

# EASTFIELD RESOURCES LTD.

Condensed Interim Financial Statements  
For the Three and Six Months Ended August 31, 2020 and 2019  
(Unaudited – Expressed in Canadian dollars)

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**NOTICE TO READER:**

These condensed interim financial statements have not been reviewed by the Company's external auditors. These statements have been prepared by and are the responsibility of the Company's management.

**Eastfield Resources Ltd.**  
**Condensed Interim Statements of Financial Position**  
(Unaudited – Expressed in Canadian dollars)

	August 31, 2020	February 29, 2020
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 117,054	\$ 271,396
Accounts receivable	13,714	17,348
Receivable from related parties (Note 9)	116,056	64,464
	<b>246,824</b>	<b>353,208</b>
<b>Investments</b> (Note 3)	<b>1,659,295</b>	<b>538,942</b>
<b>Exploration and evaluation assets</b> (Note 4)	<b>1,075,285</b>	<b>1,083,710</b>
<b>Equipment</b>	<b>5,888</b>	<b>5,701</b>
<b>Right-of-use asset</b> (Note 5)	<b>147,538</b>	<b>162,798</b>
<b>Investment in sub-leases</b> (Note 5)	<b>318,080</b>	<b>342,670</b>
<b>Project deposits</b> (Note 4)	<b>119,146</b>	<b>119,146</b>
	<b>\$ 3,572,056</b>	<b>\$ 2,606,175</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 75,398	\$ 75,461
Payable to related parties (Note 9)	10,437	8,215
Lease obligations - current (Note 5)	76,276	76,276
	<b>162,111</b>	<b>159,952</b>
Lease obligations – long term (Note 5)	403,150	437,728
	<b>565,261</b>	<b>597,680</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b> (Note 6)	<b>4,309,072</b>	<b>4,309,072</b>
<b>Warrant reserve</b> (Note 6)	<b>57,168</b>	<b>57,168</b>
<b>Options reserve</b> (Note 6)	<b>829,352</b>	<b>829,352</b>
<b>Accumulated other comprehensive income (loss)</b>	<b>356,633</b>	<b>(702,367)</b>
<b>Deficit</b>	<b>(2,545,430)</b>	<b>(2,484,730)</b>
	<b>3,006,795</b>	<b>2,008,495</b>
	<b>\$ 3,572,056</b>	<b>\$ 2,606,175</b>

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

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

**Eastfield Resources Ltd.**  
**Condensed Interim Statements of Loss and Comprehensive Loss**  
**For the Three and Six Months Ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

	Three Months Ending		Six Months Ending	
	August 31, 2020	August 31, 2019	August 31, 2020	August 31, 2019
<b>Expenses</b>				
Bank charges	\$ 478	\$ 633	\$ 960	\$ 1,109
Consulting	4,050	4,050	8,100	6,350
Depreciation	7,630	-	15,260	-
Dues and licenses	20	20	20	519
Investor relations	4,660	9,529	8,416	17,929
Legal and audit	-	364	-	2,954
Office	1,665	2,105	2,520	5,930
Rent	-	9,142	-	16,510
Salaries and benefits	6,274	6,117	12,345	11,476
Telephone	668	667	1,294	1,223
Transfer and filing fees	3,622	2,406	5,749	4,533
	<b>29,067</b>	<b>35,033</b>	<b>54,664</b>	<b>68,533</b>
<b>Other (income)/expense</b>				
Interest income	(328)	(5,826)	(3,213)	(15,652)
Gain on sale of investments	-	(18,870)	-	(18,870)
Interest income on sub-leases	(6,900)	-	(13,800)	-
Interest expense on lease obligations	11,546	-	23,049	-
<b>NET LOSS</b>	<b>\$ 33,385</b>	<b>\$ 10,337</b>	<b>\$ 60,700</b>	<b>\$ 34,011</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
Items that will not be reclassified to net income or loss				
Change in the fair value of equity investments (Note 3)	(1,066,626)	103,459	(1,059,001)	166,529
<b>COMPREHENSIVE (INCOME) LOSS</b>	<b>\$ (1,033,241)</b>	<b>\$ 113,796</b>	<b>\$ (998,301)</b>	<b>\$ 200,540</b>
<b>BASIC AND DILUTED LOSS PER SHARE</b> (Note 8)	<b>\$ 0.000</b>	<b>\$ 0.000</b>	<b>\$ 0.001</b>	<b>\$ 0.001</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – basic and diluted</b>	<b>46,394,919</b>	<b>46,394,919</b>	<b>46,394,919</b>	<b>45,644,919</b>

