AurCrest Gold Inc.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2020 and 2019

(Expressed in Canadian Dollars)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements (the "Financial Statements") for AurCrest Gold Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

AurCrest Gold Inc.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

As at	**December 31 2019 $**	December 31 2018 $
ASSETS		
Current		
Cash and cash equivalents	**15,426**	20,139
Other receivables	**18,264**	14,457
Marketable securities (note 3)	**46,260**	58,530
	79,950	93,126
Non-current		
Exploration and evaluation assets (note 4)	**-**	12,750
Total assets	**79,950**	105,876
LIABILITIES		
Current		
Trade and other payables	**269,894**	264,793
Short-term loans (note 5)	**104,147**	102,147
Due to officers and directors (note 7)	**626,589**	617,894
Total current liabilities	**1,000,630**	984,834
SHAREHOLDERS' DEFICIENCY		
Common shares, equity component of share-based compensation and warrants (note 6)	**18,839,590**	18,839,590
Deficit	**(19,760,270)**	(19,718,548)
Total shareholders' deficiency	**(920,680)**	(878,958)
Total liabilities and shareholders' deficiency	**79,950**	105,876

Nature of operations and going concern (note 1)
Subsequent event (note 11)

Approved on behalf of the board:

(signed) "Frank van de Water" — Director

(signed) "Ian Brodie-Brown" — Director

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

AurCrest Gold Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the three months ended March 31	**2020**	2019
	$	$
Expenses		
General and administrative (note 8)	**64,102**	50,012
Exploration and project evaluation (note 4)	**(88,650)**	(43,480)
Interest and accretion of convertible loan and to related parties	**2,000**	3,100
Loss on marketable securities	**62,270**	(7,695)
Net loss and comprehensive loss for the period	**(41,722)**	(1,937)
Net income (loss) per share	**(0.00)**	(0.00)
Basic weighted average shares outstanding	**80,730,191**	78,530,191

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

AurCrest Gold Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

For the three months ended March 31	**2020** **$**	2019 $
Operating activities		
Net loss for the period	**(41,722)**	(1,927)
Items not affecting cash		
Shares received on option of exploration & project evaluation property	**(50,000)**	(45,000)
Interest expense	**2,000**	3,100
Unrealized loss on marketable securities	**62,270**	-
Gain on marketable securities	**-**	(7,695)
Net change in non-cash working capital balances related to operating activities:		
Other receivables	**5,101**	(1,872)
Trade and other payables	**8,695**	4,115
Due to officers and directors	**(3,807)**	39,325
Cash from (used in) operating activities	**(17,483)**	(9,664)
Investing activities		
Additions to exploration and evaluation assets	**(600)**	(1,800)
Proceeds from sale of mineral property	**13,350**	17,970
Cash provided (used in) from investing activities	**12,750**	(16,170)
Net increase (decrease) in cash	**(4,713)**	6,506
Cash, beginning of the period	**20,139**	81
Cash, end of the period	**15,426**	6,587

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

AurCrest Gold Inc.

Consolidated Statements of Equity

(Expressed in Canadian dollars)

			Equity component of					
	Share Capital		Convertible Loan	Share Based Compensation	Warrants	Sub-total	Deficit	Total
	#	$	$	$	$	$	$	$
Balance, December 31, 2018	**78,530,191**	**18,684,824**	**4,545**	**101,225**	**41,971**	**18,832,565**	**(19,621,004)**	**(788,439)**
Expiry of stock options	-	-	-	(10,125)	-	(10,125)	10,125	-
Net loss for the period	-	-	-	-	-	-	(1,937)	(1,937)
Balance, March 31, 2019	**78,530,191**	**18,684,824**	**4,545**	**91,100**	**41,971**	**18,822,400**	**(19,612,816)**	**(790,376)**
Private placement	2,200,000	110,000	-	-	-	110,000	-	110,000
Share issuance costs	-	(3,630)	-	-	1,880	(1,750)	-	(1,750)
Equity portion of convertible loan	-	4,545	(4,545)	-	-	-	-	-
Expiry of warrants	-	32,257	-	-	(32,257)	-	-	-
Expiry of stock options	-	-	-	(101,225)	-	(101,225)	101,225	-
Net loss for the period	-	-	-	-	-	-	(198,769)	(198,769)
Balance, December 31, 2019	**80,730,191**	**18,827,996**	**-**	**-**	**11,594**	**18,839,590**	**(19,718,548)**	**(878,958)**
Net loss for the period	-	-	-	-	-	-	(41,722)	(41,722)
Balance, March 31, 2020	**80,730,191**	**18,827,996**	**-**	**-**	**11,594**	**18,839,590**	**(19,760,270)**	**(920,680)**

