



## Consolidated Financial Statements

### ISSUER DETAILS

For the Three Months Ended:  
Date of the Report:

August 31, 2020  
October 26, 2020

Name of Issuer:  
Issuers Address:

HAWKEYE GOLD & DIAMOND INC.  
M 202 – 1985 Alberni Street  
Vancouver, BC, Canada V6G 0A2

Issuer Phone Number:  
Issuer Email Address:  
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**HAWKEYE Gold & Diamond Inc.**  
**Consolidated Financial Statements**  
**August 31, 2020 and 2019**

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## **HAWKEYE GOLD & DIAMOND INC.**

### **NOTICE - No Independent Auditor Review of the Condensed Consolidated Interim Financial Statements**

The accompanying unaudited condensed consolidated interim financial statements of HAWKEYE Gold & Diamond Inc. (the "Company" or "HAWKEYE"), for the three months ended August 31, 2020, have been prepared by management, approved by the audit committee and board of directors, and authorized for issuance on October 26, 2020. These condensed consolidated interim financial statements have not been the subject of a review by the Company's external independent auditor.

**HAWKEYE GOLD & DIAMOND INC.**  
**Consolidated Statements of Financial Position**  
**(Expressed in Canadian dollars)**

	<b>August 31, 2020</b>	<b>May 31, 2020</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 224	\$ -
GST receivable	1,079	2,209
Prepaid expenses and deposits	1,750	1,750
	<b>3,053</b>	<b>3,959</b>
<b>Equipment</b> (note 6)	<b>7,272</b>	<b>6,960</b>
<b>Exploration and Evaluation Asset</b> (schedules 1 and 2, note 7)	<b>1,369,011</b>	<b>1,366,627</b>
	<b>\$ 1,379,336</b>	<b>\$ 1,377,546</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Bank over-draft	\$ -	\$ 1,593
Accounts payable and accrued liabilities	772,773	746,236
Due to related parties (note 16)	660,240	619,799
Loans payable (note 8)	474,730	474,730
	<b>1,907,743</b>	<b>1,842,358</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Share capital</b> (note 9)	<b>16,011,419</b>	<b>16,011,419</b>
<b>Share subscriptions received</b>	<b>1,000</b>	<b>-</b>
<b>Reserves</b> (note 9, note 10)	<b>768,845</b>	<b>768,845</b>
<b>Deficit</b>	<b>(17,309,671)</b>	<b>(17,245,076)</b>
	<b>(528,407)</b>	<b>(464,812)</b>
	<b>\$ 1,379,336</b>	<b>\$ 1,377,546</b>

**Nature and continuance of operations** (Note 1)

**Events after the reporting period** (Note 17)

**Approved on behalf of the Board:**

“Greg Neeld”  
Greg Neeld

“Maureen Watson”  
Maureen Watson

**HAWKEYE GOLD & DIAMOND INC.**  
**Consolidated Statements of Loss**  
**And Comprehensive Loss**  
**Three Months Ended August 31**  
**(Expressed in Canadian dollars)**

	<b>2020</b>	2019
<b>Expenses</b>		
Advertising, entertainment and promotion	\$ 797	\$ 933
Automobile	548	570
Bank and financing charges and interest	6,922	540
Consulting	-	399
Depreciation (note 6)	488	538
Filing and regulatory fees	-	787
Management fees (note 15)	36,000	36,000
Office and miscellaneous	1,064	4,413
Professional fees	6,800	5,000
Rent (note 16)	10,920	10,920
Telecommunications	307	448
Transfer agent	749	2,683
	<b>\$ 64,595</b>	<b>\$ 63,231</b>
<b>Loss from operations</b>	<b>\$ (64,595)</b>	<b>\$ (63,231)</b>
<b>Write-down of exploration and evaluation assets</b> (note 7 and schedule 1 & 2)	-	-
<b>Loss and comprehensive loss for the year</b>	<b>\$ (64,595)</b>	<b>\$ (63,231)</b>
<b>Loss per common share - basic and diluted</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>58,506,442</b>	<b>37,216,442</b>

See accompanying notes to the consolidated financial statements

**HAWKEYE GOLD & DIAMOND INC.**  
**Consolidated Statements of Changes in Shareholders' Deficiency**  
**(Expressed in Canadian dollars)**

	<b>Number Shares</b>	<b>Share Capital</b>	<b>Subscriptions Received</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity (Deficiency)</b>
<b>Balance, May 31, 2020</b>	58,506,442	\$ 16,011,419	\$ -	\$ 768,845	\$ (17,245,076)	\$ (464,812)
Subscriptions received	-	-	1,000	-	-	1,000
Loss and comprehensive loss for the year	-	-	-	-	(64,595)	(64,595)
<b>Balance, August 31, 2020</b>	<b>58,506,442</b>	<b>\$16,011,419</b>	<b>\$ 1,000</b>	<b>\$ 768,845</b>	<b>\$ (17,309,671)</b>	<b>\$ (528,407)</b>

  

