STUHINI EXPLORATION LTD.
FINANCIAL STATEMENTS
(expressed in Canadian Dollars)
FOR THE THREE AND SIX MONTHS
ENDED AUGUST 31, 2020 AND 2019

NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2020 & 2019

The accompanying unaudited condensed interim financial statements of Stuhini Exploration Ltd. (the "Company") for the three and six months ended August 31, 2020 and 2019, have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim statements by an entity's auditor. These unaudited condensed interim financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the financial position, results of operations and cash flows.

(Expressed in Canadian Dollars)

As at	Note		August 31, 2020		February 29, 2020
ASSETS					
Current					
Cash		$	1,621,589	$	957,103
GST receivable			57,946		22,220
Prepaid expenses			11,863		9,455
Assets held for sale	3		451,134		-
Total current			2,142,532		988,778
Exploration and evaluation assets	3		1,013,432		668,329
Reclamation bond	3		-		42,000
Property, plant, and equipment	4		555		841
Total assets		$	3,156,519	$	1,699,948
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable		$	79,825	$	7,272
Accrued liabilities			53,428		25,866
Due to related parties	7		100,355		48,841
Flow-through share premium liability	6		-		35,000
Total liabilities			233,608		116,979
Shareholders' equity					
Share capital	5		3,588,392		2,116,484
Reserves	5		198,743		124,556
Deficit			(864,224)		(658,071)
Total shareholders' equity			2,922,911		1,582,969
Total liabilities and shareholders' equity		$	3,156,519	$	1,699,948

Nature and continuance of operations (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on October 30, 2020:

"David O'Brien"	*"Josef Anthony Fogarassy"*
David O'Brien, *Director*	Josef Anthony Fogarassy, Director

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

(Expressed in Canadian Dollars)

	Note	Three months ended August 31, 2020	Three months ended August 31, 2019	Six months ended August 31, 2020	Six months ended August 31, 2019
Expenses:					
Advertising and promotion		$ 11,569	$ 4,167	$ 33,704	$ 12,841
Amortization	4	89	197	286	302
Consulting fees	7	12,390	12,211	21,321	13,665
Office expenses		2,902	2,857	5,053	4,718
Project investigation costs	3,7	8,823	38,539	17,823	39,249
Professional fees	7	12,809	12,761	27,527	28,350
Regulatory fees		15,164	13,447	26,211	17,940
Share-based compensation	5,7	54,652	13,522	105,338	15,923
Travel, meals, and entertainment		2,404	577	3,160	4,646
Operating expenses		(120,802)	(98,278)	(240,423)	(137,634)
Other items					
Reversal of flow-through share premium	6	19,856	-	35,000	-
Interest expense		-	(219)	-	(1,943)
Part XII.6 tax	6	-	-	(730)	-
Net and comprehensive loss		$ (100,946)	$ (98,497)	$ (206,153)	$ (139,577)
Loss per share, basic and diluted		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.02)
Weighted average number of common shares outstanding, basic and diluted		15,744,564	10,006,187	15,383,999	8,073,783

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

(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Obligation to Issue Shares	Reserves	Deficit	Total
Balance, February 28, 2019	5,700,000	$ 460,000	$ -	$ 37,654	$ (226,584)	$ 271,070
Initial public offering	4,083,000	816,600	-	-	-	816,600
Share issuance costs	-	(164,152)	-	24,412	-	(139,740)
Shares issued on exercise of options	410,000	58,648	-	(17,648)	-	41,000
Obligation to issue shares	-	-	42,000	-	-	42,000
Share-based compensation	-	-	-	15,923	-	15,923
Net and comprehensive loss for the period	-	-	-	-	(139,577)	(139,577)
Balance, August 31, 2019	10,193,000	1,171,096	42,000	60,341	(366,161)	907,276
Private placements	3,900,000	808,000	(42,000)	-	-	766,000
Share issuance costs	-	(75,612)	-	-	-	(75,612)
Flow-through share premium	-	(35,000)	-	-	-	(35,000)
Shares issued for property	800,000	248,000	-	-	-	248,000
Share-based compensation	-	-	-	64,215	-	64,215
Net and comprehensive loss for the period	-	-	-	-	(291,910)	(291,910)
Balance, February 29, 2020	14,893,000	2,116,484	-	124,556	(658,071)	1,582,969
Private placements	3,000,000	1,350,000	-	-	-	1,350,000
Share issuance costs	-	(21,298)	-	-	-	(21,298)
Shares issued for property	200,000	28,000	-	-	-	28,000
Shares issued on exercise of options	160,000	46,446	-	(13,884)	-	32,562
Shares issued on exercise of warrants	224,853	68,760	-	(23,790)	-	44,970
Share-based compensation	-	-	-	111,861	-	111,861
Net and comprehensive loss for the period	-	-	-	-	(206,153)	(206,153)
Balance, August 31, 2020	18,477,853	$ 3,588,392		$ 198,743	$ (864,224)	$ 2,922,911

