A Lithium Exploration Company

DAJIN LITHIUM CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED AUGUST 31, 2020

(Unaudited –Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the nine months ended August 31, 2020 and 2019.

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 AND NOVEMBER 30, 2019
(Stated in Canadian dollars)
(Unaudited – Prepare by Management)

	Note	August 31, 2020 $	November 30, 2019 $
CURRENT ASSETS			
Cash and cash equivalents		3,949	21,127
Receivables		2,145	-
Marketable securities	5	1,496	2,063
Prepaid expenses	9	2,000	6,900
		9,590	**30,090**
Investment in Dajin Resources S.A.	6	584,426	584,426
Prepaid capital contribution	6	53,756	53,756
Resource property costs	7, 9	3,412,895	3,273,138
Reclamation bonds	7	239,981	235,603
TOTAL ASSETS		**4,300,648**	**4,177,013**
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	9	94,511	140,996
Loans payable	9,10	137,850	146,454
		232,361	**287,450**
Bank loan payable	11	40,000	-
TOTAL LIABILITIES		**272,361**	**287,450**
SHAREHOLDERS' EQUITY			
Share capital	8	28,465,845	28,182,145
Contributed surplus	8	3,457,418	3,319,448
Accumulated deficit		(27,894,976)	(27,612,030)
TOTAL SHAREHOLDERS' EQUITY		4,028,287	3,889,563
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4,300,648**	**4,177,013**

Approved on behalf of the Board of Directors:

"Brian Findlay"
Director

"Catherine Hickson"
Director

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2020 AND 2019
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

		For the Three Months Ended August 31,		For the Nine Months Ended August 31,	
	Note	2020 $	2019 $	2020 $	2019 $
EXPENSES					
Accounting and audit fees		9,406	5,700	20,906	21,700
Administration fees	9	-	21,000	-	63,000
Amortization		-	448	-	1,627
Bank charges and interest		485	188	796	734
Consulting fees	9	-	57,850	12,000	144,810
Foreign exchange (gain) loss		(12,734)	(38,285)	(16,096)	(36,167)
Legal and professional fees		6,780	15,965	9,992	23,443
Listing, filing and transfer agent fees		7,145	1,596	17,381	12,751
Marketing and advertising		150	33,495	900	42,597
Office administration and general	9	11,859	4,267	18,798	14,503
Rent	9	10,524	13,904	39,000	41,571
Share-based payments	8, 9	103,710	-	144,670	-
Travel, conferences and promotion		1,745	1,124	5,111	2,161
Wages and benefits		2,259	33,388	42,761	100,074
LOSS FROM OPERATIONS		(141,329)	(150,640)	(296,219)	(432,804)
OTHER INCOME (LOSS):					
Write-off of accounts payable	9	-	11,364	13,724	22,252
Unrealized gain (loss) on marketable securities		176	(188)	(480)	(938)
Realized gain (loss) on marketable securities		29	-	29	2,878
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(141,124)	(139,464)	(282,946)	(408,612)
BASIC AND DILUTED LOSS PER SHARE		(0.00)	(0.00)	(0.00)	(0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		161,195,508	152,295,508	153,390,073	152,295,508

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Stock				
	Issued Shares	**Amount $**	**Contributed Surplus $**	**Accumulated Deficit $**	**Total $**
	(Note 8)		(Note 8)		
Balance, November 30, 2018	152,295,508	28,182,145	3,290,298	(27,253,678)	4,218,765
Net loss for the period	-	-	-	(408,612)	(408,612)
Balance, August 31, 2019	152,295,508	28,182,145	3,290,298	(27,662,290)	3,810,153
Share-based payments	-	-	29,150	-	29,150
Net income for the period	-	-	-	50,260	52,260
Balance, November 30, 2019	152,295,508	28,182,145	3,319,448	(27,612,030)	3,889,563
Shares issued for cash:					
On exercise of share purchase options - $0.05	500,000	25,000		-	25,000
Allocation of options exercised	-	6,700	(6,700)	-	-
Shares issued for debt - $0.03	8,400,000	252,000	-	-	252,000
Share-based payments	-	-	144,670	-	144,670
Net loss for the period	-	-	-	(282,946)	(263,793)
Balance, August 31, 2020	161,195,508	28,465,845	3,457,418	(27,894,976)	4,047,440

