OUTCROP GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended August 31, 2020 and 2019

(Stated in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Outcrop Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Outcrop Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, cash flows, and shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company is dependent on its ability to raise additional financing for the substantial capital expenditures required to achieve planned principal operations. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

December 18, 2020

OUTCROP GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian dollars)

	Note		**August 31, 2020**		August 31, 2019
ASSETS					
Current					
Cash	*5*	**$**	**5,952,245**	$	185,222
Receivables	*6*		**44,352**		13,300
Investments and marketable securities	*7*		**5,730**		5,730
Advances and prepaid expenses	*8*		**329,668**		105,827
			6,331,995		310,079
Equipment	*9*		**59,267**		56,946
Long-term receivables	*6*		**68,150**		-
Mineral properties	*10*		**4,494,576**		1,279,792
		$	**10,953,988**	$	1,646,817
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	*11*	**$**	**532,079**	$	191,172
			532,079		191,172
Shareholders' Equity					
Share capital	*12b*		**44,702,834**		33,624,454
Stock-based reserves	*12c*		**7,596,002**		7,006,899
Warrant reserves	*12d*		**9,292,227**		7,343,112
Accumulated other comprehensive loss			**(46)**		(112,715)
Share subscriptions receivable	*12b*		**-**		(262,223)
Deficit			**(51,169,108)**		(46,143,882)
			10,421,909		1,455,645
		$	**10,953,988**	$	1,646,817

Nature of operations and going concern	*1*
Subsequent Events	*18*

Approved for issue by the Board of Directors on December 17, 2020.

They are signed on the Company's behalf by:

"Joseph P. Hebert"
Joseph P. Hebert, Director

"Kevin Nishi"
Kevin Nishi, Director

The accompanying notes form an integral part of these consolidated financial statements.

OUTCROP GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Stated in Canadian dollars)

	Note		Year ended August 31, 2020		2019
Expenses					
Exploration and evaluation	*10,13*		**2,111,000**		1,600,709
Foreign exchange			**148,778**		(9,723)
General and administrative	*13*		**472,483**		152,405
Investor relations			**385,215**		516,950
Professional fees	*13*		**319,208**		174,253
Stock-based compensation	*12,13*		**618,813**		-
Wages and benefits	*13*		**388,818**		306,806
			(4,444,315)		(2,741,400)
Interest income			**5,712**		228
Impairment of mineral properties	*10*		**(95,032)**		
Royalty impairment loss	*10*		**(491,591)**		-
Marketable securities, net change to fair value	*7*		**-**		(4,775)
			(580,911)		(4,547)
Loss for the year			**(5,025,226)**		(2,745,947)
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences for foreign operations			**112,669**		(36,322)
Comprehensive loss for the year		**$**	**(4,912,557)**	$	(2,782,269)
Basic and diluted loss per share		**$**	**(0.08)**	$	(0.13)
Weighted average number of common shares outstanding	*12*		**64,873,171**		21,140,827

The accompanying notes form an integral part of these consolidated financial statements.

OUTCROP GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian dollars)

	Note		Year ended August 31, 2020		2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss for the year		**$**	**(5,025,226)**	$	(2,745,947)
Items not involving cash:					
Depreciation			**27,026**		12,126
Stock-based compensation			**618,813**		-
Royalty impairment loss	*10a*		**491,591**		-
Impairment of mineral properties	*10c*		**95,032**		-
Unrealized loss on marketable securities			**-**		4,775
Unrealized foreign exchange loss (gain)			**118,613**		(36,384)
Changes in non-cash working capital balances:					
Receivables			**(29,631)**		(9,451)
Advances and prepaid expenses			**(223,841)**		81,442
Accounts payable and accrued liabilities			**340,907**		100,812
Change in long-term receivables			**(68,150)**		-
			(3,654,866)		(2,592,627)
CASH FLOWS FROM INVESTING ACTIVITIES					
Mineral properties asset acquisitions	*10j*		**(476,950)**		(196,722)
Royalty	*10a*		**(61,107)**		-
Equipment purchases			**(29,189)**		(26,706)
			(567,246)		(223,428)
CASH FLOWS FROM FINANCING ACTIVITIES					
Share units issued			**10,208,926**		2,957,629
Share issue costs			**(222,418)**		(150,613)
Share subscriptions received			**15,000**		-
			10,001,508		2,807,016
Effect of foreign exchange on cash			**(12,373)**		6,153
Change in cash during the year			**5,767,023**		(15,192)
Cash, beginning of year			**185,222**		200,414
Cash, end of year		**$**	**5,952,245**	$	185,222

Supplemental disclosure with respect to cash flows – Note 16

The accompanying notes form an integral part of these consolidated financial statements.

OUTCROP GOLD CORP.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited – stated in Canadian dollars)

	Number of Shares	Share Capital	Stock-Based Reserve	Warrant Reserves	Accumulated Other Comprehen-sive Loss	Share Subscriptions Receivable	Deficit	Total
Balance, August 31, 2018	13,251,754	$ 32,202,273	$ 7,006,899	$ 5,696,054	$ (83,460)	$ -	$ (43,390,868)	$ 1,430,898
Common shares issued	15,773,174	1,589,000	-	1,630,852	-	-	-	3,219,852
Share issue costs	-	(166,819)	-	16,206	-	-	-	(150,613)
Foreign currency translation adjustment	-	-	-	-	(36,322)	-	-	(36,322)
Share subscriptions receivable	-	-	-	-	-	(262,223)	-	(262,223)
Reclassification on adoption of IFRS9	-	-	-	-	7,067	-	(7,067)	-
Loss for the year	-	-	-	-	-	-	(2,745,947)	(2,745,947)
Balance, August 31, 2019	**29,024,928**	**33,624,454**	**7,006,899**	**7,343,112**	**(112,715)**	**(262,223)**	**(46,143,882)**	**1,455,645**
Common shares issued	**52,795,645**	**7,800,926**	**-**	**2,408,000**	**-**	**-**	**-**	**10,208,926**
Common shares issued for acquisition of exploration and evaluation assets	**25,350,000**	**3,258,500**	**-**	**-**	**-**	**-**	**-**	**3,258,500**
Common shares issued for finders' fees	**1,832,143**	**301,000**	**-**	**107,892**	**-**	**-**	**-**	**408,892**
Common shares returned to treasury	**(1,204,583)**	**(123,257)**	**-**	**(124,547)**	**-**	**247,804**	**-**	**-**
Share subscriptions receivable	**-**	**-**	**-**	**-**	**-**	**15,000**	**-**	**15,000**
Share issue costs	**-**	**(630,729)**	**-**	**-**	**-**	**(581)**	**-**	**(631,310)**
Stock-based compensation	**-**	**-**	**618,813**	**-**	**-**	**-**	**-**	**618,813**
Transfer of fair value of warrants exercised	**-**	**442,230**	**-**	**(442,230)**	**-**	**-**	**-**	**-**
Transfer of fair value of options exercised		**29,710**	**(29,710)**	**-**	**-**	**-**	**-**	**-**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**112,669**	**-**	**-**	**112,669**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(5,025,226)**	**(5,025,226)**
Balance, August 31, 2020	**107,798,133**	**$ 44,702,834**	**$ 7,596,002**	**$ 9,292,227**	**$ (46)**	**$ -**	**$ (51,169,108)**	**$ 10,421,909**