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

(Expressed in Canadian Dollars)

	Six months ended August 31,			
		2020		**2019**
Cash flows used in operating activities				
Loss for the period	$	(206,153)	$	(139,577)
Items not affecting cash used in operations				
Amortization		286		302
Accrued interest		-		1,943
Reversal of flow-through share premium		(35,000)		-
Options granted for services		6,523		-
Share-based compensation		105,338		15,923
Changes in non-cash working capital items				
GST receivable		(35,726)		8,429
Prepaid expenses		(2,408)		17,486
Accounts payable		72,553		47,372
Accrued liabilities		27,562		(25,101)
Net cash used in operating activities		(67,025)		(73,223)
Cash flows used in investing activities				
Exploration and evaluation assets		(726,237)		(28,533)
Net cash used in investing activities		(726,237)		(28,533)
Cash flows provided by financing activities				
Issuance of common shares for cash, net of issuance costs		1,328,702		676,860
Issuance of common shares on exercise of options		32,562		41,000
Issuance of common shares on exercise of warrants		44,970		-
Cash received on subscription to shares		-		42,000
Due to related parties		51,514		(21,609)
Repayment of related party loans		-		(113,688)
Net cash provided by financing activities		1,457,748		624,563
Increase in cash		664,486		522,807
Cash, beginning		957,103		14,163
Cash, ending	$	1,621,589	$	536,970
Non-cash transactions:				
Reclassification of exploration and evaluation assets to assets held for sale	$	409,134	$	-
Reclassification of reclamation bond to assets held for sale	$	42,000	$	-
Shares issued for property	$	28,000	$	-

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Stuhini Exploration Ltd. (the "Company"), was incorporated under the *Business Corporations Act* (British Columbia) on July 7, 2017. The Company is focused on acquisition, exploration, and development of mineral properties in the Province of British Columbia and the Yukon Territories, Canada. Effective May 23, 2019, the Company's shares ("Common Shares") began trading on the TSX Venture Exchange under the symbol "STU".

The Company's head office and registered office address is 1245 Broadway W., Unit 105, Vancouver, BC V6H 1G7.

These condensed interim financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to realize its assets and discharge its liabilities is dependent upon the Company obtaining the necessary financing and ultimately upon its ability to achieve profitable operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Failure to arrange adequate financing on acceptable terms and/or achieve profitability may have an adverse effect on the financial position, results of operations, cash flows and prospects of the Company. These condensed interim financial statements do not give effect to adjustments to assets or liabilities that would be necessary should the Company be unable to continue as a going-concern. These adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

a) Statement of Compliance and Basis of Presentation

These unaudited condensed interim financial statements have been prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The unaudited condensed interim financial statements, prepared in conformity with accounting policies consistent with IAS 34, follow the same accounting principles and methods of application as the most recent audited annual financial statements. Since the unaudited condensed interim financial statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company's audited annual financial statements for the reporting period ended February 29, 2020.

b) Basis of Measurement and Use of Estimates

The unaudited condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs except for cash flow information. All amounts are expressed in Canadian dollars, the Company's functional and reporting currency.