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND 2019
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	For the Nine Months Ended August 31,	
	2020	**2019**
	$	**$**
OPERATING ACTIVITIES		
Net and comprehensive loss for the period	(282,946)	(408,612)
Add items not affecting cash:		
Amortization	-	1,627
Unrealized foreign exchange (gain) loss	(6,764)	(11,252)
Share-based payments	144,670	-
Recovery (write-off) of accounts payable	(13,724)	(22,252)
Unrealized loss on marketable securities	480	938
Realized (gain) loss on marketable securities	(29)	(2,878)
Net change in non-cash working capital:		
Receivables	(2,145)	(515)
Prepaid expenses	4,900	2,107
Accounts payable and accrued liabilities	66,203	(42,689)
Amounts due from related parties	-	242,636
Net cash used in operating activities	(89,355)	(240,890)
FINANCING ACTIVITIES		
(Repayment of) proceeds from bank indebtedness	-	(2,325)
Proceeds from CEBA loan payable	40,000	-
Proceeds from issuance of common shares	25,000	-
Proceeds from loans payable	158,373	108,046
Repayment of loans payable	(4,977)	-
Net cash provided by financing activities	218,396	105,721
INVESTING ACTIVITIES		
Resource property additions, net	(146,334)	(110,428)
Reclamation bonds	-	148,591
Proceeds from sale of marketable securities	115	100,932
Net cash provided by investing activities	(146,219)	139,095
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(17,178)	3,926
CASH AND CASH EQUIVLAENTS, BEGINNING OF PERIOD	21,127	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	3,949	3,926

Non-Cash Transactions – Note 14

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

DAJIN LITHIUM CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2020 AND
FOR THE YEAR ENDED NOVEMBER 30, 2019
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Note	USA Nevada $
ACQUISITION COSTS		
Balance November 30, 2018		586,013
Staking and filing fees		97,565
Balance August 31, 2019		683,578
Staking and filing fees		2,333
Balance November 30, 2019		685,911
Staking and filing fees		133,847
Balance August 31, 2020		819,758
DEFERRED EXPLORATION AND DEVELOPMENT COSTS		
Balance, November 30, 2018		3,092,668
Geological consulting		4,251
Road and drill pad construction recovery		(526,307)
Survey		2,396
Balance, August 31, 2019		2,573,008
Geological consulting		3,348
Road and drill pad construction		6,206
Survey		(3)
Cost recoveries		(5,318)
Road and drill pad construction recovery	7	9,986
Balance, November 30, 2019		2,587,227
Geological consulting	9	5,910
Balance, May 31, 2020		2,593,137
TOTAL RESOURCE PROPERTY COSTS		
As at November 30, 2019		3,273,138
As at August 31, 2020		3,412,895

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

NOTE 1 NATURE OF OPERATIONS

Dajin Lithium Corp. (the "Company") (formerly known as Dajin Resources Corp.) is a lithium brine exploration company incorporated under the British Columbia Company Act on August 5, 1987 and is publicly traded on the TSX Venture Exchange and the OTC Markets.

The Company's principal business activities include acquiring and developing mineral properties. At August 31, 2020, the Company's principal mineral interests are located in Argentina and the United States and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for Dajin Resources S.A. and resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

NOTE 2 BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2019.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2020.

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at August 31, 2020, the Company had not advanced its resource properties to commercial production.