The accompanying notes form an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Outcrop Gold Corp. ("Outcrop" or the "Company") is a publicly traded company incorporated under the laws of the Province of British Columbia, Canada. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol OCG. The corporate registered and records office is located at #905 – 1111 West Hastings Street, Vancouver, BC V6E 2J3. The Company is engaged in the identification, acquisition, exploration, and development of exploration and evaluation assets primarily in Colombia. These consolidated financial statements of the Company for the year ended August 31, 2020 comprise the Company and its subsidiaries. The Company has not placed any of its exploration and evaluation assets into production and is therefore considered to be in the exploration stage.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether any of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts spent for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties.

The operations of the Company will require various licenses and permits from various government authorities that are, or may be, granted subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain, or retain, all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's ability to continue on a going concern basis beyond the next twelve months depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties raise significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, which could be material.

COVID-19 (the coronavirus) has threatened a slowdown in the global economy as well as caused volatility in the global financial markets. The extent to which COVID-19 may impact the Company's business will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the virus. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, these conditions could have a significant adverse impact on the Company's financial position and results of operations for future periods.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on the IFRS issued and outstanding as at August 31, 2020.

2. BASIS OF PRESENTATION *(continued)*

b) Basis of measurement

These consolidated financial statements have been prepared using the historical cost basis except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Functional and presentation currency

The presentation currency of the Company is the Canadian dollar.

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"), which has been determined for each entity within the Company using an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates*. The functional currency of Outcrop Gold Corp., the parent company, and all of the Company's Canadian subsidiaries, is the Canadian dollar; the functional currency of the Company's US subsidiary, Miranda Gold USA, Inc. is the United States dollar; the functional currency of all of the Colombian branch operations and Colombian simplified share companies is the Canadian dollar.

d) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

i) Critical Accounting Estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Share-based compensation and valuation of warrants</u>

The fair value pricing of stock options and warrants issued are subject to the limitations of the Black-Scholes Option-Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option-Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

ii) Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include, but are not limited to, the following:

<u>Going concern presentation</u>

Management has determined that the going concern presentation of the consolidated financial statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due as discussed in Note 1, is appropriate.

2. BASIS OF PRESENTATION *(continued)*

Asset acquisition

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or economic benefits. The acquisition of Malew Overseas S.A. was determined to constitute an acquisition of assets (Note 10j).

Carrying value and the recoverability of exploration and evaluation assets

Management has determined that Company-incurred exploration and evaluation costs that have been capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits. The capitalized exploration and evaluation costs capitalized for the Cauca Project were written off during the year ended August 31, 2020 due to an inability to meet the criteria in its assessment (Note 10d).

Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, Management has determined that the functional currency of the Company, its Canadian subsidiaries, and its Colombian branch operations and subsidiaries is the Canadian dollar, while the functional currency of its US subsidiary is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company, and its subsidiaries and branch operations from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee, and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(Stated in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Name of Subsidiary	Place of Incorporation	Ownership Interest	Principal Activity
Miranda Gold U.S.A., Inc. ("MAD USA")	State of Nevada	100%	Mineral exploration
Miranda Gold Colombia I Ltd. ("MAD I")	Province of British Columbia	100%	Holding company
Miranda Gold Colombia II Ltd. ("MAD II")	Province of British Columbia, with branch office in Colombia	100%	Mineral exploration
Rovira Mining Ltd. ("Rovira") *(formerly Miranda Gold Colombia III Ltd. ("MAD III"))*	Province of British Columbia	100%	Holding company
Rovira Mining Ltd. Colombia S.A.S. ("Rovira SAS")	Republic of Colombia	100%	Holding company
Miranda Gold Colombia III S.A.S. ("MAD III SAS")	Republic of Colombia	100%	Holding company
Miranda Gold Colombia IV Ltd. ("MAD IV")	Province of British Columbia	100%	Mineral exploration
Miranda Gold Colombia IV S.A.S. ("MAD IV SAS")	Republic of Colombia	100%	Holding company
Miranda Gold Colombia V Ltd. ("MAD V")	Province of British Columbia	100%	Holding company
Mineral Mallama S.A.S. ("Mallama SAS")	Republic of Colombia	100%	Mineral exploration
Malew Overseas S.A. ("Malew")	Republic of Panama	100%	Holding company
Lost City S.A.S. ("Lost City")	Republic of Colombia	100%	Mineral exploration

Determination of control by one entity over another

Subsidiaries include entities which are controlled by the Company and are accounted for through consolidation. Investments in associates and joint ventures include entities in which the Company has significant influence, but not control or joint control, and are accounted for using the equity method.

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency of the entity by applying exchange rates at the dates of the transactions in the financial statements of each entity in the Company.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate as at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in operations.

On consolidation, for subsidiaries with functional currencies other than the Canadian dollar, assets and liabilities are translated into Canadian dollars using the period-end rate and operating expenses are translated using the average rates of exchange. Exchange adjustments arising when the opening net assets and profit or loss are translated into Canadian dollars are taken into a separate component of equity and reported in other comprehensive profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized in operations on a declining balance basis (using rates ranging from 20% to 100%) or straight-line basis over the estimated useful lives of each asset or component part of an item of equipment, depending on which method (and rate) most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Exploration and evaluation assets and expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. The Company will perform an impairment test on transition from the exploration and evaluation stage to the development stage.

Expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production, are capitalized and will be transferred to property, plant and equipment and amortized using the unit-of-production method based upon estimated proven and probable reserves. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property will be assessed for impairment.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of a plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset at the start of each project, along with a corresponding liability recorded as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

A liability is recorded for legal obligations relating to the restoration, rehabilitation and retirement of property, plant or equipment obligations arising from the acquisition, construction, development, or normal operation of those assets. Such decommissioning liabilities are recognized at fair value, when a reasonable estimate of fair value can be made, in the period in which the liability is incurred. A corresponding increase to the carrying amount of the related asset where one is identifiable is recorded and amortized over the life of the asset. Where a related asset is not easily identifiable with a liability, the change in fair value over the course of the year is expensed. The amount of the liability is subject to re-measurement at each reporting period. The estimates are based principally on legal and regulatory requirements.