The preparation of financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

c) Accounting standards issued but not yet effective

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up to the date of issuance of the Company's unaudited condensed interim financial statements. The Company intends to adopt the standards when they become effective. The Company has not yet determined the impact of these standards on its financial statements but does not anticipate that the impact will be significant.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

As of August 31, 2020, the Company's interest in exploration and evaluation assets consisted of the Ruby Creek, and the Que Properties. The costs incurred on the Company's exploration and evaluation properties are summarized as follows:

	Metla Property	Ruby Creek Property	Que Property	Total
Total exploration and evaluation assets, February 29, 2020	$ 409,134	$ 259,195	$ -	$ 668,329
Option payments	-	-	28,000	28,000
Mineral tenure/lease payments	-	52,824	-	52,824
Sub-total, acquisition costs	-	52,824	28,000	80,824
Deferred exploration costs:				
Assaying	-	28,846	16,555	45,401
Camp and travel	-	40,397	3,013	43,410
Drilling	-	-	47,000	47,000
Equipment use/rental	-	55,215	1,470	56,685
Geology	-	375,717	105,200	480,917
Sub-total, deferred exploration costs	-	500,175	173,238	673,413
Reclassification to assets held for sale	(409,134)	-	-	(409,134)
Total exploration and evaluation assets, August 31, 2020	$ -	$ 812,194	$ 201,238	$ 1,013,432

	Metla Property	Ruby Creek Property	Que Property	Total
Total exploration and evaluation assets, February 28, 2019	$ 395,064	$ -	$ -	$ 395,064
Option payments	-	248,000	-	248,000
Mineral tenure/lease payments	255	8,085	-	8,340
Sub-total, acquisition costs	255	256,085	-	256,340
Deferred exploration costs:			-	
Assaying	7,878	-	-	7,878
Camp and travel	35,041	-	-	35,041
Equipment use/rental	300	-	-	300
Geology	23,603	3,110	-	26,713
Sub-total, deferred exploration costs	66,822	3,110	-	69,932
Exploration tax credit	(53,007)	-	-	(53,007)
Total exploration and evaluation assets, February 29, 2020	$ 409,134	$ 259,195	$ -	$ 668,329

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Metla Property

On July 7, 2017, the Company entered into a purchase and sale agreement (the "Agreement") with Barry Hanslit, a major shareholder of the Company, whereby the Company issued 883,333 Common Shares, with a fair value of $53,000, in exchange for title to the Metla Creek Claims (the "Metla Property"). The Metla Property consists of 7 contiguous mineral claims, located approximately 150 km south of the town of Atlin, BC. In connection with the Metla Property, the Company was required to purchase a $42,000 reclamation bond.

On August 24, 2020, the Company entered into a mineral claims purchase agreement (the "Purchase Agreement") for the sale of 100% of its interest in the Metla Property to Brixton Metals Corporation ("Brixton") in exchange for 1,200,000 common shares of Brixton and $42,000 in cash. In addition, the Company retained a 1.0% net smelter returns royalty on the Metla Property. The Purchase Agreement was subject to TSX Venture Exchange approval which was received on October 1, 2020. Accordingly, the carrying value of the Metal Property has been re-classified to assets held for sale on the Company's statements of financial position.

In lieu of the $42,000 cash portion of the Purchase Agreement, the Company agreed to refund Brixton the $42,000 it originally paid for the Metla Reclamation Bond as soon as the Company receives the refund which it has already applied for. As such the full value of the Reclamation Bond being $42,000 has been re-classified to assets held for sale on the Company's statements of financial position.

Ruby Creek Property

On July 30, 2019, the Company entered into an option agreement (the "Ruby Creek Option Agreement") with Global Drilling Solutions Inc. ("Global Drilling"), a private BC Company wholly owned by Mr. Hanslit, whereby the Company was granted a right to acquire a 100% interest in Global Drilling's Ruby Creek Property (the "Ruby Creek Option"). The Ruby Creek Option Agreement was conditional on first, the approval by the disinterested shareholders of the Company, which was received at the Company's November 28, 2019, Annual General Meeting, and subsequently, by the TSX Venture Exchange, which was received on December 31, 2019. The Ruby Creek Property, as acquired, consisted of 49 contiguous mineral claims of which one is a mining lease, located within the Atlin Mining Division, approximately 24 km east of Atlin (Note 9).