NOTE 2 BASIS OF PRESENTATION – (cont'd)

At August 31, 2020, the Company has not achieved profitable operations, has accumulated losses of $27,894,976 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgments made by management in the application of IFRS.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2019.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2019.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES – (cont'd)

Accounting standard issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards, however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 16, *Leases* (effective January 1, 2019) introduces new requirements for leases. Under IFRS 16, all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, leased assets ("right-of-use" assets) and the related lease liability will be required to be recognized on the statement of financial position.

The Company anticipates that there will be no material changes to the condensed interim consolidated financial statements upon adoption.

NOTE 4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment 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. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically resource property costs, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

(Stated in Canadian Dollars)

NOTE 4 USE OF ESTIMATES AND JUDGMENTS – (cont'd)

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Investment in Dajin Resources S.A.

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 these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has diluted its interest in its previously wholly-owned subsidiary Dajin Resources S.A. ("Dajin S.A.") to 49%, therefore the Company does not have the current ability to control the key operating activities of Dajin S.A. Pursuant to Shareholders and Operating Agreements entered into by the companies, Lithium S Holding Corporation ("Lithium H"), a wholly-owned subsidiary of LSC Lithium Corporation ("LSC"), was appointed operator and the board of directors of Dajin S.A. is comprised of two directors appointed by Lithium H and one director appointed by the Company. The operator prepares and submits annual budgets and programs to the board for approval and has sole and exclusive right and authority to manage, direct and supervise all operations for and on behalf of Dajin S.A. Management has determined that the Company does not have significant influence over Dajin S.A. Accordingly, the investment in Dajin S.A. is accounted for at cost and not as an investment in associate (Note 6).

NOTE 5 MARKETABLE SECURITIES

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Unrealized gains and losses due to period end revaluations to fair value are included in comprehensive loss for the period. At August 31, 2020, the Company owned 17,600 (November 30 2019: 18,750) shares of Nevada Energy Metals Inc., the shares of which trade on the TSX Venture Exchange.

	August 31, 2020 $	November 30, 2019 $
Marketable securities – fair value	1,496	2,063
Marketable securities – cost	2,640	2,813

During the nine months ending August 31, 2020 1,150 (August 31, 2019 – Nil) shares were sold for proceeds of $115 (August 31, 2019 - $Nil)

(Stated in Canadian Dollars)

NOTE 6 INVESTMENT IN DAJIN RESOURCES S.A.

On October 25, 2016, the Company completed a share purchase agreement with Lithium H, whereby Lithium H acquired, and can maintain, a 51% interest in Dajin S.A. by making a cash payment of $1,000,000 ($865,000 received by the Company net of applicable Argentine tax of 13.5% on the gross proceeds) and agreeing to expend a total of $2,000,000 on concessions held by Dajin S.A.

On September 30, 2019, the Company, its subsidiary, Lithium H and LSC Lithium entered into an irrevocable offer of amendment to the share purchase and shareholder agreements (the "Agreements") dated October 25, 2016, to amend the Agreements. Pursuant to the amendment agreement, the Agreements were modified as follows:

- The original earn-in provisions were terminated on payment of US$600,000 ($794,520) to the Company. This payment constitutes full, sole and complete compensation for Lithium H failing to incur the funding amount of expenditures. Any and all similar earn-in provisions established and regulated within the shareholders agreement were revoked and terminated;
- The terminated earn-in program was replaced by a new exploration program. The parties will make the necessary contributions to fund the exploration program in accordance with their proportionate interest (being the Company 49% and Lithium H 51%) and following the provisions set forth in the shareholder agreement;
- The $135,000 Argentina tax withholdings was settled by way of payment of $81,244. The remaining amount of $53,756 will be treated as a capital contribution in Dajin S.A. when required by the Operator, under the operating agreement, to fund the relevant costs and investments associated with the new exploration program or any other activity to be made in relation with the project;
- The Dajin S.A. shares being held in escrow were released to Lithium H; and
- Lithium H and LSC Lithium were fully released from any and all past obligations and liabilities regarding any kind of reporting and other related information duties which may exist under the Agreements and the operating agreement.