It is possible that the Company's estimate of its ultimate reclamation liabilities could change as a result of changes in regulations, the extent of environmental remediation required or completed, the means of reclamation, or changes in cost estimates. Changes in estimates are accounted for prospectively commencing in the period in which the estimate is revised.

The Company currently has no material restoration, rehabilitation and environmental obligations because all environmental disturbances to date have been minimal.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in operations.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. And impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in operations.

Due to uncertainty relating to the advancement of the underlying project, the Company has recorded an impairment loss on its Royalty and has written down the value of the asset accordingly (Note 10).

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost. The Company has not recorded any provisions for any of the financial years presented.

Financial instruments

Financial assets

Financial assets are classified at initial recognition as: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit and loss or other comprehensive income.

- Amortized cost – A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

- FVTPL – Financial assets carried at FVTPL are initially recorded at fair value, and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

- FVOCI – Investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of the investment.

- Derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Impairment

An “expected credit loss” impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to the estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account, and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL, or the Company has opted to measure at FVTPL.

Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity.

Warrants

The Company accounts for warrants issued as part of a unit offering financing using the relative fair value method. Under this method, the value of warrants issued is measured at fair value at the issue date using the Black-Scholes Option-Pricing Model and recorded as share capital if and when the warrants are exercised.

Loss per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding for the period. Diluted EPS is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Diluted loss per share is computed similarly except that the weighted average common shares is increased to reflect all dilutive instruments, including outstanding stock options and warrants. In the event where the effect of outstanding share options and warrants on loss per share would be anti-dilutive, the dilutive effects of Outcrop’s dilutive securities are excluded from the calculation of diluted weighted average common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Stock-based compensation

The stock option plan allows Company directors, employees, and consultants to acquire shares of the Company. The fair value of option granted is recognized as a stock-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from stock-based reserve to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option-Pricing Model, taking into consideration the 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 number of stock options that are expected to vest.

Stock-based payment arrangements in which the Company receives good or services as consideration for its own equity instruments are accounted for as equity-settled stock-based payment transactions.

Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences related to the initial recognition of assets or liabilities in a transaction that is not a business combination that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities who intend to settle current tax assets liabilities on a net basis or where net tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(Stated in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

New standards, interpretations and amendments adopted during the year

Right-of-use assets and lease liability

The Company adopted IFRS 16, *Leases*, on September 1, 2019. Upon entering into a contract, the Company assesses whether the contract is, or contains, a lease. For all lease agreements in which it is determined to be the lessee, the Company recognizes a right-of-use asset and a corresponding lease liability, except for short-term leases with a term of 12 months or less and leases of low value assets. When recognizing a right-of-use asset and corresponding lease liability, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest owing on the lease liability using the effective interest rate method, and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement, and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 to record a right-of-use asset and corresponding lease liability.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: amortized cost; FVTPL; FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	August 31, 2020	August 31, 2019
Cash	FVTPL	$ **5,952,245**	$ 185,222
Receivables	Amortized cost	**25,238**	1,443
Marketable securities	FVTPL	**5,730**	5,730
Accounts payable and accrued liabilities	Amortized cost	**532,079**	191,172

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for receivables and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. Cash and marketable securities are recorded at fair value and are calculated under the fair value hierarchy and measured using Level 1 inputs.

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

Fair value of cash and marketable securities as at August 31, 2020 and 2019:

Financial instrument	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	Total as at
August 31, 2020	***Level 1***	***Level 2***	***Level 3***	
Cash	$ 5,952,245	$	$	**$ 5,952,245**
Marketable securities	5,730			**5,730**
Total	$ 5,957,975	$	$	**$ 5,957,975**
August 31, 2019				
Cash	$ 185,222	$ -	$ -	**$ 185,222**
Marketable securities	5,730	-	-	**5,730**
Total	$ 190,952	$ -	$ -	**$ 190,952**

Risk Management

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

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and amounts receivable. The Company limits the exposure to credit risk in its cash by only investing its cash with high-credit quality financial institutions in business and savings accounts, in guaranteed investment certificates, and in government treasury bills which are available on demand by the Company for its programs.

Market Risk

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

a) Interest Rate Risk – The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign Currency Risk – The Company has identified its functional currencies as the Canadian dollar and the US dollar. Business is transacted in Canadian Dollars, US Dollars, and Colombian Pesos ("COP"). The Company maintains US Dollar bank accounts in Canada and the United States, and maintains COP bank accounts in Colombia to support the cash needs of its foreign operations. Management does not hedge its foreign exchange risk. At August 31, 2020, one Canadian Dollar was equal to $0.7667 US Dollars and $2,886.38 Colombian Pesos.

(Stated in Canadian dollars)

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

Risk Management *(continued)*

Balances are as follows as at August 31, 2020:

	US Dollars	Colombian Pesos	Canadian Dollar Equivalent
Cash	$ 19,054	$ 459,676,322	$ 184,138
Amounts receivable	-	267,138,789	93,020
Advances and deposits	-	42,852,230	14,847
	19,054	769,667,341	292,005
Accounts payable and accrued liabilities	(1,666)	(1,185,496,786)	(413,081)
Net monetary assets (liabilities)	**$ 17,388**	**$ (415,829,445)**	**$ (121,076)**

Based on the above net exposures and assuming that all other variables remain constant, a 10% increase or decrease in the Canadian Dollar against the US Dollar and the Colombian Peso would result in a decrease or increase in the reported loss of approximately $12,108 in the year.

Balances are as follows at August 31, 2019:

	US Dollars	Colombian Pesos	Canadian Dollar Equivalent
Cash	$ 23,647	$ 202,302,781	$ 108,105
Amounts receivable	-	3,728,352	1,443
Advances and deposits	-	1,113,285	431
	23,647	207,144,418	109,979
Accounts payable and accrued liabilities	(31,624)	(95,494,462)	(79,065)
Net monetary assets (liabilities)	**$ (7,977)**	**$ 111,649,956**	**$ 30,914**

Based on the above net exposures and assuming that all other variables remain constant, a 10% increase or decrease in the Canadian Dollar against the US Dollar and the Colombian Peso would result in a decrease or increase in the reported loss of approximately $3,100 in the year.

c) Commodity Price Risk – While the value of the Company’s exploration and evaluation assets is related to the price of gold and the outlook for this mineral, the Company currently does not have any operating mines and hence does not have any hedging or other commodity based risks in respect to its operation activities.

Historically, the price of gold has fluctuated significantly and is affected by numerous factors outside of the Company’s control including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold.