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements

1. Nature of operations, basis of presentation and going concern uncertainty

AurCrest Gold Inc. (the "Company" or "AurCrest") is a publicly held company incorporated under the Business Corporations Act (Ontario). The Company is engaged in the investigation, acquisition, exploration and development of exploration and evaluation assets and energy assets in Ontario, Canada as well as building on the Company's long-standing relations with First Nations in Northwestern Ontario to assist in financing future exploration activities by assessing the potential of forests within the traditional territories of these First Nations to capture and sequester carbon dioxide for the development of Greenhouse Gas offsets and other potential environmental attributes, and to explore the monetization of these offsets and attributes for the benefit of these First Nations and the Company.

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Company has presented the Financial Statements for the three month period ended March 31, 2020 and the comparative figures for the three month period ended March 31, 2019. The Financial Statements have been prepared by management and approved by the Board of Directors on June 1, 2020.

These Financial Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. AurCrest is at an early stage of development and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. As at March 31, 2020, the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. As at March 31, 2020, AurCrest had a working capital deficit of $920,680 (a working capital deficit of $878,958 as at December 31, 2019), and has incurred losses since inception resulting in an accumulated operating deficit of $19,760,270. The Company's ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurance that the Company will be successful in this regard, and therefore, there is substantial doubt regarding the Company's ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These Financial Statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate for these Financial Statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

2. Significant accounting policies

These Financial Statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The Financial Statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in the audited annual financial statements for the year ended December 31, 2019.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these Financial Statements. The interim results for the three month period ended March 31, 2020, may not be indicative of the results for the year ending December 31, 2020.

3. Short term investments

As part of the option agreement with Pistol Bay Mining Inc. ("Pistol Bay") as described below in Note 4 for the Confederation Lake property, the Company on January 1, 2019 owned 500,000 common shares of Pistol Bay. On March 5 and 12, 2019 the Company received 500,000 common shares of Pistol Bay on each date. On October 1, 2019 the Company received an additional 300,000 shares of Pistol Bay. During the year

(Expressed in Canadian dollars)

ended December 31, 2019, the Company sold 524,000 shares of Pistol Bay for gross proceeds of $23,770. On February 5, 2020, the Company received 2 million shares of Pistol Bay. The Company currently holds 3,276,000 common shares of Pistol Bay with a market value of $32,760.
On December 30, 2019, the Company received 150,000 common shares of New Range Gold Corp. ("New Range") as part of the option agree with New Range as described below in Note 4 for the Western Fold property. The Company currently holds 150,000 common shares of New Range with a market value of $13,500.

4. Exploration and evaluation assets

Property acquisition cost

The property acquisition costs of $12,750 relate to the acquisition of the Company's Western Fold property.

	$
Balance, January 1, 2019	**62,700**
Staking	1,800
Property option payments	(51,750)
Balance, December 31, 2020	**12,750**
Property acqusition	600
Property option payments	(13,350)
Balance March 31, 2020	**-**

Exploration & project evaluation

	Cumulative expenditures as at January 1 2020 $	Expenditures/ receipts for the period $	**Cumulative expenditures as at December 31 2019 $**
Richardson Lake	2,238,204	-	**2,238,204**
Confederation Lake	10,180,759	(86,650)	**10,094,109**
Other	4,341,319	-	**4,341,319**
Amount expensed	16,760,282	(86,650)	**16,673,632**

	Cumulative expenditures as at January 1 2019 $	Expenditures/ receipts for the period $	**Cumulative expenditures as at December 31 2019 $**
Richardson Lake	2,257,923	19,719	**2,238,204**
Confederation Lake	10,252,259	(71,500)	**10,180,759**
Other	4,341,319	-	**4,341,319**
Amount expensed	16,851,501	(51,781)	**16,760,282**

"Other" includes exploration expenditures on projects with minor activity during the period and includes the Bridget Lake, McFaulds Lake and the Fredart Lake properties, all of which are in Northern Ontario.
Note: As disclosed in the Company's significant accounting policies exploration and project evaluation expenditure have been reflected in the statement of loss and comprehensive loss.