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

## Eastfield Resources Ltd.

### Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited – Expressed in Canadian dollars)

	Number of Common Shares	Share Capital (Note 6)	Warrant Reserve (Note 6)	Options Reserve (Note 6)	Accumulated Other Comprehensive Income/(Loss)	Deficit	Total Equity
<b>Balance, February 28, 2019</b>	44,894,919	\$ 4,220,272	\$ 57,168	\$ 815,352	\$ 84,920	\$(2,563,063)	\$ 2,614,649
Subscriptions received	1,800,000	88,800	-	-	-	-	88,800
Change in fair value of investments (Note 3)	-	-	-	-	(166,529)	-	(166,529)
Net loss for the period	-	-	-	-	-	(34,011)	(34,011)
<b>Balance, August 31, 2019</b>	46,694,919	\$ 4,309,072	\$ 57,168	\$ 815,352	\$ (81,609)	\$(2,597,074)	\$ 2,502,909
Private Placement, net of share issue costs	1,800,000	-	-	-	-	-	-
Share-based compensation	-	-	-	14,000	-	-	14,000
Change in fair value of investments	-	-	-	-	(349,853)	-	(349,853)
Reclassification of realized gain on disposal of investments	-	-	-	-	(270,905)	270,905	-
Net loss for the period	-	-	-	-	-	(158,561)	(158,561)
<b>Balance, February 29, 2020</b>	46,694,919	\$ 4,309,072	\$ 57,168	\$ 829,352	\$ (702,367)	\$(2,484,730)	\$ 2,008,495
Change in fair value of investments (Note 3)	-	-	-	-	1,059,000	-	1,059,000
Net loss for the period	-	-	-	-	-	(60,700)	(60,700)
<b>Balance, August 31, 2020</b>	<b>46,694,919</b>	<b>\$ 4,309,072</b>	<b>\$ 57,168</b>	<b>\$ 829,352</b>	<b>\$ 356,633</b>	<b>\$(2,545,430)</b>	<b>\$ 3,006,795</b>

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

**Eastfield Resources Ltd.**  
**Condensed Interim Statements of Cash Flows**  
**For the Six Months Ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

<b>Cash provided by (used in)</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Net loss	\$ (60,700)	\$ (34,011)
Adjustments to reconcile cash to net loss from operating activities:		
Depreciation	15,260	-
Gain on sale of investments	-	(18,870)
Interest income on sub-leases	(13,800)	-
Interest expense on lease obligations	23,049	-
	<b>(36,191)</b>	<b>(52,881)</b>
Changes in non-cash working capital components		
Accounts receivable	3,634	(24,090)
Receivable from related parties	(51,592)	(79,342)
Payable to related parties	2,222	(28,476)
Accounts payable and accrued liabilities	(63)	3,422
	<b>(81,990)</b>	<b>(181,367)</b>
<b>Investing activities</b>		
Purchase of equipment	(187)	-
Mineral property acquisition costs	-	(338)
Mineral property Option Proceeds	43,333	50,000
Mineral property exploration expenditures	(34,908)	(81,386)
Promissory note receivable	-	(11,000)
Exercise of warrants	-	(60,588)
Project deposits	-	8,500
Investments	(61,353)	28,620
	<b>(53,115)</b>	<b>(66,192)</b>
<b>Financing activities</b>		
Private placement	-	88,800
Net lease payments	(19,237)	-
	<b>(19,237)</b>	<b>88,800</b>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(154,342)</b>	<b>(158,759)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>271,396</b>	<b>471,465</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 117,054</b>	<b>\$ 312,706</b>
<b>Supplemental cash flow information</b>		
Interest received	\$ 3,213	\$ 4,651

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

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Eastfield Resources Ltd. (the “Company”) was incorporated in the Province of British Columbia. Its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties in Canada. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flows.

The Company’s shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol ETF. Its registered office is located at 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company were unable to continue operations. Such adjustments and reclassifications could be material.

**2. BASIS OF PREPARATION**

**Summary of Significant Accounting Policies**

The Company prepares its interim financial statements in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, as issued by the International Accounting Standards Board, including International Accounting Standard 34 – Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended February 29, 2020.

The accounting policies applied in these condensed interim consolidated financial statements are based on IFRS effective for the year ended February 29, 2020, as issued and outstanding on October 30, 2020, the date the Board of Directors approved these financial statements.