	<b>Number Shares</b>	<b>Share Capital</b>	<b>Subscriptions Received</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity (Deficiency)</b>
<b>Balance, May 31, 2019</b>	37,216,442	\$ 15,151,610	\$ -	\$ 698,598	\$ (16,987,511)	\$ (1,137,303)
Subscriptions received	-	-	72,000	-	-	72,000
Loss and comprehensive loss for the year	-	-	-	-	(63,231)	(63,231)
<b>Balance, August 31, 2019</b>	<b>37,216,442</b>	<b>\$ 15,151,610</b>	<b>\$ 72,000</b>	<b>\$ 698,598</b>	<b>\$ (17,050,742)</b>	<b>\$ (1,128,534)</b>

See accompanying notes to the consolidated financial statements

**HAWKEYE GOLD & DIAMOND INC.**  
**Consolidated Statements of Cash Flow**  
**(Expressed in Canadian dollars)**

	Three Months ended August 31,	
	2020	2019
<b>Cash flows from (used in) operating activities</b>		
Loss for the year	\$ (64,595)	\$ (63,231)
Adjustments for:		
Depreciation of property and equipment	488	538
	<b>\$ (64,107)</b>	<b>\$ (62,693)</b>
<b>Changes in non-cash working capital</b>		
(Increase) decrease in accounts receivable	\$ 1,130	\$ (609)
Increase (decrease) in accounts payable and accrued liabilities	26,537	57,165
	<b>\$ (36,440)</b>	<b>\$ (6,137)</b>
<b>Cash flows (used in) investing activities</b>		
Deferred exploration expenditures incurred (net)	\$ (1,584)	\$ (102,065)
Acquisition costs associated with properties	(800)	-
Purchase of property and equipment	(800)	-
	<b>\$ (3,184)</b>	<b>\$ (102,065)</b>
<b>Cash flows from (used in) financing activities</b>		
Increase (decrease) in due to related parties	\$ 40,441	\$ 36,203
Increase (decrease) in share subscriptions	1,000	72,000
Increase (decrease) in bank indebtedness	(1,593)	(1)
	<b>\$ 39,848</b>	<b>\$ 108,202</b>
<b>Net increase (decrease) in cash and equivalents</b>	<b>\$ 224</b>	<b>\$ -</b>
<b>Cash, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash, end of year</b>	<b>\$ 224</b>	<b>\$ -</b>
<b>Cash paid during the year for interest</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Cash paid during the year for income tax</b>	<b>\$ -</b>	<b>\$ -</b>

**Supplemental disclosure with respect to cash flows (Note 11)**

# **HAWKEYE GOLD & DIAMOND INC.**

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## **1. Nature and Continuance of Operations**

Hawkeye Gold & Diamond Inc. (the "Company") is an exploration stage company and the primary function of the business is to be engaged in the exploration for and the development of natural resources in Canada. The Company's registered office is M202 – 1985 Alberni Street, Vancouver BC, V6G 0A2.

The Company's principal business activities include the acquisition and exploration of mineral property assets. At August 31, 2019, the Company had not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of amounts shown for an exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

The Company has an accumulated deficit of \$17,309,671 as at August 31, 2020 (2019: \$17,050,742). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company will be required to curtail operations. All of which indicate the existence of a material uncertainty that may cast substantial doubt on whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

These consolidated financial statements were approved for issuance by the Board of Directors on October 26, 2020.

## **2. Statement of Compliance**

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

## **3. Basis of Measurement**

The annual consolidated financial statements have been prepared on a historical cost basis, as modified by the revaluation of available-for-sale financial assets. The annual consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The accounting policies set out in Note 4 have been applied consistently by the Company to all periods presented.

# HAWKEYE GOLD & DIAMOND INC.

## Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

### 4. Significant Accounting Policies

a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary company: Hawkeye Oro de Mexico S.A. de C.V. (a Mexican incorporated company) (currently inactive). All inter-company amounts have been eliminated on consolidation.

b) Cash and cash equivalents

Cash and cash equivalents comprise of highly liquid investments with original maturities of three months or less. As at August 31, 2020 and 2019 the Company had no cash-equivalents.

c) Equipment

Equipment is recorded at cost. Amortization is provided for on a declining balance basis at the following annual rates:

Computer equipment	30%
Computer software	100%
Office equipment	20%

In the year of acquisition, the rate used is one-half of that shown above.

d) Exploration and evaluation assets

(i) Pre-license expenditures

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

(ii) Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment costs are charged to exploration and evaluation expense. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are also expensed to exploration and evaluation expense as they occur.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

### d) Exploration and evaluation assets (continued)

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

#### (iii) Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure for further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

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

### e) Share Capital

Common shares are classified as equity. Transactions costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

### f) Loss per share

Earnings per share are calculated based on the weighted average number of shares outstanding during the period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Under this method, dilution is calculated based upon the net number of common shares issued should "in-the-money" options and warrants be exercised and the proceeds be used to repurchase common shares at the average market price in the year.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

### g) Share-based payments

Options and warrants granted are accounted for using the fair value method. Under this method, the fair value of stock options and warrants granted are measured at estimated fair value at the grant date and recognized over the vesting period. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus on options granted is transferred to share capital.