The established amount and carrying amount of the investment in Dajin S.A. is summarized as follows:

	August 31, 2020 $	November 30, 2019 $
Net assets of Dajin S.A. disposed of	1,344,721	1,344,721
Gain on deconsolidation	17,681	17,681
Resource property costs reclassified	935,300	935,300
Net proceeds received from Lithium S	(865,000)	(865,000)
Established amount	1,432,702	1,432,702
Earn-in termination payment	(794,520)	(794,520)
Adjustment to Argentine tax withheld	(53,756)	(53,756)
Balance at end of period	584,426	584,426

See Note 4.

NOTE 7 RESOURCE PROPERTY COSTS

Nevada Properties

At August 31, 2020, the Company held a 100% interest in 62 placer claims in the Alkali Lake valley of Esmeralda County, Nevada.

At August 31, 2020, the Company held a 100% interest in 403 placer claims in the Teels Marsh valley of Mineral County, Nevada.

Alkali Lake

In June 2015, the Company submitted an application for permit to appropriate the public waters of the state of Nevada (“application for water rights”) for the purpose of temporary mining and milling use to develop non-potable lithium brine extraction processing alternatives for Alkali Lake valley.

Teels Marsh

On April 25, 2018, pursuant to a Memorandum of Understanding dated August 22, 2017, the Company entered into a Definitive Agreement (the “DA”) with Geothermal Development Associates (“GDA”) for the purpose of working together to develop the geothermal resources that can be used for the production of heat and/or electrical energy for use by a potential lithium plant or sold to third parties. GDA holds one geothermal lease block of land in Teels Marsh valley. The Company will pay all fees and costs, including annual geothermal lease rental payments, related to the initial stages of geothermal exploration that it conducts and is responsible for all project management related to exploration and development of the geothermal resource. GDA has input into decisions regarding any major work.

On January 22, 2018, the Company, through its subsidiary, entered into a services agreement with a company to act as general contractor (the “contractor”) for a road construction and ancillary facilities project in the Teels Marsh valley. Pursuant to the agreement, the Company was charged US$963,555 ($1,243,839) of which US$652,017 ($865,618) was included in accounts payable and accrued liabilities at November 30, 2018. During the year ended November 30, 2019:

- The contractor filed a mechanic’s lien in the amount of US$662,666 on January 9, 2019 against certain unpatented mining claims and water rights in the Teels Marsh valley, for uncompensated work under the contract, plus interest and costs;
- The Company made a partial payment of US$100,000 and on April 18, 2019 the contractor filed a partial release of claim, reducing the amount claimed in the lien to $562,666, plus interest and costs;
- The Company and the contractor entered into an arbitration agreement on July 2, 2019;
- An arbitration hearing was held on October 15, 2019 with the arbitrator finding that US$600,000 was reasonably due under the contract and awarding the contractor damages of US$154,655 (being US$600,000 less amounts previously paid) plus costs, interest and attorney’s fees;
- The contractor requested an award of costs, interest and attorney’s fees totalling US$34,260 on October 24, 2019, to which the Company objected;

(Stated in Canadian Dollars)

NOTE 7 RESOURCE PROPERTY COSTS – (cont'd)

Nevada Properties – (cont'd)

Teels Marsh – (cont'd)

- On November 14, 2019, the arbitrator awarded the amount requested plus a per diem per day until paid; and
- The Company paid the amounts outstanding and on November 21, 2019 the contractor filed a full release of lien.

These transactions are summarized as follows:

	$	US$
Geological consulting	163,749	126,868
Road and drill pad construction	1,080,090	836,687
Costs charged	1,243,839	963,555
Reversal on arbitration	(516,321)	(400,032)
Costs incurred	727,518	563,523
Costs, interest and attorney's fees	46,945	35,326
Net amount payable	774,463	598,849
Foreign exchange adjustment	13,941	-
Payments	(788,404)	(598,849)
Balance at November 30, 2019	-	-

The Company's 100% interest in these placer mining claims is held in their wholly owned US subsidiary, Dajin Resources (US) Corp.