Richardson Lake

Richardson Lake is a gold exploration prospect located in the Birch-Uchi belt of the Red Lake mining division, and originally consisted of six claims optioned 100% from Perry V. English. The Company has staked and continues to hold an additional 12 legacy mineral claims contiguous to the original claims. The Company allowed portions of certain legacy claims to expire and staked an additional 39 single cell mining claims contiguous the overall Richardson Lake area claim cells. The total area of the Richardson Lake area mineral claims is approximately 10,700 acres. The original six claims plus an area of influence around these claims is subject to the Company's obligation to pay a NSR royalty of 2%; all other claims are held 100% by the Company, with no underlying NSR royalty obligations to third parties.

The Company defines the overall Richardson Lake area mineral claims as the Richardson Lake Property and the Western Fold Property. Following conversion to online staking, the Richardson Lake Property mining claims cover 123 mining cells, with an area of approximately 2,170 hectares. The Western Fold mining claims, as currently held by the Company cover 110 cells, with an area of approximately 2,170 hectares.

On December 30, 2019, the Company entered into an option agreement with New Range for the Company's Western Fold property. New Range has the option to acquire a 100% interest in the Western Fold property by paying AurCrest 1,000,000 New Range common shares and $200,000, with 150,000 shares and $30,000 due on closing (received), 350,000 shares and $70,000 on the first anniversary date and an additional 500,000 shares and $100,000 due on the second anniversary date.

Upon New Range formally exercising its option AurCrest will receive a 2% NSR on the Western Fold property with New Range having the right to purchase 1% of the 2% NSR by paying to the Company $1 million at any time. There is also a potential 1% NSR payable to the Company arising out of claims acquired by New Range within a 2 km area of interest around the Western Fold property.

The Company acquired a 5-cell mineral claim block contiguous to the Richardson Lake property from the prospector Perry English on January 25, 2020, with no underlying Net Smelter Return royalty to the vendor.

Ranger Lake

During the year ended December 31, 2018, the Company staked a property called Ranger Lake, which is a gold exploration prospect consisting of 50 unpatented mineral cell claims totaling approximately 1,000 hectares, located in the Red Lake gold camp.

Confederation Lake

On October 28, 2016, the Company executed an option agreement with Pistol Bay for all the Company's mining claims (the "Claims") in the Confederation Lake greenstone belt southeast of Red Lake, Ontario. Pistol Bay has the option to acquire a 100% interest in the Claims by paying AurCrest an aggregate of $250,000 and issuing an aggregate of 5 million common shares over four years with an initial payment of $25,000 (received) and the issuance of 1 million common shares on closing (received), the payment of a further $25,000 within 90 days following closing (received) and the payment of $50,000 and the issuance of 500,000 common shares (after a 2:1 consolidation of Pistol Bay) on each of the four anniversaries following closing (received for January 2018). During the year ended December 31, 2019, the Company received 500,000 common shares and in lieu of the $50,000 cash payment, received $10,000 in cash and an additional 500,000 common shares of Pistol Bay with a further payment of $15,000 in cash or shares of Pistol Bay by August 1, 2019. The final $15,000 cash payment was settled through the issuance of 300,000 common shares of Pistol Bay (received on October 3, 2019) and the payment of $7,500 in cash (received on October 21, 2019). Each of the Claims is subject to a 2% net smelter returns royalty in favour of third parties. On January 21, 2020, the Pistol Bay completed its option to acquire a 100% interest in the Company's Confederation Lake properties by paying AurCrest $50,000 in cash and issuing 2 million common shares of Pistol Bay.

McFaulds Lake
The Company currently holds a 100% interest in a group of properties (450 hectares) within the area known as 'The Ring of Fire' located in the Lower James Bay region of Ontario, in the proximity of McFaulds Lake.