Based on the Ruby Creek Option Agreement, to fully exercise its Ruby Creek Option, the Company is required to issue a total of 7,300,000 of the Company's Common Shares and make cash payments for a total of $1,060,000 over a four-year term, as detailed in the table below. Upon exercise of the Ruby Creek Option, Global Drilling would be entitled to a 1% net smelter returns royalty on the Ruby Creek Property .

Date	Shares	Cash Payments
December 31, 2019 (shares issued)	800,000	$ -
On or before December 31, 2020	1,250,000	-
On or before December 31, 2021	1,750,000	120,000
On or before December 31, 2022	1,750,000	300,000
On or before December 31, 2023	1,750,000	640,000
Total	7,300,000	$ 1,060,000

During the six-month period ended August 31, 2020, the Company paid $52,824 in annual lease payments for the Ruby Creek Property and spent $500,175 in deferred exploration costs associated with airborne geophysical survey the Company completed in June 2020 and the summer exploratory program.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Que Property

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement"), whereby the Company was granted a right to acquire a 100% interest in the Que Property (the "Que Option") located in the south-central Yukon Territories. The Que Option Agreement was amended and restated with the vendors on February 28, 2020.

The Que Option Agreement, as amended and restated, was conditional on approval by the TSX Venture Exchange, which was received on April 1, 2020. The Que Property consists of 108 mineral claims and is 2,246 hectares in size. The Company staked an additional 1,996 hectares bringing the entire claims package to approximately 4,243 hectares.

Based on the Que Option Agreement, to fully exercise its Que Option, the Company is required to issue a total of 2,950,000 of the Company's Common Shares and make cash payments for a total of $380,000 over a four-year term, as detailed in the table below. Upon exercise of the Que Option, the Que vendors would jointly be entitled to a total of a 1% net smelter returns royalty on the Que Property (Note 9).

Date	Shares	Cash Payments	
April 1, 2020 (shares issued)	200,000	$	-
On or before April 1, 2021	300,000		-
On or before April 1, 2022	450,000		-
On or before April 1, 2023	500,000		140,000
On or before April 1, 2024	1,500,000		240,000
Total	2,950,000	$	380,000

During the six-month period ended August 31, 2020, the Company spent $173,238 associated with an airborne geophysical program on selected portions of the Que Property and a small-scale drilling program.

4. PROPERTY, PLANT AND EQUIPMENT

A continuity of the Company's equipment is as follows:

		Office Equipment		Total
Cost				
Balance, February 29, 2020 and August 31, 2020	$	1,935	$	1,935
Accumulated Amortization				
Balance, February 28, 2019	$	399	$	399
Additions		695		695
Balance, February 29, 2020		1,094		1,094
Additions		286		286
Balance, August 31, 2020	$	1,380	$	1,380
As at February 29, 2020	$	841	$	841
As at August 31, 2020	$	555	$	555

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

Authorized share capital

- Unlimited number of Common Shares without par value.

Share issuances during the six-month period ended August 31, 2020

On April 1, 2020, pursuant to its Que Option Agreement the Company issued 200,000 Common Shares at a deemed price of $0.14 per Common Share to the vendors of the Que Property (Note 3).

On August 14, 2020, the Company closed its non-brokered private placement financing (the "August Financing") by issuing 1,000,000 common shares that qualify as "flow-through shares" for the purposes of the Income Tax Act (Canada) (the "Flow-through Shares") at a price of $0.55 per Flow-through Share, and 2,000,000 Common Shares at a price of $0.40 per Common Share for aggregate gross proceeds of $1,350,000. The Company recorded $21,298 in legal and regulatory costs associated with the August Financing.

During the six months ended August 31, 2020, the Company issued 224,853 Common Share on exercise of warrants for total cash proceeds of $44,970. The warrants were originally valued at $23,790.

During the six months ended August 31, 2020, the Company issued 160,000 Common Shares on exercise of the options to acquire Common Shares that were granted to a company controlled by a Director of the Company. The Company received $32,562 on exercise of the share purchase options, which were originally valued at $13,884.

Stock purchase options

The Company has adopted a Rolling Stock Option Plan (the "Plan") pursuant to which options may be granted to directors, officers, employees, and consultants of the Company. Under the terms of the Plan, the Company can issue a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. Options granted under the Plan, including vesting and the term, are determined by, and at the discretion of, the Board of Directors.