NOTE 8 SHARE CAPITAL

Authorized:

Unlimited common shares without par value
Unlimited preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from losses from year to year.

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL – (cont'd)

Issued:

On July 29, 2020, the Company issued 8,400,000 common shares at a deemed price of $0.03 per share for settlement of corporate debt totaling $252,000 to certain creditors.

On July 30, 2020, the Company issued 500,000 common shares at a price of $0.05 per share upon exercise of share purchase options for total proceeds of $25,000.

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of August 31, 2020 and November 30, 2019 and changes during the period then ended is presented below:

	August 31, 2020		November 30, 2019	
	Shares	Weighted Average Exercise Price $	Shares	Weighted Average Exercise Price $
Outstanding, at beginning of period	6,450,000	0.09	11,542,000	0.13
Expired/cancelled	(100,000)	0.06	(6,842,000)	0.15
Granted	6,900,000	0.05	1,750,000	0.05
Exercised	(500,000)	0.05	-	-
Outstanding, at end of period	12,750,000	0.07	6,450,000	0.09
Options exercisable at end of the period	12,750,000	0.07	6,450,000	0.09
Weighted-average remaining life, in years		3.07		2.84

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL – (cont'd)

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

At August 31, 2020, the Company has 12,750,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
50,000	$0.07	August 25, 2020
1,250,000	$0.10	September 4, 2021
400,000	$0.10	October 4, 2021
1,600,000	$0.05	December 30, 2021
500,000	$0.05	September 2, 2022
1,000,000	$0.05	October 18, 2022
2,900,000	$0.10	October 4, 2023
2,950,000	$0.05	February 28, 2025
1,100,000	$0.05	July 6, 2025
1,000,000	$0.05	July 31, 2025
12,750,000		

During the nine months ended August 31, 2020, the Company granted on December 30, 2019 1,600,000 share purchase options exercisable at $0.05 per share and expiring on December 30, 2021. On February 28, 2020, the Company granted 3,200,000 share purchase options exercisable at $0.05 per share expiring on February 28, 2025. On July 6, 2020, the Company granted 1,100,000 share purchase options exercisable at $0.05 per share expiring on July 6, 2025. On July 31, 2020, the Company granted 1,000,000 share purchase options exercisable at $0.05 per share expiring on July 31, 2025. These stock options vest at the date of grant.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	August 31, 2020	November 30, 2019
Risk free interest rate	0.34 % - 1.79%	1.50% - 1.54%
Expected life of options in years	3 - 5 years	3 years
Expected volatility	86.17% - 97.88%	71.37% - 71.48%
Dividend per share	-	-
Forfeiture rate	-	-

During the nine month period ended August 31, 2020, compensation expense of $144,670 (August 31, 2019: $Nil) was recognized for options granted and vested during the period.

(Stated in Canadian Dollars)

NOTE 8 SHARE CAPITAL – (cont'd)

Commitments – (cont'd)

Share-Based Compensation Plan – (cont'd)

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

Share Purchase Warrants

As at August 31, 2020 and November 30, 2019, the Company has no share purchase warrants outstanding.

NOTE 9 RELATED PARTY TRANSACTIONS

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Three Months Ended		Nine Months Ended	
	August 31, 2020 $	August 31, 2019 $	August 31, 2020 $	August 31, 2019 $
Wages and benefits	-	14,469	16,881	43,407
Share-based payments	-	-	510	-
Office and administration expenses	3,500	-	3,500	-
	3,500	14,469	20,891	43,407
Key management compensation				
Administration fees	-	21,000	-	63,000
Consulting fees – operating expenses	-	30,000	12,000	90,000
Rent reimbursement	10,524	13,905	39,000	41,571
Geological consulting – resource property costs	-	-	5,000	-
Share-based payments	54,100	-	74,500	-
	64,624	64,905	130,500	194,571
	68,124	79,374	151,391	237,978

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties.

