SERENGETI
RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the Nine-Month Period Ended November 30, 2020 and 2019

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Condensed Consolidated Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim unaudited financial statements for the nine-month period ended November 30, 2020.

Serengeti Resources Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Notes	November 30, 2020	February 29, 2020
ASSETS			
Current assets			
Cash and cash equivalents	3	$ 221,043	$ 1,802,817
Receivables	4	133,137	101,370
Due from joint venture partner		631	558
Prepaid expenses		9,026	17,743
		363,837	1,922,488
Non-current assets			
Investment in joint venture	5	16,309,400	15,805,900
Reclamation deposits	8	76,222	54,222
Property, plant and equipment	6	43,257	57,546
Exploration and evaluation assets	7	2,038,317	1,529,562
		18,467,196	17,447,230
TOTAL ASSETS		**$ 18,831,033**	**$ 19,369,718**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9,13	$ 226,983	$ 189,059
Current portion of lease payable	10	26,362	24,250
		253,345	213,309
Non-current liabilities			
Lease payable	10	10,292	30,373
Term loan payable	11	21,245	-
Flow-through share premium liability	12	30,532	327,707
TOTAL LIABILITIES		315,414	571,389
SHAREHOLDERS' EQUITY			
Share capital	12,16	44,643,270	44,453,386
Warrant reserve	12	197,307	206,072
Share-based payment reserve	12	8,672,397	8,615,012
Equity portion of convertible debenture		52,837	52,837
Obligation to issue shares	12	15,000	-
Deficit		(35,065,192)	(34,528,978)
TOTAL SHAREHOLDERS' EQUITY		**18,515,619**	**18,798,329**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 18,831,033**	**$ 19,369,718**

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

Serengeti Resources Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three month period ended November 30, 2020	Three month period ended November 30, 2019	Nine month period ended November 30, 2020	Nine month period ended November 30, 2019
Expenses					
Consulting	13	$ 48,711	$ 28,426	$ 92,259	$ 119,041
Conventions and tradeshows		1,508	1,949	10,722	16,291
Corporate development		40,128	5,969	96,692	36,414
Depreciation	6	6,793	7,753	19,986	18,167
Director fees	13	19,000	23,587	57,000	55,326
Investor relations		9,834	1,126	21,181	13,083
Management fees	13	49,165	45,273	168,357	139,972
Office and miscellaneous		13,868	16,222	38,050	46,755
Professional fees		12,382	23,697	31,546	52,907
Project investigation costs		8,586	5,452	77,996	21,775
Salaries		47,991	19,143	96,339	55,555
Share-based payments	12,13	51,523	73,404	89,165	364,960
Transfer agent and filing fees		6,396	13,290	12,934	24,306
		(315,885)	(265,291)	(812,227)	(964,552)
Other Items					
Impairment	7	-	-	(20,056)	-
Expenses recovered		-	-	-	8,166
Interest income		2,018	371	13,119	8,209
Share of joint venture loss		-	(136)	-	(2,277)
Other income		-	-	8,620	-
Interest expense	10	(2,865)	(26,088)	(4,891)	(28,347)
Gain on term loan payable	11	20,746	-	20,746	-
Loss on disposition of investment	5	(38,700)	-	(38,700)	-
Management income		-	233	-	37,598
Recovery of flow-through share premium	12	249,998	-	297,175	-
		231,197	(25,620)	276,013	23,349
Loss and comprehensive loss		**$ (84,688)**	**$ (290,911)**	**$ (536,214)**	**$ (941,203)**
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.01)**
Weighted average number of common shares outstanding		**110,128,211**	**98,115,877**	**109,575,927**	**96,507,759**

(Unaudited - Expressed in Canadian Dollars)