The Corporation uses the Black-Scholes option pricing model to determine the fair value of these incentives taking into consideration terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

### h) Warrants

Warrants issued to agents or brokers in connection with a financing are recorded at fair value and charged to issue costs associated with the offering with an offsetting credit to warrants in shareholders' equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the placements are determined to be the more easily measurable component and were valued at their fair value, as determined by the closing price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in warrants.

### i) Income taxes

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

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

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

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

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

### i) Income taxes (continued)

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

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

### j) Provision for Environmental rehabilitation

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

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

The Company has no restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

### k) Provisions

Provisions are recognized when present legal or constructive obligations exist as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

### l) Flow-through shares

Under the Canadian Income Tax Act, an enterprise may issue securities referred to as flow-through shares, whereby the investor may claim the tax deductions arising from qualifying expenditures that the company made with the proceeds. The increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds or "premium" are recorded as a deferred credit. When expenditures are renounced, a deferred tax liability is recognized and the deferred credit is reversed. The net amount is recognized as a deferred income tax recovery.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

### m) Financial instruments

#### (i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company’s financial assets and liabilities are classified as follows:

Financial assets/liabilities	Classification
GST receivable	Amortized cost
Bank over-draft	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans payable	Amortized cost

#### (ii) Measurement

##### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### Financial assets and liabilities at FVTPL

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

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

### m) Financial instruments (continued)

#### (iii) Impairment of financial assets at amortized cost

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

#### (iv) Derecognition

##### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of income (loss).

### n) Critical Accounting Estimates and Judgements

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

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

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

#### Judgements

##### *Exploration and evaluation expenditures*

The application of the Company's accounting policy for exploration and evaluation expenditure 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 may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 4. Significant Accounting Policies (continued)

- n) Critical Accounting Estimates and Judgements (continued)

### *Title to mineral property interests*

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

### *Going concern*

The assumption that the Company is a going concern and will continue in operation for the foreseeable future requires judgement. The factors considered by management are disclosed in Note 1.

### Estimates

### *Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

## 5. Application of New and Revised International Financial Reporting Standards

### *Adoption of new accounting standards*

The following standard became effective for the year ended May 31, 2020:

- a) IFRS 16 - Leases

IFRS 16 Leases specifies how a reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 applies to annual reporting periods on or after January 1, 2019. Implementation of IFRS 16 is not expected to have a material impact on the Company's consolidated financial statements.

### *Standards, amendments and interpretations not yet effective*

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for current or future accounting periods. None of these are expected to have a significant effect on the consolidated financial statements.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 6. Equipment

	COSTS			
	Computer Equipment	Computer Software	Office Equipment	Total
Balance May 31, 2019	\$ 60,439	\$ -	\$ 33,240	\$ 93,679
Additions	-	535	-	535
Balance May 31, 2020	\$ 60,439	\$ 535	\$ 33,240	\$ 94,214
Additions	-	-	800	800
Balance August 31, 2020	\$ 60,439	\$ 535	\$ 34,040	\$ 95,014

  

	ACCUMULATED DEPRECIATION			
	Computer Equipment	Computer Software	Office Equipment	Total
Balance May 31, 2019	\$ 56,617	\$ -	\$ 28,219	\$ 84,836
Depreciation	1,146	268	1,004	2,418
Balance May 31, 2020	\$ 57,763	\$ 268	\$ 29,223	\$ 87,254
Depreciation	202	66	220	488
Balance August 31, 2020	\$ 57,965	\$ 334	\$ 29,443	\$ 87,742

  

	NET CARRYING AMOUNT			
	Computer Equipment	Computer Software	Office Equipment	Total
Balance August 31, 2019	\$ 2,676	\$ 267	\$ 4,017	\$ 6,960
Balance August 31, 2020	\$ 2,474	\$ 201	\$ 4,597	\$ 7,272

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 7. Exploration and Evaluation Asset (see Schedules 1 and 2)

### a) Bonanza Project

On January 16, 2017, the Company entered into a purchase and sale agreement to acquire a 100% interest in the Bonanza Property located on the northern end of Vancouver Island. The Company has acquired a 100% interest in the property by paying \$5,000 and issuing 250,000 shares with a value of \$0.06 per share. The Property is subject to a two percent (2%) net smelter return (NSR) in favour of the Vendor for all minerals other than magnetite. The Company will pay the Vendor \$2.00 per tonne from the production of magnetite from the property. The Company may repurchase 1.5 percent (1.5%) of the NSR for \$1.5 million. The remaining 0.5 percent (0.5%) held by the Vendor will be subject to a right of first refusal by the Company for a period of five years ending on May 9, 2022.

