a minimum term of one year and can be repaid by the Company at any time after the one-year period. The Company has agreed to issue as a loan bonus share purchase warrants that enables each of the Lenders to purchase 1,875,000 shares in the Company at $0.08 per share exercisable over a term of five years.

During the year ended November 30, 2017, the Company received $200,000 from the Lenders and issued 3,750,000 Loan Bonus Warrants with a fair value of $0.06 per warrant. The Company allocated $160,654 to the loan and $139,346 to the Loan Bonus Warrants using the relative fair value method. Two-Third of the allocated Loan Bonus Warrants valued in the amount of $92,898 was treated as financing charges to the loan proceeds of $200,000 received and the remaining one-third in the amount of $46,448 was treated as the deferred financing charge. During the year ended November 30, 2018, the remaining $100,000 loan proceeds was not received, the deferred financing charge was expensed. The loan has an effective interest rate of 67% and the accretion expense for the year ended November 30, 2018 was $132,080 including the deferred financing charge in the amount of $46,448.

c) During the year ended November 30, 2019, the Company had the following transactions with related parties:

(i) Incurred $9,795 (2018 - $18,000) in office rent to AFRI;
(ii) Incurred $80,000 (2018 - $160,000) in management consulting fees to Mr. McWilliam;
(iii) Incurred $Nil (2018 - $13,200) in automobile expenses to Mr. McWilliam;
(iv) Incurred $Nil (2018 - $84,000) in management consulting fees to Ms. Harder;
(v) Incurred $41,750 (2018 - $63,905) in accounting fees to the former CFO of the Company;
(vi) Incurred $31,500 (2018 - $10,500) in financial consulting fee to a private entity controlled by a director's spouse of the Company;
(vii) The Company entered into a management agreement with Mr. McWilliam on December 1, 2015, pursuant to which the Company has agreed to pay an annual service fee of $160,000 plus $1,100 car

allowance per month. The management agreement has an initial term of three years and can be extended another three years. This management agreement expired on December 1, 2018 without renewed; and

(viii) Incurred loan interest of $12,000 (2018 - $13,500) to Ms. Harder and Mr. McWilliam's loan (see above b).

d) Key management compensation

Key management includes the Chairman of the Company, CEO and CFO. The compensation paid or payable to key management for services during the years ended November 30, 2019 and 2018 is identical to the disclosure above other than share-based payments. During the year ended November 30, 2019, key management received share-based payment of $38,405 (2018 - $199,865). Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the years ended November 30, 2019 and 2018.

11. SUPPLEMENTAL DISCLOSURES OF CASH FLOWS

During the years ended November 30, 2019 and 2018, the Company:

a) repaid $37,500 to Ms. Harder for cashless exercise of 750,000 share options at an exercise price of $0.05 per share in 2018 and no such transaction in 2019;
b) repaid $37,500 to Mr. McWilliam for cashless exercise of 750,000 share options with an exercise price of $0.05 per share in 2018 and no such transaction in 2019; and
c) did not pay any interest or income taxes (2018 - $Nil).

12. FINANCIAL INSTRUMENTS

a) Management of capital risk

The Company has defined its capital as common shares, contributed surplus and retained earnings. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments. The Company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed since last year. These objectives and strategies are reviewed on a continuous basis.

b) Fair value of financial instruments

The Company classified its fair value measure with a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 *Financial Instruments: Disclosures.*

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

As at November 30, 2019, cash and available-for-sale securities were measured at fair value using level 1 input under the fair value hierarchy. As at November 30, 2019, the Company did not have financial instruments measured at fair value on a recurring basis. The fair value of the Company's due from a joint venture partner, accounts payable and accrued liabilities, and loans payable are estimated to approximate their carrying values

as at November 30, 2019 and 2018.

c) Management of industry and financial risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk
Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is primarily associated with cash and cash equivalents. Risk associated with cash is managed through the use of a reputable financial institution. The carrying amount of financial assets presented on the Company's consolidated statements of financial position represents the maximum credit exposure.

Liquidity risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained.

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

Currency risk
The Company undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates. The Company does not hedge its foreign currency risk, and exposure of the Company's financial assets and liabilities to foreign exchange risk is summarized as follows:

	2019 $	2018 $
U.S. cash	212	2,002
U.S. liabilities	(66,349)	(66,409)
Net	(66,137)	(64,407)

As at November 30, 2019, with other variables unchanged, a 10% strengthening (weakening) of the U.S. dollar against the Canadian dollar would have increase (decrease) net loss by approximately $6,614.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The stock market fluctuation risk is the risk of loss resulting from unfavourable changes in the stock market. Share issues are the primary and often the sole source of financing open to junior corporations in the mining sector. Fluctuations in the trading price have an impact on the valuation of available-for-sale securities.

The Company is exposed to market price risk for its available-for-sale securities consist of shares in publicly traded company which is subject to the fluctuations in share price on the stock exchange. The Company monitors its investments to limit the exposure to price risk.

The effect of a 10% increase in the value of available-for-sale securities held at the reporting date would result in an increase of $17,842 in the value of the investments and a corresponding increase in other comprehensive income, excluding tax impact. A 10% decrease would have decreased the available-for-sale securities and other comprehensive income by the same amount.

13. SEGMENTED INFORMATION

The Company operates in one segment, being the operation of acquisition and exploration of mineral properties. Substantial of all of the Company's carrying value of long-term assets as at November 30, 2019 and 2018 are located in Argentina.

14. SUBSEQUENT EVENTS

a) In January 2020, the Company granted 2,000,000 stock options to a director who is also an officer of the Company at an exercise price of $0.05 per share. These options vest immediately and will expire in January 2025.

b) On December 2, 2019, the Company through its subsidiary CMC and SGSA entered into an Exploration and Development Earn-In Agreement (the "Earn-In Agreement") with Golden Minerals Company ("Golden"). Pursuant to the Earn-In Agreement, SGSA has granted Golden the exclusive right to acquire a 51% of ownership in the Sarita Este Concession, subject to payment a non-refundable amount of $150,000 cash (received) and incurring a total US$2.5 million of minimum work requirements for exploration and development expenditures on the concession. Goldern may make cash payments in lieu of annual work comment as follows: (i) US$300,000 in the second year, plus a 2,000 meters core drilling program on the concession; (ii) US$500,000 in the third year; and (iii) the balance of US$2.5 million by the end of fourth year.

See also Notes 7 and 8