	Note	Share capital Number of shares	Share capital Amount	Warrant reserve	Share-based payment reserve	Equity portion of convertible debentures	Obligation to issue shares	Deficit	Total Shareholders' Equity
Balance at February 28, 2019		**92,849,668**	**$41,645,496**	**$ -**	**$ 8,007,772**	**$ -**	**$ -**	**$(31,023,534)**	**$18,629,734**
Shares issued for cash - flow-through financing		4,850,000	1,455,000	-	-	-	-	-	1,455,000
Shares issued for cash - exercise of stock options		200,000	12,000	-	-	-	-	-	12,000
Shares issued for cash - exercise of warrants		225,000	49,500	-	-	-	-	-	49,500
Shares issued for acquisition of property interests		233,333	58,333	-	-	-	-	-	58,333
Share issuance costs		-	(12,955)	-	-	-	-	-	(12,955)
Reallocation of fair market value of stock options exercised		-	6,163	-	(6,163)	-	-	-	-
Share-based payments		-	-	-	364,960	-	-	-	364,960
Convertible debentures		-	-	-	-	52,837	-	-	52,837
Net loss for the period		-	-	-	-	-	-	(941,203)	(941,203)
Balance at November 30, 2019		**98,358,001**	**$43,213,537**	**$ -**	**$ 8,366,569**	**$ 52,837**	**$ -**	**$(31,964,737)**	**$19,668,206**
Balance at February 29, 2020		**109,173,573**	**$44,453,386**	**$206,072**	**$ 8,615,012**	**$ 52,837**	**$ -**	**$(34,528,978)**	**$18,798,329**
Shares issued for acquisition of property interests	7,12	100,000	28,000	-	-	-	-	-	28,000
Shares issued for debt	12	272,104	51,700	-	-	-	-	-	51,700
Shares issued for cash - exercise of warrants	12	79,841	20,048	-	-	-	-	-	20,048
Shares issued for cash - exercise of stock options	12	775,000	50,750	-	-	-	-	-	50,750
Shares to be issued - exercise of stock options	12		-	-	-		15,000		15,000
Share issuance costs	12	-	(1,159)	-	-	-	-	-	(1,159)
Reallocation of fair market value of warrants exercised	12	-	8,765	(8,765)	-	-	-	-	-
Reallocation of fair market value of stock options exercised	12	-	31,780	-	(31,780)	-	-	-	-
Share-based payments	12	-	-	-	89,165	-	-	-	89,165
Net loss for the period		-	-	-	-	-	-	(536,214)	(536,214)
Balance at November 30, 2020		**110,400,518**	**$44,643,270**	**$197,307**	**$ 8,672,397**	**$ 52,837**	**$ 15,000**	**$(35,065,192)**	**$18,515,619**

(Unaudited - Expressed in Canadian Dollars)

	Three month period ended November 30, 2020	Three month period ended November 30, 2019	Nine month period ended November 30, 2020	Nine month period ended November 30, 2019
Operating activities				
Net loss	$ (84,688)	$ (290,911)	$ (536,214)	$ (941,203)
Adjustments for non-cash items:				
Depreciation	6,793	7,753	19,986	18,167
Share of joint venture loss	-	136	-	2,277
Interest expense	2,759	25,495	4,673	27,747
Interest income	(2,793)	-	(2,793)	-
Management fee income	-	(233)	-	(37,598)
Share-based payments	51,523	73,404	89,165	364,960
Impairment	-	-	20,056	-
Gain on term loan payable	(20,746)	-	(20,746)	-
Loss on disposition of investment	38,700	-	38,700	-
Recovery of flow-through share	(249,998)	-	(297,175)	-
Changes in non-cash working capital items:				
Receivables	36,876	(2,160)	(28,974)	(60,910)
Due from joint venture partner	(632)	(942)	(74)	3,406
Prepaid expenses	12,300	3,874	8,718	4,636
Trade payables and accrued liabilities	2,212	44,283	45,218	81,254
Net cash flows used in operating activities	(207,694)	(139,301)	(659,460)	(537,264)
Investing activities				
Exploration and evaluation assets	(245,108)	(601,812)	(490,106)	(1,430,776)
Investment in joint ventures	(125,000)	(93,600)	(508,500)	(383,500)
property, plant and equipment	(5,697)	-	(5,697)	-
Reclamation deposits	-	-	(22,000)	(22,462)
Net cash flows used in investing activities	(375,805)	(695,412)	(1,026,303)	(1,836,738)
Financing activities				
Proceeds on issuance of common shares	-	-	-	1,455,000
Share issuance costs	-	-	(1,159)	(12,955)
Options exercised for cash	65,750	7,000	65,750	12,000
Warrants exercised	20,048	49,500	20,048	49,500
CEBA loan received	-	-	40,000	-
Convertible debentures	-	700,000	-	700,000
Lease payable repayments	(6,919)	(10,335)	(20,650)	(21,333)
Net cash flows provided by financing activities	78,879	746,165	103,989	2,182,212
Net change in cash and cash equivalents	(504,620)	(88,548)	(1,581,774)	(191,790)
Cash and cash equivalents, beginning	725,663	270,115	1,802,817	373,357
Cash and cash equivalents, ending	**$ 221,043**	**$ 181,567**	**$ 221,043**	**$ 181,567**

1. Nature of operations and going concern

Serengeti Resources Inc. (the "Company" or "Serengeti") was incorporated on March 5, 1973, under the laws of the Province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "SIR".

The head office and principal address of the Company is 800 West Pender Street, Suite 520, Vancouver, British Columbia, Canada, V6C 2V6. The Company's registered and records office address is #3200 – 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4P7.