(Stated in Canadian dollars)

5. CASH

		As at August 31, 2020		As at August 31, 2019
Canadian dollar denominated deposits	**$**	**5,768,107**	$	77,117
US dollar denominated deposits		**25,227**		29,814
Colombian Peso denominated deposits		**158,911**		78,291
Total	**$**	**5,952,245**	$	185,222

6. RECEIVABLES

		As at August 31, 2020		As at August 31, 2019
Amounts receivable	**$**	**25,238**	$	-
Sales taxes receivable (Canada)		**19,114**		11,857
Other amounts receivable		**-**		1,443
Total current receivables		**44,352**		13,300
Value-added taxes receivable (Colombia)		**68,150**		-
Total long-term receivables		**68,150**		-
Total receivables	**$**	**112,502**	$	13,300

7. INVESTMENTS AND MARKETABLE SECURITIES

As at August 31, 2020 and 2019, the Company had the following marketable securities:

Marketable Securities	Number of Shares		Cost		Accumulated unrealized gains/(losses)		Fair Value
Publicly Traded Companies:							
Prism Resources Inc. ("Prism")							
Balance, August 31, 2018	191,000	$	17,572	$	(7,067)	$	10,505
Unrealized gains/(losses) in the year	-		-		(4,775)		(4,775)
Balance, August 31, 2019	191,000		17,572		(11,842)		5,730
Unrealized gains/(losses) in the year	-		-		-		-
Balance, August 31, 2020	**191,000**	**$**	**17,572**	**$**	**(11,842)**	**$**	**5,730**

8. ADVANCES AND PREPAID EXPENSES

		As at August 31, 2020		As at August 31, 2019
Prepaid expenses (Canada)	**$**	**269,821**	$	66,264
Prepaid expenses (Colombia)		**7,546**		-
Advances to employees and suppliers (Colombia)		**7,301**		431
Prepaid to related parties (Note 13)		**45,000**		39,132
Total	**$**	**329,668**	$	105,827

(Stated in Canadian dollars)

9. EQUIPMENT

	Canada	United States			Colombia			
	Computer Equipment	Computer Equipment	Furniture & Fixtures	Field Equipment	Computer Equipment	Furniture & Fixtures	Field Equipment	TOTAL
COST:								
Balance at August 31, 2018	**$ -**	**$ 79,240**	**$ 10,406**	**$ 55,597**	**$ 94,171**	**$ -**	**$ 66,486**	**$ 305,900**
Assets acquired	-	-	-	-	-	-	26,706	26,706
Foreign exchange adjustments	-	1,531	202	1,075	-	-	-	2,808
Balance at August 31, 2019	**-**	**80,771**	**10,608**	**56,672**	**94,171**	**-**	**93,192**	**335,414**
Assets acquired	2,448	-	-	-	5,019	2,016	19,706	29,189
Foreign exchange adjustments	-	(1,610)	(212)	(1,130)	-	-	-	(2,952)
Balance at August 31, 2020	**$ 2,448**	**$ 79,161**	**$ 10,396**	**$ 55,542**	**$ 99,190**	**$ 2,016**	**$ 112,898**	**$ 361,651**
ACCUMULATED AMORTIZATION:								
Balance at August 31, 2018	**$ -**	**$ 75,536**	**$ 9,001**	**$ 47,069**	**$ 82,395**	**$ -**	**$ 49,783**	**$ 263,784**
Amortization	-	1,128	285	2,165	3,536	-	5,012	12,126
Foreign exchange adjustments	-	1,465	175	918	-	-	-	2,558
Balance at August 31, 2019	**-**	**78,129**	**9,461**	**50,152**	**85,931**	**-**	**54,795**	**278,468**
Amortization	561	2,686	1,163	6,618	2,849	151	12,998	27,026
Foreign exchange adjustments	-	(1,654)	(228)	(1,228)	-	-	-	(3,110)
Balance at August 31, 2020	**$ 561**	**$ 79,161**	**$ 10,396**	**$ 55,442**	**$ 88,780**	**$ 151**	**$ 67,793**	**$ 302,384**
CARRYING AMOUNTS:								
August 31, 2019	$ -	$ 2,642	$ 1,147	$ 6,520	$ 8,240	$	$ 38,397	$ 56,946
August 31, 2020	**$ 1,887**	**$ -**	**$ -**	**$ -**	**$ 10,410**	**$ 1,865**	**$ 45,105**	**$ 59,267**

10. MINERAL PROPERTIES

Outcrop acquires mineral properties through application, staking, and third-party vendors, some of which are subject to net smelter return royalties ("NSR") or underlying lease payments. Subsequent to the acquisition of mineral properties, the Company may enter into agreements to sell a portion of its interest in its mineral properties to third parties in exchange for exploration expenditures, royalty interests, cash, or share-based payments.

Certain of the mineral rights held by Outcrop are held under applications for mineral rights and until final approval of such applications is received, Outcrop's rights to such mineral rights may not materialize and the exact boundaries of Outcrop's properties may be subject to adjustment.

(Stated in Canadian dollars)

10. MINERAL PROPERTIES *(continued)*

Exploration and evaluation assets deferred to the consolidated statements of financial position at August 31, 2020 and 2019 are as follows:

	August 31, 2019	Additions	Recoveries	Impairment/ Write Off Project	Effect of movement in exchange rates	**August 31, 2020**
Alaska:						
Renshaw Royalty	**$ 425,635**	**$ 61,107**	**$ -**	**$ (491,591)**	**$ 4,850**	**$ 1**
Colombia:						
Antares	**$ 112,987**	$ -	$ -	$ -	$ -	**$ 112,987**
Argelia	**265,240**	-	-	-	-	**265,240**
Cauca	**95,032**	-	-	**(95,032)**	-	**-**
Kuntur	**20,438**	-	-	**-**	-	**20,438**
Lyra	**20,676**	-	-	**-**	-	**20,676**
Mallama	**298,216**	-	-	**-**	-	**298,216**
Oribella	**41,568**	-	-	**-**	-	**41,568**
Santa Ana	**-**	**3,735,450**	-	**-**	-	**3,735,450**
	854,157	**3,735,450**	-	**(95,032)**	-	**4,494,575**
TOTAL	**$ 1,279,792**	$ **3,796,557**	$ -	$ **(586,623)**	$ 4,850	**$ 4,494,576**

	August 31, 2018	Additions	Recoveries	Impairment/ Write Off Project	Effect of movement in exchange rates	**August 31, 2019**
Alaska:						
Renshaw Royalty	$ 310,316	$ 109,354	$ -	$ -	$ 5,965	**$ 425,635**
Colombia:						
Antares	$ 112,987	$ -	$ -	$ -	$ -	**$ 112,987**
Argelia	265,240	-	-	-	-	**265,240**
Cauca	7,664	87,368	-	-	-	**95,032**
Kuntur	20,438	-	-	-	-	**20,438**
Lyra	20,676	-	-	-	-	**20,676**
Mallama	298,216	-	-	-	-	**298,216**
Oribella	41,568	-	-	-	-	**41,568**
	766,789	87,368	-	-	-	**854,157**
TOTAL	$ 1,077,105	$ 196,722	$ -	$ -	$ 5,965	**$ 1,279,792**