**Basis of Measurement**

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss or fair value through other comprehensive income that have been measured at fair value and are presented in Canadian dollars, the Company’s reporting currency and the functional currency of all of its operations.

**Accounting estimates and judgments**

The preparation of these consolidated financial statements required management to make estimates, judgments and assumptions that affect the reported amounts and other disclosures in these consolidated financial statements. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates, judgments and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
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**2. BASIS OF PREPARATION (continued)**

Critical accounting estimates are estimates, judgments and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the preparation of these consolidated financial statements include, among others, the recoverability of accounts receivable, determination of realizable amounts of deferred tax assets and liabilities, impairment of the carrying value of non-financial assets, estimation of provisions, measurement of the fair value of tax benefits sold and measurement of equity instruments and share-based compensation.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments include the expected economic lives of and the estimated future operating results and net cash flows from equipment, the classification of financial instruments, and the recognition of deferred tax assets and liabilities.

**3. INVESTMENTS**

The Company has the following investments in equity instruments:

	August 31, 2020			February 29, 2020		
	Number of Shares	Cost	Fair Value	Number of Shares	Cost	Fair Value
Cariboo Rose Resources Ltd.	208,000	\$ 14,925	\$ 12,480	208,000	\$ 14,925	\$ 10,400
Consolidated Woodjam Copper Corp.	12,501,805	823,877	1,338,940	12,501,805	815,127	437,563
Consolidated Woodjam Copper Corp. (warrants, exercise price \$0.08, expiry date June 24, 2022)	3,250,000	16,250	81,250	-	-	-
Consolidated Woodjam Copper Corp. (warrants, exercise price \$0.10, expiry date September 15, 2020)	-	-	-	350,000	3,500	-
Prophecy Potash	100,000	10,000	15,000	-	-	-
GK Resources	333,333	33,333	38,333	-	-	-
Sun Metals Corp.	866,462	384,633	173,292	866,462	384,633	90,979
		1,283,018	1,659,295		1,218,185	538,942
Less: current portion		-	-		-	-
		<b>\$1,283,018</b>	<b>\$1,659,295</b>		<b>\$ 1,218,185</b>	<b>\$ 538,942</b>

The Company has irrevocably designated these investments in equity instruments as measured at FVOCI rather than FVTPL as they are not held for trading and the FVOCI classification is considered more appropriate for these strategic investments. The fair value of these equity investments is based on quoted market prices at the reporting dates. The current portion relates to those investments which the Company is reasonably likely to sell within the next 12 months.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS**

Acquisition and exploration expenditures incurred on mineral properties for the three months ended August 31, 2020 are:

	<u>Indata</u>	<u>Zymo</u>	<u>Other*</u>	<u>Total</u>
<b>ACQUISITION COSTS</b>				
Balance, beginning of the period	\$ 141,513	\$ 311,506	\$ 52,014	\$ 505,033
Incurred during the period	-	-	-	-
Balance, end of the period	141,513	311,506	52,014	505,033
<b>EXPLORATION EXPENDITURES</b>				
Expenditures for the year:				
Professional fees and field crews	1,808	5,040	22,424	29,272
Fees and Permits	-	63	-	63
Rental of vehicles and equipment	4	4,664	410	5,078
Communications	375	-	-	375
Assaying	43	-	77	120
	2,230	9,767	22,911	34,908
Balance, beginning of the period	170,350	554,064	745,846	1,470,260
Balance, end of the period	172,580	563,831	768,757	1,505,168
<b>OPTION PROCEEDS</b>				
Balance, beginning of the period	(251,250)	(461,000)	(179,333)	(891,583)
Proceeds received during the period	(10,000)	-	(33,333)	(43,333)
Balance, end of the period	(261,250)	(461,000)	(212,666)	(934,916)
	<b>\$ 52,843</b>	<b>\$ 414,337</b>	<b>\$ 608,105</b>	<b>\$ 1,075,285</b>

\* Other properties include Iron Lake, Hidden One, Hedge Hog, Antler Gold, and CR.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS (continued)**

Acquisition and exploration expenditures incurred on mineral properties for the three months ended August 31, 2019 are:

	<b>Indata</b>	<b>Zymo</b>	<b>Other*</b>	<b>Total</b>
<b>ACQUISITION COSTS</b>				
Balance, beginning of the period	\$ 141,513	\$ 311,506	\$ 51,676	\$ 504,695
Incurred during the period	-	-	338	338
Balance, end of the period	141,513	311,506	52,014	505,033
<b>EXPLORATION EXPENDITURES</b>				
Expenditures for the period:				
Professional fees and field crews	2,400	20,400	42,400	65,200
Rental of vehicles and equipment	-	4,577	968	5,545
Transport and fuel		129	722	851
Communications	346	-	347	693
Food and accommodation		469	1,419	1,888
Freight			126	126
Assaying	-	719	6,364	7,083
	2,746	26,294	52,346	81,386
Balance, beginning of the period	150,436	498,232	631,199	1,279,867
Balance, end of the period	153,182	524,526	683,545	1,361,253
<b>OPTION PROCEEDS</b>				
Balance, beginning of the period	(231,250)	(461,000)	(137,833)	(830,083)
Proceeds received during the period	(20,000)	-	(30,000)	(50,000)
Balance, end of the period	(251,250)	(461,000)	(167,833)	(880,083)
	\$ 43,445	\$ 375,032	\$ 567,726	\$ 986,203

\* Other properties include Iron Lake, Hidden One, Hedge Hog, Antler Gold, CR and Howell.

***Indata Property, Omineca Mining Division, British Columbia***

The Company has a 91.3% interest in the Indata property. Imperial Metals Corporation (“Imperial Metals”), owns the remaining 8.7% interest. This interest will be reduced if Imperial Metals fails to make its proportionate share of exploration and other payments on the property.

On June 20, 2018, the Company entered into an option agreement with Prophecy Potash Corp. (“Prophecy Potash”) whereby Prophecy Potash may earn a 60% interest in the Indata property by making \$250,000 in cash payments, issuing \$150,000 in shares and completing \$2,000,000 in exploration work over a five-year period ending June 20, 2023. \$20,000 was received upon signing the option agreement.

***Zymo Property, Skeena Mining Division, British Columbia***

The Company holds a 100% interest in the Zymo property.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
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**4. EXPLORATION AND EVALUATION ASSETS (continued)**

**Other Properties**

***Iron Lake Property, Clinton Mining Division, British Columbia***

The Company acquired 100% of the Iron Lake property from Canevex Resources Ltd. Canevex Resources Ltd. is owned by two directors of the Company. The Company has reserved a 1.5% net smelter royalty for the vendors.

On June 20, 2018, the Company entered into an option agreement with GK Resources Ltd. (“GK Resources”) whereby GK Resources may earn a 60% interest in the Iron Lake property by making \$400,000 in cash payments, issuing \$250,000 in shares and completing \$3,000,000 in exploration work over a five-year period ending June 20, 2023. \$20,000 was received upon signing the option agreement.

In August 2020 the Company and GK Resources agreed to amend the terms of the option agreement. To date, the company has paid a total of \$50,000, representing the cash payment to be paid upon signing of the original agreement and on the first anniversary of the original agreement. The company has agreed to issue \$50,000 in common shares on the second anniversary of the original agreement and pay \$50,000 in cash on the third anniversary of the original agreement. The company will pay \$100,000 in cash and issue \$80,000 in payment shares on the fourth anniversary of the original agreement, and pay \$200,000 in cash and issue \$90,000 in payment shares on the fifth anniversary of the original agreement. In addition, the company has agreed to incur an additional \$100,000 by the third anniversary of the original agreement (of which \$50,000 is to be spent by Oct. 31, 2020), an additional \$1-million to be spent by the fourth anniversary of the original agreement and an additional \$1,851,213 to be spent by the fifth anniversary of the original agreement. To date, the company has incurred \$49,042 exploration expenditures.

***Other Properties British Columbia***

The Company owns a 100% interest in the Hedge Hog, Antler Gold, CR properties (collectively referred to as the Big Valley project) and Hidden One properties.

In November 2017, the Company entered into an option agreement with Surge Exploration Inc. (formerly Copper Creek Gold Corp.) (“Surge Exploration”) whereby Surge Exploration can earn a 60% interest in the Hedge Hog property by making payments totaling \$350,000, making share issuances or cash payments valued at an additional \$150,000 and completing \$2,500,000 in exploration work by November 17, 2022. As Surge Exploration did not fulfill its obligations during the year ended February 29, 2020, the option agreement was terminated and the \$11,500 reclamation bond established by to Surge Exploration was written off.

During the year ended February 28, 2019, the Company’s interests in the Naggie property expired and were not renewed. As a result, the Company recorded a write-off of \$121,400 in its mineral property interests.