The Company announced TSX Venture Exchange acceptance of the agreement on May 9, 2017.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### b) 2-Aces Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the 2-Aces Project on June 8, 2017 to acquire a 100% interest in the property. The terms call for payment of \$12,000 cash and issuance of 50,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 4, 2017.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 550,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### c) Keithley Creek Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Keithley Creek Project on June 26, 2017 to acquire a 100% interest in the property. The terms call for payment of \$7,000 cash and issuance of 50,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 5, 2017.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 350,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended Aug 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 7. Exploration and Evaluation Asset (see Schedules 1 and 2) (cont'd)

### d) Cariboo Valley Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Cariboo Valley Project on July 4, 2017 to acquire a 100% interest in the property. The terms call for payment of \$5,000 cash and issuance of 50,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 6, 2017.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 250,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### e) Seller Creek Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Seller Creek Project on August 23, 2017 to acquire a 100% interest in the property. The terms call for payment of \$15,000 cash and issuance of 50,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 17, 2017.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 650,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### f) McBride Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the McBride Project on September 13, 2017 to acquire a 100% interest in the property. The Company has acquired a 100% interest in the property by paying \$8,000 and issuing 100,000 shares with a value of \$0.06 per share. If the project proceeds to a pre-feasibility study, the Company will be required to issue an additional 250,000 shares. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 25, 2017.

On October 11, 2018, the Company announced that it had entered into a Sale and Purchase Agreement (SAPA) with the vendor of the Klappan Project (these claims are contiguous to the eastern border and form part of the McBride Property) to acquire a 100% interest in the property. The Company has acquired a 100% interest in the property by paying \$3,000 and issuing 100,000 shares with a value of \$0.055 per share. If the project proceeds to a Preliminary Economic Assessment (PEA), the Company will be required to issue an additional 250,000 shares. The acquisition is not subject to any Net Smelter Royalty (NSR). The Company received TSX acceptance on November 15, 2018.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$1,584 (2019: \$102,065) in exploration expenditures.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 7. Exploration and Evaluation Asset (see Schedules 1 and 2) (cont'd)

### g) Todayin Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Todayin Project on September 19, 2017 to acquire a 100% interest in the property. The Company has acquired a 100% interest in the property by paying \$7,000 and issuing 100,000 shares with a value of \$0.06 per share. If the project proceeds to a Preliminary Economic Assessment (PEA), the Company will be required to issue an additional 250,000 shares. The acquisition is not subjected to a NSR. The Company received TSX acceptance on October 27, 2017.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### h) Boomerang Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Boomerang Project on December 4, 2017 to acquire a 100% interest in the property. The Company has acquired a 100% interest in the property by paying \$10,000 and issuing 100,000 shares with a value of \$0.06 per share. If the project proceeds to a Preliminary Economic Assessment (PEA), the Company will be required to issue an additional 250,000 shares. The acquisition is not subjected to a NSR. The Company received TSX acceptance on December 13, 2017.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### i) Swift River Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Swift River Project on November 30, 2018 to acquire a 100% interest in the property. The terms call for payment of \$4,000 cash and issuance of 200,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on January 10, 2019.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 360,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### j) Bonanza Lake

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Bonanza Lake Project on February 7, 2019 to acquire a 100% interest in the property. The terms call for payment of \$1,500 cash and issuance of 100,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on March 6, 2019. The Company completed the transaction on March 6, 2019 by issuing 100,000 shares valued at \$0.035 per share.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 7. Exploration and Evaluation Asset (see Schedules 1 and 2) (cont'd)

### k) Cariboo Lake

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Cariboo Lake Project on November 30, 2018 to acquire a 100% interest in the property. The terms call for payment of \$1,000 cash and issuance of 100,000 shares of the Company, plus an additional 250,000 shares of the Company if it proceeds to a pre-feasibility study. The acquisition is not subjected to a NSR. The Company received TSX acceptance on January 10, 2019.

On November 20, 2019, the Company acquired a 100% interest in the property by issuing 140,000 shares with a value of \$0.035 per share, under a revised SAPA accepted by the TSX.

During the period ended August 31, 2020, the Company incurred \$nil (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### l) Klastline Project

The Company entered into a Sale and Purchase Agreement (SAPA) with the Vendor of the Klastline Project to acquire a 100% interest in the property. The terms call for the issuance of 600,000 shares of the Company, plus an additional 250,000 shares of the Company within 90 days of the completion of a Preliminary Economic Assessment report. The acquisition is not subject to a NSR.

On November 4, 2019, the Company acquired a 100% interest in the property by issuing 600,000 shares at \$0.03 per share.

During the period ended August 31, 2020, the Company incurred \$nil (2019:\$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

### m) Railway Project

The Company entered into a Sales and Purchase Agreement (SAPA) with three separate Vendors of the properties that forms the Railway project.

SAPA #1 calls for the payment of \$1,000 and issuance of 200,000 shares. On September 24, 2019, the Company issued 200,000 shares at \$0.05 per share and acquired a 100% interest in 14 mineral property claims.

SAPA #2 calls for the issuance of 100,000 shares. On September 24, 2019, the Company issued 100,000 shares at \$0.05 per share and acquired a 100% interest in one mineral property claim.

SAPA #3 calls for the issuance of 150,000 shares and an additional 150,000 shares within 90 days of the completion of a Preliminary Economic Assessment report. On October 11, 2019, the Company issued 150,000 shares at \$0.05 per share and acquired a 100% interest in one mineral property claim.

During the period ended August 31, 2020, the Company incurred \$800 (2019: \$nil) in acquisition costs and incurred \$nil (2019: \$nil) in exploration expenditures.