(Stated in Canadian dollars)

10. MINERAL PROPERTIES *(continued)*

Exploration and evaluation expenditures

Exploration and evaluation expenditures recorded in the consolidated statements of comprehensive loss for the years ended August 31, 2020 and 2019 are as follows:

	August 31, 2020			August 31, 2019		
	Exploration expenses	Recovered from funding partners	**Net exploration expenses**	Exploration expenses	Recovered from funding partners	Net exploration expenses
Other North America:						
General exploration	$ -	$ -	$ -	$ 4,415	$ -	$ 4,415
	-	-	-	4,415	-	4,415
Colombia:						
Antares	22,316	-	**22,316**	55,217	-	55,217
Argelia	22,410	-	**22,410**	20,395	-	20,395
Cauca	9,945	-	**9,945**	707,575	-	707,575
Cerro Oro	-	-	-	40,000	-	40,000
Kuntur	22,410	-	**22,410**	22,990	-	22,990
Lyra	22,410	-	**22,410**	50,026	(39,958)	10,068
Mallama	57,746	-	**57,746**	129,662	-	129,662
Oribella	34,410	-	**34,410**	63,620	-	63,620
Santa Ana	1,386,607	-	**1,386,607**	-	-	-
General exploration	532,746	-	**532,746**	546,767	-	546,767
	2,111,000	-	**2,111,000**	1,636,252	(39,958)	1,596,294
TOTAL	$ 2,111,000	$ -	**$ 2,111,000**	$ 1,640,667	$ (39,958)	$ 1,600,709

a) Royalty

On September 14, 2015, the Company reached an agreement with Mr. Daniel Renshaw (“Renshaw”) for the purchase of his 3.3% royalty held on the Willow Creek, Alaska project. In March 2020, the Company terminated all future earn-in payments. As at August 31, 2020, the Company paid $491,592 (US$365,413), including interest (August 31, 2019 - $425,635 (US$319,848)) and earned a 0.4% royalty which will be retained. As at August 31, 2020, due to uncertainty relating to the advancement of the underlying project, the Company determined that the carrying amount of the Royalty exceeded its estimated recoverable amount and an impairment loss of $491,591 was recorded.

b) Antares Project

On October 9, 2015, the Company executed an option agreement (the “Antares Option”) by and among Activos Mineros de Colombia S.A.S. (“AMC”), the Company, the Company’s subsidiary Miranda Gold Colombia II Ltd. (“MAD II”), and the Colombian Branch of MAD II to acquire the Antares property with minimum operation payments and a share issuance by the Company due according to the schedule below. Upon commencing commercial production (as defined in the agreement), the minimum operation payments will cease and the payment of a 1.8% NSR will commence.

10. MINERAL PROPERTIES *(continued)*

The Company must meet the following schedule to maintain the option:

Antares Option Due Dates		Minimum Operation Payments Payable *(in US dollars)*	Common Shares to be Issued to AMC
October 9, 2015 *(paid)*	$	60,000	-
October 9, 2016 *(paid)*		60,000	-
Upon registration of the Mining Concession Contract for the Antares property (payable 30-days subsequent)		70,000	-
Upon the first anniversary of the registration of the Mining Concession Contract ("Registration Date")		80,000	150,000
Upon the second anniversary of the Registration Date		90,000	-
Upon the third anniversary of the Registration Date		100,000	-
Upon the fourth anniversary of the Registration Date		120,000	-
Upon the fifth anniversary of the Registration Date		120,000	-
Upon the sixth anniversary of the Registration Date, and for each successive anniversary		150,000	-

Further, to maintain the Antares Option, a schedule of work commitment expenditures must be made, beginning within the first two years following the Registration Date as follows:

Antares Option Work Commitment Due Dates		Minimum Exploration Expenditures *(in US dollars)*		Cumulative Exploration Expenditures *(in US dollars)*
Within the first two years of the Registration Date	$	200,000	$	200,000
During the third year following the Registration Date		200,000		400,000
During the fourth year following the Registration Date		300,000		700,000
During the fifth year following the Registration Date		300,000		1,000,000
During the sixth year following the Registration Date		500,000		1,500,000
During the seventh year following the Registration Date		500,000		2,000,000

The above minimum exploration expenditure schedule may be suspended for up to two years in any period in which the Company does not have a suitable joint venture partner funding expenditures on the project. The Company has not yet registered the project.

10. MINERAL PROPERTIES *(continued)*

c) Argelia Project

On June 15, 2017, the Company executed an option agreement (the "Argelia Option") by and among Bullet Holding Corp. ("Bullet"), Esquimal S.O.M. ("Esquimal"), and the Company to acquire the Argelia property, consisting of three applications.

The terms of the Argelia Option require that Outcrop make the following series of payments and a share issuance – all conditional on the occurrence of the following events:

Argelia Option Events		Payments Payable *(in US dollars)*	Common Shares to be Issued
By June 22, 2017 *(paid)*	$	100,000	-
Upon TSX-V approval of the issuance of 162,427 Outcrop shares *(issued)*		-	162,427
Upon conversion of the applications to titles		100,000	-
Upon receipt of approval for forestry subtraction – or – Outcrop making drill applications for any of the titles		100,000	-
Upon receipt of drill permits		100,000	-
Upon announcement of an NI 43-101 resource of >500,000 oz/au total in all categories (M+I+I)		250,000	-
One year from the announcement of an NI 43-101 resource of >500,000 oz/au		250,000	-

A residual net profits interest ("NPI") of 4% - or – an NSR of 1.5%, whichever is greater, will be payable to the vendor until US$6,000,000 has been paid, at which time an NSR of 1.5% will be payable for the life of the mine.

d) Cauca Project

On June 18, 2018, the Company executed an option agreement to acquire Poliandes S.A.S. ("Poliandes"), a Colombian company with pending applications on the Cauca project in the Almaguer Mining District of southern Colombia, which consists of one title and one application.

The Company placed the project on standby following the completion of the 2019 exploration work because the vendor had not completed its obligation with transferring the Cauca property into Poliandes in accordance with the option agreement.

As at August 31, 2020, the vendor declared bankruptcy and has lost control of the Cauca property. As a result, the Company no longer has any legal rights to the property and recorded an impairment of exploration and evaluation asset of $95,032.