Bridget Lake
The Bridget Lake property comprises 9 claim units covering approximately 356 acres and is situated in Ball Township, Red Lake Mining Division, Northwestern Ontario. On September 16, 2008 (the "effective date"), the Company signed an option agreement with Sendero Mining Corp. ("Sendero", formerly Halo Resources Ltd.), under which Sendero earned a 65% interest in the property. In 2014 Sendero sold its 65% interest in the property to Goldcorp. Goldcorp has been making the $10,000 annual pre-royalty payment required to keep the property in good standing. During 2020, Goldcorp transferred its interest to Evolution Mining Gold Operations Ltd.

5. Convertible loans

On September 22, 2017, the Company completed a convertible loan financing of $50,000 (the "September Loan"). The September Loan was repayable on September 22, 2018, with interest payable 10% per annum. The September Loan was convertible at the rate of one common share for each $0.05 of loan converted. 1,000,000 detachable warrants ("Detachable Warrants") were also issued to the lender. Each Detachable Warrant entitled the holder to acquire an additional common share exercisable at a price of $0.05 per Detachable Warrant until September 22, 2018. The Detachable warrants expired unexercised, the loan was not converted as of its due date and therefore the conversion priviledge expired. The loan is currently in default but the lendor has not pursued any of its remedies under the loan agreement.

A cash commission of $2,500 and 100,000 broker warrants ("Broker Warrants") were paid to a finder with respect to the closing of the September Loan. Each Broker Warrant entitles the holder to acquire a common share of the Company at a price of $0.05 until September 22, 2018. The Broker Warrants expired unexercised.

The conversion feature of the loan was valued at $4,545 and is included under equity. The conversion feature of the loan has expired. The warrants issued as a fee for the loan were valued at $14,900 using a Black-Scholes option pricing model with the following assumptions: dividend rate 0%, annualized volatility of 210%, risk free rate of interest of 0.6% and an expected life of 1 year. The discount was accreted over the term of the debenture utilizing the effective interest rate method at a 10% discount rate. An amount of $14,118 was recorded as accretion expense on the statements of income and comprehensive income for the year ended December 31, 2018.

On January 31, 2017, the Company's subsidiary, Wiigwaasaatig Energy Inc. ("WEI"), a private federal corporation, completed a convertible loan financing of $31,500 (the "January Loan"). The January Loan is was repayable on January 31, 2018, with interest payable at 10% per annum. The January Loan is convertible into common shares of WEI at the rate of one common share for each $0.10 of loan converted. This conversion feature has expired. 300,000 common shares of WEI were transferred by the Company to the lender, representing 3% of the common share equity of WEI. The securities of WEI are subject to an indefinite hold period. As of December 31, 2019, this loan is outstanding and in default.

(Expressed in Canadian dollars)

	June Loan $	January Loan $	September Loan $	Total $
Balance at December 31, 2018	**4,310**	**37,610**	**56,387**	**98,307**
Accrued interest	-	3,150	5,000	8,150
Interest paid	(4,310)	-	-	(4,310)
Balance, December 31, 2019	**-**	**40,760**	**61,387**	**102,147**
Accrued interest		900	1,000	2,000
Balance, March 31, 2020	**-**	**41,660**	**62,387**	**104,147**

6. Shareholders' equity

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. As at March 31, 2020, the Company had no preference shares issued and outstanding.

Share capital
Share capital comprises the following:

	Number of shares	Amount $
Balance, December 31, 2018	**78,530,191**	**18,684,824**
Private placements	2,200,000	110,000
Share issue expense	-	(3,630)
Balance, December 31, 2019 and March 31, 2020	**80,730,191**	**18,791,194**

On September 27, 2019, the Company closed a private placement financing for gross proceeds of $25,000. The financing consisted of the issuance of 500,000 Working Capital units at $0.05 per unit. Each working capital unit consists of one common share and one common share purchase warrant ("WC Warrant"). Each WC Warrant entitles the holder to purchase one common share at a price of $0.05 until September 27, 2022. The securities issued are subject to a hold period expiring on January 28, 2020.