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 8. Loans Payable

The loans are unsecured and non-interest bearing, but can be subject to a finance fee which increases if the principal is not paid in full within 30 days of the funds being advanced.

	Principal Amount	Finance Fee	Total Amount Outstanding
Balance – May 31, 2019	\$ 344,060	\$ 280,670	\$ 624,730
Fiscal 2020 transactions			
Loan repayment by issuing shares (note 9b)	(150,000)	-	(150,000)
Balance – May 31, 2020	\$ 194,060	\$ 280,670	\$ 474,730
Fiscal 2021 transactions			
No transaction for the period	-	-	-
Balance – August 31, 2020	\$ 194,060	\$ 280,670	\$ 474,730

As of August 31, 2020, all finance fees on the outstanding loans had been accrued.

## 9. Share Capital and Contributed Surplus

### a) Authorized:

Unlimited common shares without par value.

### b) Issued and outstanding:

As at August 31, 2020, there are 58,506,442 (2019: 37,216,442) common shares issued and outstanding.

During the period ended August 31, 2020, the Company did not issue any shares.

During the period ended August 31, 2019, the Company did not issue any shares.

### c) Share Purchase Warrants

There are 18,627,600 share purchase warrants outstanding as at August 31, 2020 as follows:

Number of Warrants	Exercise Price	Expiry Date
2,351,600	\$0.10	September 16, 2020
5,096,000	\$0.10	September 18, 2020
1,300,000	\$0.10	October 22, 2020
500,000	\$0.10	November 15, 2020
6,000,000	\$0.10	September 16, 2021
3,380,000	\$0.10	November 15, 2021

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 9. Share Capital and Contributed Surplus

Summary of the warrants outstanding at August 31, 2020:

	Number of Warrants
Balance at May 31, 2019	13,220,000
Issued	12,231,600
Exercised	-
Cancelled/expired	(6,824,000)
Balance at May 31, 2020	18,627,600
Issued	-
Exercised	-
Cancelled/expired	-
<b>Balance at August 31, 2020</b>	<b>18,627,600</b>

The weighted average remaining contractual life of granted and outstanding warrants at August 31, 2020 is .59 years (2019: 0.55 years). The warrants have a weighted average exercise price of \$0.10 (2019: \$0.10).

On September 23, 2020, the Company received TSX acceptance to extend the 2020 expiry dates on some of warrants for a further (3) years. See Note 17 (b) Subsequent Events.

## 10. Stock Options

On March 18, 2019, the Company received TSX Venture Exchange acceptance of its current stock option plan, reserving a maximum of 10% of the issued shares of the Company for issuance under its Rolling Stock Option Plan. Shareholders of the Company approved this plan at the Issuer's Annual General Meeting held on January 19, 2018. See Note 17 (d) Events After the Reporting Period.

Stock options issued and outstanding are as follows:

	August 31, 2020		May 31, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of year	1,601,165	\$ 0.11	1,601,165	\$ 0.11
Expired or cancelled	-	-	-	-
Granted	-	-	-	-
Options outstanding and exercisable, end of year	1,601,165	\$ 0.11	1,601,165	\$ 0.11

# HAWKEYE GOLD & DIAMOND INC.

## Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

### 10. Stock Options (continued)

The 1,601,165 stock options outstanding as at August 31, 2020 are as follows:

Number of Shares	Price per Share	Expiry Date
145,000	\$ 0.10	July 9, 2022
861,165	0.10	April 25, 2026
170,000	0.12	September 9, 2026
425,000	0.12	January 25, 2027

- For the period ended August 31, 2020, no options were granted, expired or cancelled.
- For the period ended August 31, 2019, no options were granted, expired or cancelled.
- The weighted average remaining contractual life of granted and outstanding stock options at August 31, 2020 is 5.55 years (2019: 6.55 years).

### 11. Non-Cash Financing Activities

Non-cash activities for the period ended August 31, 2020 are as follows:

- The Company did not have any non-cash financing activities for the period.

Non-cash activities for the period ended August 31, 2019 are as follows:

- The Company did not have any non-cash financing activities for the period.

### 12. Financial Instruments

The Company's financial instrument consist of GST receivable, bank over-draft, accounts payable and accrued liabilities, due to related parties and loans payable.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Cash and cash equivalents are carried at fair value using a level 1 fair value measurement. The fair values of GST receivable, bank over-draft, accounts payable and accrued liabilities, due to related parties and loans payable approximate their carrying values due to the short-term nature of these instruments.

### 13. Management of Industry and Financial Risk

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

# HAWKEYE GOLD & DIAMOND INC.

Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

## 13. Management of Industry and Financial Risk (continued)

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

### ***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and GST recoverable. Risk associated with cash is managed through the use of major Canadian bank. The Company's GST recoverable is due from the Government of Canada; therefore, the credit risk exposure is low.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's cash. The Company's cash is held in corporate bank accounts available on demand.

### ***Market Risk***

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

### ***Currency Risk***

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars; therefore, currency risk is minimal.