The Company is working to extend a proposal to the new owners of the property to express its interest in the acquisition of the mining title to the Cauca property.

e) Cerro Oro Project

On January 8, 2018, the Company notified the lessee of its intent to terminate the Cerro Oro Option and return the property. The process of termination included the unwinding of the trust agreement between the Company, the lessees, and the trustee. In May 2018, the Company refunded $40,000 to Prism Resources Inc. ("Prism") for drilling program credits made by Prism in fiscal 2017. In September 2018, the Company refunded an additional $40,000 to Prism for drilling program credits made by Prism in fiscal 2017.

10. MINERAL PROPERTIES *(continued)*

f) Kuntur Project

The Company has applied to the Agencia Nacional de Mineria ("ANM") for several separate titles comprising the Kuntur Project, located in the Quebradona (Nuevo Chaquiro) District in Colombia. Outcrop paid approximately $20,300 for these applications and is currently seeking conversion to titles.

g) Lyra Project

The Company has applied to the ANM for several separate titles comprising the Lyra Project, located in the Department of Antioquia, Colombia. Outcrop paid approximately $20,500 for these applications and is currently seeking conversion to titles.

On July 31, 2018, the Company signed an option agreement (the "Agreement") that allows Newmont Goldcorp Corporation ("Newmont Colombia") to earn up to a 70% interest in Outcrop's Lyra Project.

During the year ended August 31, 2020, Newmont suspended work, terminated the agreement, and withdrew from the project.

h) Mallama Project

On August 31, 2017, Outcrop completed the acquisition of the Mallama Project ("Mallama") by an outright purchase of 100% of the shares of the Colombian simplified share company, Minera Mallama S.A.S. ("Mallama SAS").

During the fiscal year ended August 31, 2017, Outcrop paid a total of $298,216 in outstanding fees due to ANM prior to the final effective date of the purchase. Upon receipt of suitable drill permits on Mallama, without any future time constraint, Outcrop is required to make an additional payment of US$200,000 to the former shareholders of Mallama SAS. An NSR of 4% will be payable to the former shareholders, with a minimum of US$1,000,000 payable within three years of the commencement of commercial production, capped at US$4,000,000 over the life of the mine.

There are no minimum work commitments or any other milestones on Mallama, and no acquisition restrictions imposed on Outcrop for any adjacent property.

i) Oribella Project

On May 13, 2014, the Company acquired the Oribella Project in the Antioquia Department of Colombia through a purchase agreement with Antioquia Gold Inc. ("Antioquia Gold"). The Oribella Project comprises one exploration license and one application. Outcrop has subsequently expanded the Oribella land package contiguously.

Upon registration of the property with the ANM as a contract, Outcrop will reimburse Antioquia Gold for the application payment of COP 101,136,976 (approximately US$35,000). If the application is converted to a license on or before the anniversary date of the agreement, Outcrop will pay Antioquia Gold an additional US$30,000 payment on the anniversary date. Oribella is subject to a 0.5% royalty to Antioquia Gold that can be purchased for US$1,500,000 and a 2% royalty to Barrick Gold Corporation.

(Stated in Canadian dollars)

10. MINERAL PROPERTIES *(continued)*

j) Santa Ana Project

On January 24, 2020, the Company completed the acquisition of 100% of the Santa Ana Project located in the Municipality of Falan, Tolima Department, Colombia. Consideration of 24,000,000 common shares of Outcrop with a value of $2,640,000 were issued for all of the issued and outstanding shares of Malew Overseas S.A. ("Malew"). Malew's wholly owned subsidiary, Lost City SAS, owns the Santa Ana Project.

Transaction costs associated with the transaction included a finders' fee of 350,000 common shares at a value of $0.11/share, and other costs of $111,148.

The acquisition was accounted for as an asset acquisition with the net purchase price paid being allocated to the assets acquired and liabilities assumed as follows:

Cash	$	161
Accounts payable and accrued liabilities		(32,530)
Mineral properties (Santa Ana)		2,822,017
	$	**2,789,648**

On July 28, 2020, the Company increased the Santa Ana land position with the acquisition of additional adjacent claims at a cost of $333,433 (US$250,000) and 1,000,000 shares of the Company valued at $580,000.

In connection with the additional adjacent claims, the Company will make the following series of payments and share issuances:

- Issue US$500,000 in common shares of the Company within 15 days following the date on which the first of the mining concession agreements arising from certain applications is registered in the Assignee's name with the National Mining Registry.
- Issue US$500,000 in common shares of the Company within 15 days following the date on which the remaining mining concession agreements is registered in the Assignee's name with the National Mining Registry.
- Upon entry into commercial production, a royalty equivalent of 2% of the NSR in the concession agreements arising from the applications. The Company has the option to purchase 1% of the NSR for cash of US$500,000.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at August 31, 2020		As at August 31, 2019
Accounts payable and accrued liabilities – Canada	**$**	**77,979**	$	126,354
Accounts payable and accrued liabilities – United States		**2,173**		1,661
Accounts payable and accrued liabilities – Colombia		**339,178**		36,958
Accounts payable to related parties – Canada (Note 13)		**41,018**		26,199
Accounts payable to related parties – Colombia (Note 13)		**71,731**		-
Total	**$**	**532,079**	$	191,172

(Stated in Canadian dollars)

12. SHARE CAPITAL

a) Authorized

An unlimited number of common shares without par value.

b) Share Issuance

At August 31, 2020, the Company had 107,798,133 common shares issued and outstanding (August 31, 2019 – 29,024,928).

During the year ended August 31, 2020 the Company:

- Closed a non-brokered private placement consisting of 25,600,000 units at a price of $0.10 per unit for gross proceeds of $2,560,000. Each unit consists of one common share and one share purchase warrant, each warrant exercisable into a common share at a price of $0.20 per share for a period of five years. The proceeds of the financing were allocated on a relative fair value basis as $1,507,000 to common shares and $1,053,000 to warrants.

  The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, an expected dividend of $nil, and:

	Nov 7, 2019	Nov 29, 2019	Jan 6, 2020	Feb 6, 2020	Feb 26, 2020
Risk-free interest rate	1.59%	1.49%	1.58%	1.39%	1.21%
Expected volatility	101.69%	104.35%	99.17%	94.59%	109.91%

  Cash share issuance costs of $41,099 were paid in relation to the private placement, in addition to an issuance of 600,000 units, each unit consisting of one common share and one share purchase warrant (valued at $34,000 and $26,000, respectively using the Black-Scholes Option-Pricing Model assumptions above), and 48,300 share purchase warrants (valued at $3,892 using the Black-Scholes Option-Pricing Model assumptions above).

- Closed a non-brokered private placement consisting of 20,535,715 units at a price of $0.28 per unit for gross proceeds of $5,750,000. Each unit consists of one common share and one-half share purchase warrant, each full warrant exercisable into a common share at a price of $0.42 per share for a period of two years. The proceeds of the financing were allocated on a relative fair value basis as $4,395,000 to common shares and $1,355,000 to warrants.