On September 17, 2019, the Company closed a private placement financing for gross proceeds of $25,000. The financing consisted of the issuance of 500,000 Working Capital units $0.05 per unit. Each working capital unit consists of one common share and one common share purchase warrant ("WC Warrant"). Each WC Warrant entitles the holder to purchase one common share at a price of $0.05 until September 17, 2022. The securities issued are subject to a hold period expiring on January 18, 2020. A cash commission of $1,750 was paid and 40,000 broker units were issued in conjunction with this private placement, with each broker unit exercisable until September 17, 2022 entitling the holder to acquire one common share at a price of $0.05 and a broker warrant exercisable at $0.05 until September 17, 2022.

On April 9, 2019, the Company closed a private placement financing for gross proceeds of $60,000. The financing consisted of the issuance of 1,200,000 Working Capital units $0.05 per unit. Each working capital unit consists of one common share and one common share purchase warrant ("WC Warrant"). Each WC Warrant entitles the holder to purchase one common share at a price of $0.075 for thirty-six months following closing.

Stock options
As at March 31, 2020, nil common shares were reserved for the exercise of common stock options ("options") granted to directors, officers, employees and service providers in connection with the Company's stock option plan (the "Plan").

On March 19, 2019, 750,000 common stock options with an exercise price of $0.05 expired unexercised and on August 13, 2019, 1,370,000 common stock options with an exercise price of $0.10 expired unexercised.

(Expressed in Canadian dollars)

The following summary sets out the activity in the Plan:

	Options #	Weighted average exercise price $
Outstanding and exercisable, December 31, 2018	**2,120,000**	**0.09**
Expired	(2,120,000)	0.09
Outstanding and exercisable, December 31, 2019 and March 31, 2020	**-**	**-**

Warrants
Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the warrant activity is as follows:

	Warrants #	Weighted average exercise price $
Outstanding, December 31, 2018	**22,289,512**	**0.054**
Issued – private placement	2,280,000	0.05
Expired	(13,368,633)	(0.05)
Balance, December 31, 2019 and March 31, 2020	**11,200,879**	**0.055**

The composition of the outstanding warrants as at March 31, 2020 consists of the following:

	Expiry date	**Number**	**Exercise Price**
Warrants	July 13, 2020	1,000,000	$0.050
Warrants	August 31, 2020	644,879	$0.050
Warrants	November 30, 2020	1,000,000	$0.050
Warrants	April 27, 2021	1,500,000	$0.050
Warrants	March 3, 2022	1,000,000	$0.050
Warrants	May 26, 2022	500,000	$0.050
Warrants	June 30, 2022	300,000	$0.050
Warrants	May 25, 2021	300,000	$0.075
Warrants	May 28, 2021	1,106,000	$0.075
Warrants	May 30, 2021	200,000	$0.075
Warrants	September 25, 2021	450,000	$0.075
Warrants	December 14, 2021	100,000	$0.075
Warrants	April 9, 2022	1,200,000	$0.075
Warrants	September 17, 2022	500,000	$0.050
Warrant	September 23, 2022	500,000	$0.050
Warrants – compensation units	July 13, 2020	80,000	$0.050
Warrants – compensation warrants	July 13, 2020	80,000	$0.050
Warrants – compensation units	April 27, 2021	150,000	$0.050
Warrants – compensation warrants	April 27, 2021	150,000	$0.050
Warrants – compensation warrants	March 3, 2022	100,000	$0.050
Warrants – compensation units	March 3, 2022	100,000	$0.050
Warrants – compensation warrants	May 26, 2022	50,000	$0.050
Warrants – compensation units	May 26, 2022	50,000	$0.050
Warrants – compensation warrants	June 30, 2022	30,000	$0.050
Warrants – compensation units	June 30, 2022	30,000	$0.050
Warrants – Broker units	September 17, 2022	40,000	$0.050
Warrants – Broker warrants	September 17, 2022	40,000	$0.050
		11,200,879	

(Expressed in Canadian dollars)

7. Related party transactions

Compensation of key management and directors

Key management compensation expense includes the Chief Executive Officer, the Executive Vice-President, the Chief Financial Officer.