### ***Interest Rate Risk***

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

### ***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to finance due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

## 14. Capital Management

The Company's primary source of funds comes from the issuance of share capital. The Company defines its capital as all components of shareholders equity. Capital requirements are driven by the Company's planned exploration and evaluation activities and general and administrative expenses. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities. Although the Company has been successful at raising funds in the past through the issuance of share capital and loans, there can be no assurance that it will continue to be able to do so in the future. There were no changes in the Company's approach to capital management during the period ended August 31, 2020. The Company is not subject to externally imposed capital requirements.

# HAWKEYE GOLD & DIAMOND INC.

## Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

### 15. Income Taxes

Income tax expense recorded in these consolidated financial statements differs from the amount that would be computed by applying federal and provincial statutory income tax rates to the loss before income taxes.

The unrecognized deferred tax assets reflect the Company's estimate that the tax assets are not likely to be realized.

The Company has non-capital losses totaling approximately \$7,529,593 (2019: \$7,186,084), which are carried forward for tax purposes and are available to reduce taxable income of future years. The non-capital losses balance will begin to expire in 2026. Unused exploration and development expenses can be carried forward indefinitely.

### 16. Related Party Transactions

- a) During the period ended August 31, 2020, \$30,000 (2019: \$30,000) was paid or accrued to Greg Neeld, the President and director of the Company, as management fees. The Company reimbursed the president and director \$10,920 (2019: \$10,920) for shared office premises.
- b) During the period ended August 31, 2020, \$6,000 (2019: \$6,000) was paid or accrued to Robert Neeld, an individual related to the President of the Company as compensation for services rendered and included in management fees.
- c) As at August 31, 2020, there is a balance of \$546,332 (2019: \$575,414) due to Greg Neeld, the President of the Company included in Due to related parties.
- d) As at August 31, 2020, there is a balance of \$1,743 (2019: \$1,743) due to Hawkeye Power Corp, a company owned by Greg Neeld, the President of the Company included in Due to related parties.
- e) As at August 31, 2020, there is a balance of \$102,725 (2019: \$89,925) due to Robert Neeld, a related party included in Due to related parties.
- f) As at August 31, 2020, there is a balance of \$15,600 (2019: \$15,600) due to Steve Pelletier, a related party included in loans payable.
- g) As at August 31, 2020, there is a balance of \$9,440 (2019: \$9,440) due to Maureen Watson, a director of the Company included in Due to related parties.

The above noted transactions have been reported at amounts agreed to by the related parties.

# HAWKEYE GOLD & DIAMOND INC.

## Notes to Consolidated Financial Statements

August 31, 2020

(Expressed in Canadian dollars)

### 17. Events After the Reporting Period

- a) On September 24, 2020, the Company issued 16,900,000 units at a price of \$0.025 per unit for gross proceeds of \$422,500 pursuant to a private placement.

Each unit will consist of one (1) common share of the Company and one (1) share purchase warrant, with each warrant entitling the holder to acquire one (1) common share at a price of \$0.05 per common share for a period of thirty-six (36) months following the closing of the offer.

The Company issued 343,000 finder's warrants in connection with the private placement.

- b) On September 23, 2020, the Company received TSX acceptance to extend the expiry dates of some of the issued and outstanding warrants. Qualified warrants with an expiry date of September 16, 2020 will now expire on September 16, 2023. Qualified warrants with an expiry date of September 18, 2020 will now expire on September 18, 2023. Qualified warrants with an expiry date of October 22, 2020 will now expire on October 22, 2023. Qualified warrants with an expiry date of November 15, 2020 will now expire on November 15, 2023
- c) Subsequent to August 31, 2020, 337,600 finder's warrants exercisable at a price of \$0.10 per share expired.
- d) On October 6, 2020, the Company received TSX Venture Exchange acceptance for its latest stock option plan, reserving a maximum of 10% of the issued shares of the Company for issuance under its Rolling Stock Option Plan. Shareholders of the Company approved this plan at the Issuer's Annual General Meeting held on December 30, 2019.

**HAWKEYE GOLD & DIAMOND INC.**
**Schedule 1**  
 (continued)

 Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended August 31, 2020

	<b>Bonanza</b>	<b>2-Aces</b>	<b>Keithley Creek</b>
Balances, May 31, 2020 (see schedule 2)			
Acquisition costs	\$ 21,920	\$ 19,250	\$ 12,250
Exploration expenditures	15,292	52,881	37,112
<b>Total beginning property expenditures</b>	<b>\$ 37,212</b>	<b>\$ 72,131</b>	<b>\$ 49,362</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ -	\$ -
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	-
Drilling	-	-	-
Field expenses	-	-	-
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 21,920	\$ 19,250	\$ 12,250
Exploration expenditures	15,292	52,881	37,112
<b>Mineral Property Interests, August 31, 2020</b>	<b>\$ 37,212</b>	<b>\$ 72,131</b>	<b>\$ 49,362</b>