  The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of two years, an expected dividend of $nil, a risk-free interest rate of 0.29%, and an expected volatility of 130.27%.

  Cash share issuance costs of $181,319 were paid in relation to the private placement, in addition to an issuance of 1,232,143 units, each unit consisting of one common share and one half share purchase warrant (valued at $267,000 and $78,000, respectively, using the Black-Scholes Option-Pricing Model assumptions above).

- Issued 24,000,000 common shares at a fair value of $0.11 per share on January 24, 2020 as consideration for the acquisition of Malew Overseas S.A. and the Santa Ana Project (Note 10j), and 350,000 common shares at the same fair value as a finders' fee related to the transaction.

- Issued 1,000,000 common shares at a fair value of $0.58 per share on August 25, 2020 as consideration for the acquisition of additional adjacent claims related to the Santa Ana Project (Note 10j).

- Issued a total of 6,659,930 common shares during the year following the exercise of share purchase warrants and stock options, for gross proceeds of $1,898,926.

- Received $15,000 cash towards its share subscriptions receivable and returned 1,204,583 common shares to treasury related to the previous private placements, reducing the receivable to $nil.

12. SHARE CAPITAL *(continued)*

During the year ended August 31, 2019, the Company:

- Completed a non-brokered private placement of 2,173,914 units at a price of $0.23 per unit for gross proceeds of $500,000. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable into a common share at a price of $0.40 per share for a period of five years. The proceeds of the financing were allocated on a relative fair value basis as $228,000 to common shares and $272,000 to warrants.

  Black-Scholes Option-Pricing Model assumptions for the relative fair value allocation were an expected life of five years, an expected dividend of $nil, a risk-free interest rate of 1.66%, and an expected volatility of 113.19%.

  Cash share issuance costs of $29,621 were paid in relation to the private placement, in addition to an issuance of 56,840 finder units at a fair value of $16,206 in connection with the offering under the same terms.

- Completed a non-brokered private placement of 13,599,260 units at a price of $0.20 per unit for gross proceeds of $2,719,852. Each unit consisted of one common share and one share purchase warrant, each warrant exercisable into a common share at a price of $0.40 per share for a period of five years. The proceeds of the financing were allocated on a relative fair value basis as $1,361,000 to common shares and $1,358,852 to warrants.

  Black-Scholes Option-Pricing Model assumptions for the relative fair value allocation were an expected life of five years, an expected dividend of $nil, a risk-free interest rate of 1.79%, and an expected volatility of 107.7%.

  Cash share issuance costs of $45,838 were paid in relation to the private placement.

- Recorded an outstanding amount of $262,223 in share subscriptions receivable, which was recorded as a reduction of shareholders' equity.

c) Stock Options Outstanding

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of 10% of the Corporation's issued and outstanding common shares to its directors, officers, employees, and consultants. The vesting terms of each stock option grant is determined by the Board of Directors at the time of the grant.

During the year ended August 31, 2020, the Company adopted an award plan (the "RSU/DSU Plan") which permits the grant of restricted share units of the Company ("RSU's") and/or deferred share units of the Company ("DSU's") whereby the maximum number of common shares reserved for issue under the RSU/DSU Plan shall not exceed 4,000,000 common shares of the Company. In addition, the aggregate number of common shares issuable pursuant to the RSU/DSU Plan combined with all of the Company's other securities-based compensation arrangements, including the Company's Stock Option Plan, shall not exceed 10% of the Company's outstanding shares. No RSUs or DSUs have been issued.

(Stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

The continuity for stock options for the year ended August 31, 2020 is as follows:

Number Outstanding Aug 31, 2019	Granted	Exercised	Expired/ Cancelled	**Number Outstanding Aug 31, 2020**	Exercise Price per Share	Expiry Date	Weighted Average Remaining Contractual Life *(in years)*
66,000	-	-	(66,000)	**-**	$1.45	Sep 3, 2019	-
10,000	-	-	(10,000)	**-**	$1.45	Feb 16, 2020	-
107,500	-	-	-	**107,500**	$1.20	Jan 28, 2021	0.41
30,000	-	-	-	**30,000**	$1.20	Apr 25, 2021	0.65
202,500	-	-	-	**202,500**	$0.90	Jan 25, 2022	1.40
-	6,350,000	(200,000)	-	**6,150,000**	$0.10	Feb 7, 2025	4.44
-	300,000	(75,000)	-	**225,000**	$0.17	May 13, 2025	4.70
-	200,000	-	-	**200,000**	$0.56	July 24, 2025	4.90
416,000	6,850,000	(275,000)	(76,000)	**6,915,000**	$0.16	*(weighted average)*	4.29
			Exercisable	**5,027,500**	$0.17	*(weighted average)*	4.22

The continuity for stock options for the year ended August 31, 2019 is as follows:

Number Outstanding Aug 31, 2018	Granted	Exercised	Expired/ Cancelled	**Number Outstanding Aug 31, 2019**	Exercise Price per Share	Expiry Date	Weighted Average Remaining Contractual Life *(in years)*
52,250	-	-	(52,250)	**-**	$1.55	Oct 17, 2018	-
66,000	-	-	-	**66,000**	$1.45	Sep 3, 2019	0.01
10,000	-	-	-	**10,000**	$1.45	Feb 16, 2020	0.46
107,500	-	-	-	**107,500**	$1.20	Jan 28, 2021	1.41
30,000	-	-	-	**30,000**	$1.20	Apr 25, 2021	1.65
202,500	-	-	-	**202,500**	$0.90	Jan 25, 2022	2.41
468,250	-	-	(52,250)	**416,000**	$1.10	*(weighted average)*	1.66
			Exercisable	**416,000**	$1.10	*(weighted average)*	1.66

Stock-Based Compensation:

The fair value of each option granted to employees, officers, and directors was estimated on the date of the grant using the Black-Scholes option pricing model.

During the year ended August 31, 2020, 6,850,000 stock options were granted. Options granted during the period vest 25% on the grant date and 25% each 3 months thereafter. During the year ended August 31, 2020, the Company recorded $618,813 (2019 - $nil) in stock-based compensation expense for options vested during the year. The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were an expected life of 5 years, expected dividend of $nil, and:

	Feb 7, 2020	**May 13, 2020**	**Jul 24, 2020**
Risk-free interest rate	1.34%	0.37%	0.34%
Expected volatility	147.76%	151.45%	153.08%
Fair value	$ 0.09	$ 0.15	$ 0.54

During the year ended August 31, 2019, $nil stock options were granted.