For the three months ended March 31	**2020**	2019
	$	$
Management fees	**29,500**	29,500
Legal fees provided by a law firm related to William Johnstone	**9,450**	11,986
Interest expense	**-**	1,100
	38,950	42,586

Balances owing as at	**March 31 2020**	December 31 2019
	$	$
Legal fees provided by a law firm related to William Johnstone	**391,781**	379,786
Management fees	**209,059**	211,358
Directors loans	**17,236**	21,236
Accrued interest on directors' loans	**8,513**	8,513
	626,589	620,893

These amounts were expensed in the period incurred as administrative and general expenses. The amounts paid and owing are measured at the exchange amount, are non-interest bearing and due on demand.

Directors of the Company have loaned the Company working capital in the amount of $17,236. The loans are in the form of demand promissory notes bearing interest at 10% per annum.

8. General and administrative expenses

For the three months ended March 31	**2020**	2019
	$	$
Consulting and management fees	**29,500**	29,500
Professional fees (legal & audit)	**13,450**	15,986
Shareholder communications, advertising and promotion	**12,225**	996
Regulatory and filing fees	**7,607**	1,814
Office costs	**1,320**	1,716
	64,102	50,102

9. Capital management

The mineral properties of the Company are in the exploration and development stage and, as a result, the Company currently has no source of operating cash flow. The Company intends to raise such funds as and when required to complete its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The only sources of future funds presently available to the Company are through the issuance of share and debt instruments. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2020, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years.

10. Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash, trade and other payables and due to related party approximates fair value due to the short-term nature of these financial instruments.

As of March 31, 2020, except for cash and short-term investments, none of the Company's financial instruments are recorded at fair value in the statements of financial position. Cash and short-term investments are classified as level 1 fair value.

b) Risk management

Credit risk
Credit risk is the risk of loss associated with a counter-party’s inability to fulfill its payment obligations. The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash and short-term investments. As at March 31, 2020, the Company has $15,426 in cash and current liabilities of $1,000,630. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

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

Title and rights
The Company has investigated title to all of its exploration properties and, to the best of its knowledge, title to all of its properties, and properties that it has the right to acquire or earn an interest in are in good standing; however, the Company’s properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. These defects could adversely affect the Company’s title to such properties or delay or increase the cost of the development of such properties.

The Company’s properties may also be subject to Aboriginal/First Nations or other historical rights that may be claimed on Crown properties or other types of tenure with respect to which mineral rights have been conferred. The Company is not aware of any Aboriginal land claims having been asserted or any legal actions relating to issues having been instituted with respect to any of the exploration & evaluation assets in which the Company has an interest. The Company is in ongoing communication with the Aboriginal/First Nations communities associated with its properties and is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration activity and is supportive of measures established to achieve such co-operation.

COVID-19

Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested that its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, along with restrictions on access which may be imposed by Aboriginal/First Nations communities associated with the Company's properties in response to COVID-19, could impact the Company's ability to access its exploration properties and conduct its exploration programs and business in a timely manner. The Company is evaluating the best way to move its exploration and other business activities forward during this pandemic and when the emergency measures are lifted.

11. Subsequent events

On May 11, 2020, the Company signed an Adoption Agreement, whereby the Company, the Lac Seul First Nation ("Lac Seul") and Blue Source Canada ULC ("Bluesource") will proceed to develop a forest-based Green House Gas emission sequestration project (the "Project") on the forested lands on the Lac Seul reserve northwest of Sioux Lookout, Ontario.

On May 15, 2020, the Company signed a Purchase Agreement and a Gross Revenue Royalty Agreement with Star Royalties Ltd. ("Star Royalties") to sell a 16% gross revenues royalty (the "Royalty") to Star Royalties. AurCrest was paid $155,000 by Star Royalties pursuant to the Purchase Agreement whereby Star Royalties acquired the right to the Royalty on all funds received by the Company arising from the monetization of the Project.

Corporate Information

Officers
Chris Angeconeb - President, Chief Executive Officer
Ian Brodie-Brown – Director, Business Development
Errol Farr - Chief Financial Officer
William R. Johnstone - Corporate Secretary

Directors
Chris Angeconeb
Ian Brodie-Brown
Alex Carpenter
William R. Johnstone
Frank van de Water
Stan Beardy

Legal Counsel
Gardiner Roberts LLP
Toronto, Ontario

Auditors
Wasserman Ramsay
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