See accompanying notes to the consolidated financial statements

**HAWKEYE GOLD & DIAMOND INC.**
**Schedule 1**  
 (continued)

 Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended August 31, 2020

	<b>Cariboo Valley</b>	<b>Seller Creek</b>	<b>McBride</b>
Balances, May 31, 2020 (see schedule 2)			
Acquisition costs	\$ 8,750	\$ 22,750	\$ 22,500
Exploration expenditures	26,201	48,240	866,585
<b>Total beginning property expenditures</b>	<b>\$ 34,951</b>	<b>\$ 70,990</b>	<b>\$ 889,085</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ -	\$ -
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	1,584
Drilling	-	-	-
Field expenses	-	-	-
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,584</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,584</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 8,750	\$ 22,750	\$ 22,500
Exploration expenditures	26,201	48,240	868,169
<b>Mineral Property Interests, August 31, 2020</b>	<b>\$ 34,951</b>	<b>\$ 70,990</b>	<b>\$ 890,669</b>

**HAWKEYE GOLD & DIAMOND INC.****Schedule 1**  
(continued)Consolidated Schedule of Deferred Resource Property Expenditures  
Period Ended August 31, 2020

	<u>Todagin</u>	<u>Boomerang</u>	<u>Swift River</u>
Balances, May 31, 2020 (see schedule 2)			
Acquisition costs	\$ 13,000	\$ 16,000	\$ 12,600
Exploration expenditures	32,234	66,575	20,287
<b>Total beginning property expenditures</b>	<b>\$ 45,234</b>	<b>\$ 82,575</b>	<b>\$ 32,887</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ -	\$ -
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	-
Drilling	-	-	-
Field expenses	-	-	-
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 13,000	\$ 16,000	\$ 12,600
Exploration expenditures	32,234	66,575	20,287
<b>Mineral Property Interests, August 31, 2020</b>	<b>\$ 45,234</b>	<b>\$ 82,575</b>	<b>\$ 32,887</b>

**HAWKEYE GOLD & DIAMOND INC.**
**Schedule 1**  
 (continued)

 Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended August 31, 2020

	<b>Bonanza Lake</b>	<b>Cariboo Lake</b>	<b>Klastline</b>
Balances, May 31, 2020 (see schedule 2)			
Acquisition costs	\$ 6,800	\$ 4,900	\$ 18,000
Exploration expenditures	-	-	-
<b>Total beginning property expenditures</b>	<b>\$ 6,800</b>	<b>\$ 4,900</b>	<b>\$ 18,000</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ -	\$ -
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	-
Drilling	-	-	-
Field expenses	-	-	-
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 6,800	\$ 4,900	\$ 18,000
Exploration expenditures	-	-	-
<b>Mineral Property Interests, August 31, 2020</b>	<b>\$ 6,800</b>	<b>\$ 4,900</b>	<b>\$ 18,000</b>

Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended August 31, 2020

	<b>Railway</b>	<b>TOTAL</b>
Balances, May 31, 2020 (see schedule 2)		
Acquisition costs	\$ 22,500	\$ 201,220
Exploration expenditures	-	1,165,407
<b>Total beginning property expenditures</b>	<b>\$ 22,500</b>	<b>\$ 1,366,627</b>
Incurred during the current period		
Acquisition costs	\$ 800	\$ 800
Exploration expenditures		
Accommodation & Meals	\$ -	\$ -
Assays	-	-
Claim maintenance	-	-
Consulting	-	1,584
Drilling	-	-
Field expenses	-	-
Helicopters	-	-
Management	-	-
Maps	-	-
Office	-	-
Rentals	-	-
Survey	-	-
Travel	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ 1,584</b>
<b>Total current period expenditures</b>	<b>\$ 800</b>	<b>\$ 2,384</b>
Less:		
Acquisition costs written off	\$ -	\$ -
Exploration expenditures written off	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:		
Acquisition costs	\$ 23,300	\$ 202,020
Exploration expenditures	-	1,166,991
<b>Mineral Property Interests, August 31, 2020</b>	<b>\$ 23,300</b>	<b>\$ 1,369,011</b>

**HAWKEYE GOLD & DIAMOND INC.****Schedule 2**  
(continued)Consolidated Schedule of Deferred Resource Property Expenditures  
Period Ended May 31, 2020

	<b>Bonanza</b>	<b>2-Aces</b>	<b>Keithley Creek</b>
Balances, May 31, 2019			
Acquisition costs	\$ 21,920	\$ -	\$ -
Exploration expenditures	2,262	52,269	34,549
<b>Total beginning property expenditures</b>	<b>\$ 24,182</b>	<b>\$ 52,269</b>	<b>\$ 34,549</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ 19,250	\$ 12,250
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	450	2,400
Drilling	-	-	-
Field expenses	-	162	163
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ 612</b>	<b>\$ 2,563</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ 19,862</b>	<b>\$ 14,813</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 21,920	\$ 19,250	\$ 12,250
Exploration expenditures	15,292	52,881	37,112
<b>Mineral Property Interests, May 31, 2020</b>	<b>\$ 37,212</b>	<b>\$ 72,131</b>	<b>\$ 49,362</b>