***Project Deposits***

\$28,646 in deposits provided to the Ministry of Energy and Mines of British Columbia (“the Ministry”) and \$90,500 in term deposits, bearing interest at rates ranging from 0.30% to 1.25% and maturing between May 25, 2020 and May 12, 2021, are provided as reclamation bonds for the above mineral properties. The term deposits will continue to be renewed to comply with the Ministry’s requirements. As these reclamation bonds are required to be in place whilst the Company has ownership of these mineral properties, they are recorded as non-current assets.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
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**5. RIGHT-OF-USE ASSET AND LEASE OBLIGATIONS**

The Company leases office space under a lease agreement which expires on June 30, 2025. The Company's right-of-use asset and estimated future lease payments over the remaining term of the lease are:

<b>Right-of-use Asset</b>	Cost	Accumulated Depreciation	Carrying Amount
Balance, February 28, 2019	\$ -	\$ -	\$ -
Additions	192,042	29,244	162,798
Balance February 29, 2020	\$ 192,042	\$ 29,244	\$ 162,798
Additions	-	15,260	15,260
<b>Balance August 31, 2020</b>	<b>\$ 192,042</b>	<b>\$ 44,504</b>	<b>\$ 147,538</b>

**Lease Obligations**

2020	\$ 60,711
2021 to 2025	479,634
Subsequent to 2025	41,063
Total future payments	581,408
Less: interest	(101,982)
Lease obligations	479,426
Less: current portion	(76,276)
Lease obligations – long term	\$ 403,150

The Company sub-leases a portion of its office space to two companies, Cariboo Rose Resources Ltd. and Consolidated Woodjam Copper Corp., with directors and officers in common. These sub-lease agreements have the same lease term as the head lease described above.

**Investment in Office Sub-leases**

Balance, February 28, 2019	\$ 342,670
Additions	-
	342,670
Sub-lease payments received	(38,390)
Interest income	13,800
Balance, August 31, 2020	\$ 318,080

**6. SHARE CAPITAL**

**Authorized**

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

**Share Purchase Options**

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Share option terms issued under this stock option plan are at the discretion of the Board of Directors and generally include contractual lives of five years and exercise prices based on the fair market value of the common shares at the grant date. Options will normally vest entirely on the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

**6. SHARE CAPITAL (continued)**

**Share Purchase Options (continued)**

A summary of changes in common share purchase options for the six months ended August 31, 2020 and 2019 are:

	August 31, 2020		August 31, 2019	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, beginning of the year	3,275,000	\$ 0.08	3,340,000	\$ 0.08
Cancelled/Expired	-	-	(495,000)	0.08
Options exercisable, end of the year	3,275,000	\$ 0.08	2,845,000	\$ 0.08

The following common share purchase options are outstanding at August 31, 2020:

Expiry Date	Options Outstanding			Options Exercisable	
	Number of shares	Exercise price (\$)	Weighted Average Remaining Life (Years)	Number of shares	Exercise price (\$)
July 31, 2021	780,000	0.13	0.92	780,000	0.13
April 30, 2023	350,000	0.10	2.67	350,000	0.10
September 26, 2023	300,000	0.05	2.98	300,000	0.05
November 24, 2024	545,000	0.05	4.24	545,000	0.05
December 19, 2024	700,000	0.05	4.30	700,000	0.05
January 17, 2027	100,000	0.10	6.39	100,000	0.10
October 10, 2027	500,000	0.05	7.12	500,000	0.05
	<b>3,275,000</b>		<b>3.69</b>	<b>3,275,000</b>	

**Share Purchase Warrants**

The Company has warrants outstanding entitling the holders to purchase of 1,800,000 common shares at a price of \$0.10 per share until June 13, 2021.

**7. SEGMENTED DISCLOSURES**

The Company operates in one industry segment, the acquisition and exploration of mineral properties, within one geographical area, Canada. For the three months ended August 31, 2020 and 2019 all income was earned and all expenses were incurred in Canada and all non-current assets were held in Canada.

**8. LOSS PER SHARE**

The Company's diluted loss per share is equal to its basic loss per share. Outstanding share purchase options and warrants could potentially dilute basic loss per share in the future but were not included in the calculation of diluted loss per share because they are antidilutive for the three months ended August 31, 2020 and 2019.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

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**9. RELATED PARTY DISCLOSURES**

Related party transactions are recorded at the exchange amount agreed to by the parties.