On August 6, 2019, the Company granted options to acquire up to 600,000 Common Shares to its officers, directors, and consultants. These options vest quarterly in equal amounts starting on November 6, 2019, over a 12-month period from the date of grant and expire on August 6, 2024. During the six-month period ended August 31, 2020, the Company recognized $29,314 as share-based compensation associated with these options, which was determined using the Black-Scholes option pricing model (Note 7).

The following assumptions were used to estimate the weighted average fair values for the options granted to the Company's officers and directors:

	August 6, 2019
Expected Life of the Options	5 years
Average Risk-Free Interest Rate	1.21%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	100%
Weighted Average Grant Date Fair Value	$0.15

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (Continued)

Stock purchase options (Continued)

The following assumptions were used to estimate the weighted average fair values for the options granted to the Company's consultants:

	August 31, 2020	**February 29, 2020**
Expected Life of the Options	5 years	5 years
Average Risk-Free Interest Rate	0.32% - 1.59%	1.07% - 1.39%
Expected Dividend Yield	Nil	Nil
Average Expected Stock Price Volatility	100%	100%
Weighted Average Grant Date Fair Value	$0.38	$0.16

On February 28, 2020, the Company granted options to acquire up to 425,000 Common Shares to its officers, directors, and consultants. These options vest quarterly in equal amounts starting on May 28, 2020, over a 12-month period from the date of grant and expire on February 28, 2025. During the six-month period ended August 31, 2020, the Company recognized $76,024 as share-based compensation associated with these options, which was determined using the Black-Scholes option pricing model (Note 6).

The following assumptions were used to estimate the weighted average fair values for the options granted to the Company's officers and directors:

	February 28, 2020
Expected Life of the Options	5 years
Average Risk-Free Interest Rate	1.07%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	100%
Weighted Average Grant Date Fair Value	$0.16

The following assumptions were used to estimate the weighted average fair values for the options granted to the Company's consultants:

	August 31, 2020	**February 29, 2020**
Expected Life of the Options	5 years	5 years
Average Risk-Free Interest Rate	0.40% - 1.46%	1.07%
Expected Dividend Yield	Nil	Nil
Average Expected Stock Price Volatility	100%	100%
Weighted Average Grant Date Fair Value	$0.59	$0.16

On May 15, 2020, the Company granted an option to acquire up to 50,000 Common Shares to its consultant for investor relations services. These options vested upon grant and are exercisable for a period of two years at $0.25 per Common Share. At August 31, 2020, the Company recognized $6,523 as share-based compensation associated with these options, which was determined using the Black-Scholes option pricing model, using the following assumptions:

	May 15, 2020
Expected Life of the Option	2 years
Average Risk-Free Interest Rate	0.28%
Expected Dividend Yield	Nil
Average Expected Stock Price Volatility	100%
Grant Date Fair Value	$0.25

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (CONTINUED)

Stock purchase options (Continued)

A continuity of options for the six months ended August 31, 2020, and for the year ended February 29, 2020, are as follows:

	Six months ended August 31, 2020		Year ended February 29, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning	1,405,000	$0.22	890,000	$0.14
Granted	50,000	$0.25	1,025,000	$0.22
Exercised	(160,000)	$0.20	(410,000)	$0.10
Expired	(50,000)	$0.23	(80,000)	$0.10
Forfeited	-	-	(20,000)	$0.20
Options outstanding, ending	1,245,000	$0.22	1,405,000	$0.22
Options exercisable, ending	1,066,250	$0.21	680,000	$0.20

The options outstanding and exercisable at August 31, 2020, are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Weighted Average Remaining Life	Expiry Date
280,000	280,000	$ 0.20	0.72	May 21, 2021
535,000	535,000	$ 0.20	3.93	August 6, 2024
380,000	201,250	$ 0.25	4.50	February 28, 2025
50,000	50,000	$ 0.25	1.71	May 15, 2022
1,245,000	1,066,250		3.29	

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

	August 31, 2020
Balance, February 29, 2020	$ 35,000
Reversal recognized upon expenditures being incurred	(35,000)
Balance, August 31, 2020	$ -

On December 20, 2019, the Company closed its non-brokered private placement financing by issuing 1,400,000 Flow-through Shares at a price of $0.22 per Flow-through Share for aggregate gross proceeds of $308,000 (the "Flow-through Financing"). The premium received on the shares issued was determined to be $35,000 and was recorded as a share capital reduction. An equivalent premium liability was recorded and was being reduced as and when the qualified exploration expenditures occurred. During the six-month period ended August 31, 2020, the Company recorded $35,000 in income that resulted from the flow-through share premium, and $730 in Part XII.6 taxes associated with the renunciation of the exploration expenditures under the look-back rule.