See accompanying notes to the consolidated financial statements

**HAWKEYE GOLD & DIAMOND INC.**
**Schedule 2**  
 (continued)

 Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended May 31, 2020

	<b>Cariboo Valley</b>	<b>Seller Creek</b>	<b>McBride</b>
Balances, May 31, 2019			
Acquisition costs	\$ -	\$ -	\$ 22,500
Exploration expenditures	25,439	47,109	64,672
<b>Total beginning property expenditures</b>	<b>\$ 25,439</b>	<b>\$ 47,109</b>	<b>\$ 87,172</b>
Incurred during the current period			
Acquisition costs	\$ 8,750	\$ 22,750	\$ -
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	17,029
Claim maintenance	-	-	7,000
Consulting	600	1,050	142,294
Drilling	-	-	290,077
Field expenses	162	81	11,700
Helicopters	-	-	225,708
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	108,105
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ 762</b>	<b>\$ 1,131</b>	<b>\$ 801,913</b>
<b>Total current period expenditures</b>	<b>\$ 9,512</b>	<b>\$ 23,881</b>	<b>\$ 801,913</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 8,750	\$ 22,750	\$ 22,500
Exploration expenditures	26,201	48,240	866,585
<b>Mineral Property Interests, May 31, 2020</b>	<b>\$ 34,951</b>	<b>\$ 70,990</b>	<b>\$ 889,085</b>

**HAWKEYE GOLD & DIAMOND INC.****Schedule 2**  
(continued)Consolidated Schedule of Deferred Resource Property Expenditures  
Period Ended May 31, 2020

	<u>Todagin</u>	<u>Boomerang</u>	<u>Swift River</u>
Balances, May 31, 2019			
Acquisition costs	\$ 13,000	\$ 16,000	\$ -
Exploration expenditures	32,055	66,407	19,474
<b>Total beginning property expenditures</b>	<b>\$ 42,055</b>	<b>\$ 82,407</b>	<b>\$ 19,474</b>
Incurred during the current period			
Acquisition costs	\$ -	\$ -	\$ 12,600
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	731
Drilling	-	-	-
Field expenses	179	168	82
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ 179</b>	<b>\$ 168</b>	<b>\$ 813</b>
<b>Total current period expenditures</b>	<b>\$ 179</b>	<b>\$ 168</b>	<b>\$ 13,413</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 13,000	\$ 16,000	\$ 12,600
Exploration expenditures	32,234	66,575	20,287
<b>Mineral Property Interests, May 31, 2020</b>	<b>\$ 45,234</b>	<b>\$ 82,575</b>	<b>\$ 32,887</b>

Consolidated Schedule of Deferred Resource Property Expenditures  
Period Ended May 31, 2020

	Bonanza Lake	Cariboo Lake	Klastline
Balances, May 31, 2019			
Acquisition costs	\$ 5,000	\$ -	\$ -
Exploration expenditures	-	-	-
<b>Total beginning property expenditures</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>
Incurred during the current period			
Acquisition costs	\$ 1,800	\$ 4,900	\$ 18,000
Exploration expenditures			
Accommodation & Meals	\$ -	\$ -	\$ -
Assays	-	-	-
Claim maintenance	-	-	-
Consulting	-	-	-
Drilling	-	-	-
Field expenses	-	-	-
Helicopters	-	-	-
Management	-	-	-
Maps	-	-	-
Office	-	-	-
Rentals	-	-	-
Survey	-	-	-
Travel	-	-	-
<b>Total exploration expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total current period expenditures</b>	<b>\$ 1,800</b>	<b>\$ 4,900</b>	<b>\$ 18,000</b>
Less:			
Acquisition costs written off	\$ -	\$ -	\$ -
Exploration expenditures written off	-	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:			
Acquisition costs	\$ 6,800	\$ 4,900	\$ 18,000
Exploration expenditures	-	-	-
<b>Mineral Property Interests, May 31, 2020</b>	<b>\$ 6,800</b>	<b>\$ 4,900</b>	<b>\$ 18,000</b>

Consolidated Schedule of Deferred Resource Property Expenditures  
 Period Ended May 31, 2020

	<b>Railway</b>	<b>TOTAL</b>
Balances, May 31, 2019		
Acquisition costs	\$ -	\$ 78,420
Exploration expenditures	-	357,266
<b>Total beginning property expenditures</b>	<b>\$ -</b>	<b>\$ 435,686</b>
Incurred during the current period		
Acquisition costs	\$ 22,500	\$ 122,800
Exploration expenditures		
Accommodation & Meals	\$ -	\$ -
Assays	-	17,029
Claim maintenance	-	7,000
Consulting	-	147,525
Drilling	-	290,077
Field expenses	-	12,129
Helicopters	-	226,276
Management	-	-
Maps	-	-
Office	-	-
Rentals	-	-
Survey	-	108,105
Travel	-	-
<b>Total exploration expenditures</b>	<b>\$ 22,500</b>	<b>\$ 808,141</b>
<b>Total current period expenditures</b>	<b>\$ -</b>	<b>\$ 930,941</b>
Less:		
Acquisition costs written off	\$ -	\$ -
Exploration expenditures written off	-	-
<b>Total property interest written off</b>	<b>\$ -</b>	<b>\$ -</b>
Balance, end of period:		
Acquisition costs	\$ 22,500	\$ 201,220
Exploration expenditures	-	1,165,407
<b>Mineral Property Interests, May 31, 2020</b>	<b>\$ 22,500</b>	<b>\$ 1,366,627</b>