Included in August 31, 2020 accounts payable and accrued liabilities is $7,371 (November 30, 2019: $10,565) of reimbursable expenses (November 30, 2019: reimbursable expenses) owing to companies with common officers and directors.

NOTE 9 RELATED PARTY TRANSACTIONS – (cont'd)

Included in August 31, 2020 loans payable is $118,287 (November 30, 2019: $146,454) owing to certain officers and directors of the Company (Note 10).

Included in August 31, 2020 prepaid expenses are rent and expense reimbursements of $Nil (November 30, 2019: $4,900) to companies with common directors.

During the nine months ending August 31, 2020, the Company issued 6,210,000 common shares to settle $186,300 of accounts payable and loans payable owing to a director and companies with common directors.

Amounts due to related parties are non-interest bearing, unsecured and are due on demand.

NOTE 10 LOANS PAYABLE

During the nine months ended August 31, 2020, the Company received multiple loans totaling $158,373 (November 30, 2019: $210,424). The Company repaid $4,977 (November 30, 2019: $226,281) of these loans during the period and settled $162,000 of these loans through the issuance of 5,400,000 common shares, resulting in a loans payable balance of $137,850 (November 30, 2019: $146,454) at August 31, 2020. At the time of payment $Nil (November 30, 2019: $23,100) in bonus interest was paid to unrelated individuals.

These loans are non-interest bearing, unsecured, and due on demand.

NOTE 11 BANK LOAN PAYABLE

An interest-free loan repayable on or before December 31, 2022. Beginning on January 1, 2023, interest will accrue on the balance of the 3 year term loan at the rate of 5% per annum. If the Company pays back 75% of the loan amount on or prior to December 31, 2022, the bank will forgive the remaining balance of the loan amount.

NOTE 12 CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. 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 sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

NOTE 12 CAPITAL MANAGEMENT – (cont'd)

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 period ended August 31, 2020. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

NOTE 13 FINANCIAL INSTRUMENTS

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash and cash equivalents by placing it with institutions of high credit worthiness. As at August 31, 2020 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At August 31, 2020, the Company had cash and cash equivalents of $3,949 (November 30, 2019: $21,127) and current liabilities of $232,361 (November 30, 2019: $287,450). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) 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. When excess cash exists, the Company's current policy is to invest the excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the financial institutions with which they are held.

NOTE 13 FINANCIAL INSTRUMENTS – (cont'd)

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of industrial minerals (Lithium, Boron and Potassium), and precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of industrial minerals, precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of industrial minerals and precious metals may be produced in the future, a profitable market will exist for them. As of August 31, 2020, the Company was not an industrial mineral or precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign currency risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at August 31, 2020, the Company had accounts payable of $28,224 (November 30, 2019: $34,378) denominated in US dollars. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

NOTE 14 NON-CASH TRANSACTIONS

The following non-cash investing and financing activities were excluded from the statements of cash flows:

- At August 31, 2020, the Company had $18,211 (2019: $230,000) in accounts payable and accrued liabilities related to resource property costs.

(Stated in Canadian Dollars)

NOTE 15 SEGMENTED INFORMATION

The Company operates in one business segment, mineral exploration. As at August 31, 2020, its mineral properties and head office are located in three geographic locations: Canada, Argentina and the United States.

The Company's net loss is allocated to the geographic segments as follows:

	The Three Months Ended		For Nine Months Ended	
	August 31 2020 $	August 31 2019 $	August 31 2020 $	August 31 2019 $
Net loss:				
Canada	142,969	151,308	289,709	418,122
United States	(1,845)	(11,844)	(6,763)	(9,510)
	141,124	139,464	282,946	408,612

The Company's total assets are allocated to the geographic segments as follows:

Total Assets:	August 31, 2020 $	November 30, 2019 $
Canada	9,590	30,090
Argentina	638,182	638,182
United States	3,652,876	3,508,741
	4,300,648	4,177,013