On August 14, 2020, as part of its August Financing, the Company issued 1,000,000 Flow-through Shares at a price of $0.55 per Flow-through Share. The Company determined that the share issued did not result in a premium, as the Flow-through Shares were issued at a price below the fair market value.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, key management personnel, close family members and enterprises that are controlled by these individuals. Key management personnel are those having authority and directors (executive and non-executive) of the Company.

The Company incurred the following transactions with related parties, including key management personnel:

		August 31, 2020		August 31, 2019
Consulting fees paid or accrued to the Company's CEO	$	12,000	$	2,710
Accounting fees paid or accrued to the Company's CFO	$	4,000	$	3,000
Consulting fees paid to the Company's Corporate Secretary	$	6,321	$	5,807
Mineral exploration consulting fees paid or accrued to an entity controlled by the common-law spouse of the Company's major shareholder	$	12,000	$	6,710
Share-based compensation for options granted to directors and officers	$	80,271	$	12,153

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company for the professional services or for the expenses incurred on behalf of the Company. These amounts are unsecured, non-interest bearing, and due on demand. At August 31, 2020, the Company owed a total of $100,355 (February 29, 2020 - $48,841) to its related parties.

8. FINANCIAL INSTRUMENTS AND RISKS

The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

Level 1 — quoted prices in active markets for identical assets and liabilities.
Level 2 — observable inputs other than quoted prices in active markets for identical assets and liabilities.
Level 3 — unobservable inputs in which there is little or no market data available, which require the reporting entity to develop its own assumptions.

The Company has classified its cash as measured at fair value in the statements of financial position using level 1 inputs. Accounts payable and amounts due to related parties are classified as other liabilities, and their fair values approximate their carrying values due to the short terms to maturity.

Risk management

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk:
Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, which is held with a high-credit quality financial institution and amounts receivable from the Government of Canada. As such, the Company's credit risk exposure is minimal.

Market risk:
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

8. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

Risk management (Continued)

i. *Interest rate risk:*
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal interest rate risk as it has no interest accumulating financial assets that may become susceptible to interest rate fluctuations.

ii. *Currency risk:*
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has minimal financial risk arising from fluctuations in foreign exchange rates as the Company does not own foreign currency denominated financial assets or liabilities.

iii. *Equity price risk:*
Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is exposed to equity price risk as a result of its investment in marketable securities following the sale of the Metal Property in exchange for common shares of Brixton.

Liquidity risk:
Liquidity risk is managed by ensuring sufficient financial resources are available to meet obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. As at August 31, 2020, the Company had cash of $1,621,589 to settle current financial liabilities of $233,608. The Company management believes that this cash will be sufficient to sustain the Company's operations for the next twelve-month period.

9. SUBSEQUENT EVENTS

As a result of the Company's summer exploration program on its Ruby Creek property, the Company staked additional claims covering a total of 619.38 hectares bringing the total number of claims comprising the Ruby Creek Property to 50. The Company paid a total of $1,084 in staking fees.

Subsequent to August 31, 2020, the Company announced that it had renegotiated the terms of the Option to acquire a 100% interest in the Que Property. The renegotiated agreement provides for a revised option exercise payment schedule comprised of cash payments reduced from $280,000 to $95,000 and a reduction of shares to be issued from 2,950,000 shares to 937,500 shares over a 5-year period. Under the renegotiated agreement, the issuance of 50,000 shares to the vendor by April 1, 2021, is the only committed payment over the next 12 months. There are no work commitments. The balance of the share issuances and the cash payments are all at the Company's election should it wish to maintain the Que Option after April 1, 2021. The new terms of the Que Options are subject to the approval by TSX-V.