The Company is related to Cariboo Rose Resources Ltd. (“Cariboo Rose”) and Consolidated Woodjam Copper Corp. (“Woodjam”) through common directors and officers. In the normal course of business, the Company will enter into transactions with Cariboo Rose and Woodjam for the use of equipment, services and rental of office space. During the six months ended August 31, 2020, recoveries of rent, salaries, telephone, office, consulting, convention and travel costs were \$56,924 (2019 - \$49,014) from Cariboo Rose and \$54,410 (2019 - \$49,668) from Woodjam. At August 31, 2020, accounts receivable included \$336 (February 29, 2020 - \$11,138) receivable from Cariboo Rose and \$108,130 (February 29, 2020 - \$53,328) receivable from Woodjam.

During the six months ended August 31, 2020 payments of \$24,300 (2019 - \$20,050) were made to the Chief Financial Officer, who is also a director of the Company, for accounting services. Of the amounts paid in 2020, \$16,200 (2019 - \$13,323) were recovered from Cariboo Rose and Woodjam.

During the six months ended August 31, 2020, geological services amounting to \$35,214 (six months ended August 31, 2019 - \$84,582) were provided to the Company by Mincord Exploration Consultants Ltd. (“Mincord”), a geological service company owned by two directors of the Company. Mincord’s relationship with the Company is non-exclusive and without retainer and on a project-by-project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. At August 31, 2020, accounts payable included \$10,437 (February 29, 2020 - \$4,413) payable to Mincord.

On November 15, 2019, the Company received 9,272,560 common shares of Woodjam at a deemed price of \$0.05 per share to settle the outstanding promissory note, accrued interest and accounts receivable totaling \$463,628.

**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company’s financial instruments are exposed to certain risks, which include credit, liquidity, and market risk. The risks related to financial instruments are managed by the senior management of the Company under policies and directions approved by the Board of Directors.

**Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company’s cash is held at large Canadian financial institutions. The Company’s receivables consist mostly of Goods and Services Tax due from the federal government of Canada and mineral exploration tax credit receivable from the Government of British Columbia. As such, the Company considers the risk of these receivables to be minimal and has not recognized an expected credit loss allowance on these financial instruments. The Company’s promissory notes receivable is due from a related, publicly traded mineral exploration company (Note 11). As at August 31, 2020 and August 31, 2019, none of the Company’s financial instruments subject to credit risk were past due or impaired.

The Company has determined that the expected credit losses on its accounts receivable and project deposits are not significant and accordingly has not recognized an allowance for expected credit losses as at August 31, 2020 and August 31, 2019.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities and payable to related parties are due within the current operating period. The Company’s lease obligations are due as set out in Note 5. The Company manages liquidity risk through the management of its capital structure (Note 11) and financial leverage.

**Eastfield Resources Ltd.**  
**Notes to the Condensed Interim Financial Statements**  
**For the three and six months ended August 31, 2020 and 2019**  
(Unaudited – Expressed in Canadian dollars)

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**10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)**

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risk is comprised of two types of risk: interest rate risk, and equity price risk.

- (i) 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 exposed to interest rate risk when holding fixed rate short term deposits of varying maturities. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash equivalents investments is limited because these investments are generally highly liquid securities with short-term maturities. As at August 31, 2020 and August 31, 2019, the Company considers its exposure to interest rate risk to be minimal.
- (ii) Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its investment in equity instruments. All of the Company's listed equity investments (Note 3) are common shares of companies listed on the Toronto Stock Exchange and the Toronto Stock Exchange's Venture Exchange and are monitored by management with decisions on sale taken at the board level.
- (iii) Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation as it has a limited number of transactions denominated in foreign currencies.

**11. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay out dividends.

The Company's investment policy is to invest its surplus cash in highly liquid short-term interest-bearing investments with maturities 90 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations. The Company currently has sufficient capital resources to meet its administrative overhead expenses through its current operating period and it is confident it can raise additional funds to undertake all of its planned business activities. Actual funding requirements may vary from those planned due to a number of factors. Management believes it will be able to raise capital as required in the long term, but recognizes that there will be risks involved that may be beyond its control.

# **Eastfield Resources Ltd.**

## **Notes to the Condensed Interim Financial Statements**

**For the three and six months ended August 31, 2020 and 2019**

(Unaudited – Expressed in Canadian dollars)

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### **12. COVID 19 PANDEMIC**

On March 11, 2020, the World Health Organization declared the COVID-19 coronavirus outbreak a pandemic. The spread of COVID-19 has created significant volatility in the Canadian and world markets and has the potential to have a significant and far-reaching effect on the Canadian and world economies, interest rates, and other financial measures. The Company will continue to monitor the ongoing developments regarding the COVID-19 pandemic and the potential impact on the Company's financial statements.