(Stated in Canadian dollars)

12. SHARE CAPITAL *(continued)*

d) Share Purchase Warrants

The continuity for share purchase warrants for the year ended August 31, 2020 is as follows:

Number Outstanding Aug 31, 2019	Granted	Exercised	Expired/ Cancelled	**Number Outstanding Aug 29, 2020**	Exercise Price	Expiry Date	Weighted Average Remaining Life *(in years)*
2,914,056	-	-	-	**2,914,056**	$1.20	Jun 23, 2021	0.81
2,751,250	-	-	-	**2,751,250**	$1.20	Mar 9, 2022	1.52
13,599,260	-	(2,535,500)	(975,000)	**10,088,760**	$0.40	Feb 22, 2024	3.48
2,230,754	-	(410,450)	(229,583)	**1,590,721**	$0.40	Apr 17, 2024	3.63
-	26,248,300	(3,438,980)	-	**22,809,320**	$0.20	Nov 7, 2024	4.19
-	10,883,928	-	-	**10,883,928**	$0.42	Jun 17, 2022	1.79
21,495,320	37,132,228	(6,384,930)	(1,204,583)	**51,038,035**	$0.40	*(weighted average)*	3.18

The continuity for share purchase warrants for the year ended August 31, 2019 is as follows:

Number Outstanding Aug 31, 2018	Granted	Exercised	Expired/ Cancelled	**Number Outstanding Aug 31, 2019**	Exercise Price	Expiry Date	Weighted Average Remaining Life *(in years)*
2,914,056	-	-	-	**2,914,056**	$1.20	Jun 23, 2021	1.81
2,751,250	-	-	-	**2,751,250**	$1.20	Mar 9, 2022	2.52
-	13,599,260	-	-	**13,599,260**	$0.40	Feb 22, 2024	4.48
-	2,230,754	-	-	**2,230,754**	$0.40	Apr 17, 2024	4.63
5,665,306	15,830,014	-	-	**21,495,320**	$0.61	*(weighted average)*	3.88

13. RELATED PARTY TRANSACTIONS

The Company's related parties consist of companies with directors and officers in common and companies owned in whole or in part by executive officers and directors. Services provided by related parties include consulting as Chairman, CFO, VP Exploration, Corporate Secretary, and corporate compliance services and financial reporting.

a) Amounts owing to related parties are disclosed in Note 11. All amounts are unsecured, with no specific terms of repayment.

b) Prepaid amounts to related parties are disclosed in Note 8. These amounts represent expense payments to related parties.

c) Compensation of directors and members of key management personnel:

(Stated in Canadian dollars)

13. RELATED PARTY TRANSACTIONS *(continued)*

The remuneration of directors and members of key management personnel, including amounts disclosed in Note 13(a) and (b), during the years ended August 31, 2020 and 2019 were as follows:

		August 31, 2020		August 31, 2019
Wages and benefits	**$**	**383,627**	$	400,532
Exploration and evaluation		**51,750**		
Share based compensation		**445,404**		-
Reimbursement of expense[1]		**140,000**		-
Legal fees[2]		**71,699**		-
Directors fees[3]		**-**		57,199
Total	**$**	**1,092,480**	$	457,731

[1]Amount is included in general and administrative.
[2]$29,481 is included in professional fees and $42,218 is included in share issue costs.
[3]Amount is included in professional fees.

14. SEGMENTED DISCLOSURE

The Company operates in the mineral exploration sector within Colombia.

Notes 9 and 10 provide disclosure as to the geographic location of equipment and of exploration and evaluation assets and expenditures.

15. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (Note 12). 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 development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

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 attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

To maximize ongoing exploration expenditures, the Company does not pay dividends. The Company's investment policy is to keep its cash treasury on deposit in interest-bearing Canadian chartered bank accounts and short-term guaranteed investment certificates.

The Company estimates that it will require additional funding to carry out its exploration plans and operations through the next twelve months. The Company is not subject to any externally imposed capital restrictions.

(Stated in Canadian dollars)

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the year ended		August 31, 2020		August 31, 2019
Non-cash investing and financing activities:				
Fair value of shares issued for exploration and evaluation assets	$	3,258,500	$	-
Share subscriptions receivable		-		262,223
Fair value of finders' shares		301,000		
Fair value of finders' warrants		107,892		16,206
Reclassification on adoption of IFRS 9		-		7,067
Interest received	$	5,712	$	228

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		August 31, 2020		August 31, 2019
Loss before income taxes	$	(5,025,226)	$	(2,745,947)
Expected income tax (recover)	$	(1,357,000)	$	(741,000)
Changes in statutory, foreign tax, foreign exchange rates, and other		71,000		271,000
Permanent differences		167,000		(3,000)
Share issue costs		(60,000)		(41,000)
Adjustment to prior years provisions versus statutory tax returns and expiry of losses		(314,000)		25,000
Changes in unrecognized deductible temporary differences		1,493,000		489,000
Total income tax expense (recovery)	$	-	$	-

(Stated in Canadian dollars)

17. INCOME TAXES *(continued)*

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

		2020		2019
Deferred tax assets (liabilities)				
Exploration and evaluation assets	$	**3,382,000**	$	2,309,000
Property and equipment		**59,000**		44,000
Share issue costs		**78,000**		45,000
Marketable securities		**2,000**		2,000
Allowable capital losses		**123,000**		123,000
Non-capital losses available for future periods		**6,675,000**		6,303,000
		10,319,000		8,826,000
Unrecognized deferred tax assets		**(10,319,000)**		(8,826,000)
Net deferred tax assets	$	**-**	$	-

The significant components of the Company's temporary differences, unused tax credits, and unused losses that have not been included on the consolidated statement of financial position are as follows:

		2020	Expiry Date Range		2019	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	**10,984,000**	No expiry date	$	8,530,000	No expiry date
Property and equipment		**185,000**	No expiry date		162,000	No expiry date
Share issue costs		**288,000**	2041 to 2044		165,000	2040 – 2043
Marketable securities		**12,000**	No expiry date		12,000	No expiry date
Allowable capital losses		**455,000**	No expiry date		455,000	No expiry date
Non-capital losses available for future periods		**29,050,000**	2027 to 2040		27,520,000	2026 – 2039
Canada		**9,689,000**	2027 to 2040		8,530,000	2026 – 2039
United States		**18,912,000**	2026 to 2040		18,796,000	2025 – 2039
Colombia		**449,000**	2030 to 2032		-	2030 – 2031

Tax attributes are subject to review and potential adjustment by tax authorities.

18. SUBSEQUENT EVENTS

Subsequent to August 31, 2020, the Company:

- Issued a total of 374,320 common shares subsequent to August 31, 2020 following the exercise of share purchase warrants at a price of $0.20-$0.40 per common share for gross proceeds of $129,864;
- Issued a total of 250,000 common shares subsequent to August 31, 2020 following the exercise of stock options at a price of $0.10 per common share for gross proceeds of $25,000; and
- Granted a total of 3,500,000 incentive stock options to directors and employees at an exercise price of $0.40, expiring October 20, 2025.