Going concern

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At November 30, 2020, the Company had not achieved profitable operations, had a net loss of $536,214 for the period ended November 30, 2020 and accumulated losses of $35,065,192 (February 29, 2020 - $34,528,978) since inception, all of which indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent on its ability to raise equity capital or borrowings sufficient funds to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on January 26, 2021.

Statement of compliance with International Financial Reporting Standards

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended February 29, 2020 with the exception of the new accounting policy adopted in the current period.

2. Significant accounting policies and basis of preparation (cont'd)

Statement of compliance with International Financial Reporting Standards (cont'd)

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended February 29, 2020.

Basis of presentation

These condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurement standards under IFRS. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise specified.

3. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

		November 30, 2020		**February 29, 2020**
Cash at bank	$	3	$	336,817
Bank overdraft		(3,960)		-
Guaranteed investment certificates		225,000		1,466,000
	$	221,043	$	1,802,817

4. Receivables

		November 30, 2020		**February 29, 2020**
Exploration costs recoverable from KCC (Note 5)	$	114,626	$	43,099
Goods and services tax receivable		12,070		53,023
Other receivables		6,441		5,248
	$	133,137	$	101,370

5. Investment in joint venture – Kwanika Copper Corporation

On November 24, 2017, Serengeti completed a transaction whereby Serengeti, POSCO DAEWOO Corporation, since renamed Posco International Corporation ("PIC") and Kwanika Copper Corporation ("KCC") (formerly Daewoo Minerals Canada Corporation) signed a definitive joint venture agreement (the "JVA") for the exploration and development of the Kwanika property (the "Project"). Pursuant to the JVA, the respective interests of Serengeti and PIC in the Project were transferred to KCC, which serves as the vehicle for the joint venture.

In 2017, PIC contributed a total of $8,300,000 in cash and as a result of this and prior contributions, held 8,200,000 million common shares of KCC (representing 35% of the total issued shares of KCC). Serengeti contributed its 95% ownership of the Kwanika property, in exchange for 15,228,571 common shares of KCC (representing 65% of the total issued shares of KCC).

(Unaudited - Expressed in Canadian Dollars)

5. Investment in joint venture – Kwanika Copper Corporation (cont'd)

During the 2020 fiscal year, an additional $590,000 was contributed to KCC on a pro-rata basis by the two partners to further engineering studies.

During the 2020 fiscal year, $680,000 was solely contributed by Serengeti to KCC towards funding of the calendar 2020 work program. During the period ended November 30, 2020, the Company made an additional contribution of $542,200. As at November 30, 2020, total sole contribution by Serengeti towards funding of the KCC calendar 2020 work program was $1,222,200.

As at November 30, 2020, total contributions by Serengeti to KCC were $16,795,571.

The Board of Directors and shareholders of KCC have approved a budget for exploration and project optimization to be completed at the Project during calendar 2020. Upon completion, Serengeti will own approximately 67% of KCC as a result of sole funding the calendar 2020 program. PIC has elected not to participate in the 2020 program and as a consequence, will dilute on a pro-rata basis to approximately 33% ownership of KCC.

Serengeti can remain as Project operator so long as it maintains a majority interest. As Project operator, Serengeti received a 10% management fee on expenditures of $7,000,000. Unearned management fee income is included in deferred revenue in the consolidated statement of financial position. Management fee income of $Nil (2019 – $37,598) earned from the joint venture in the current period has been recorded in the condensed consolidated interim statement of loss and comprehensive loss for the period ended November 30, 2020.

Serengeti may be granted a 1% net smelter return royalty ("NSR") if its Project interest is diluted below 50% and an additional 0.5% NSR if its interest is diluted below 33 ⅓%, subject to partial buyback provisions to PIC. PIC will have certain concentrate offtake rights from production on the Project, subject to Serengeti's ability to enter into separate streaming arrangements.

Summarized statement of financial position – Kwanika Copper Corporation

		November 30, 2020 (unaudited)
Current assets	$	138,452
Non-current assets		25,237,728
Total assets	**$**	**25,376,180**
Current liabilities	$	184,076
Shareholders' equity		
Common shares		
Serengeti Resources Inc.		16,795,571
Posco International Corporation		8,445,200
Contributed Surplus		100,000
Deficit		(148,667)
Total shareholders' equity		25,192,104
Total equity and liabilities	**$**	**25,376,180**

(Unaudited - Expressed in Canadian Dollars)

5. Investment in joint venture – Kwanika Copper Corporation (cont'd)

Changes in the investment in joint venture for the period ended November 30, 2020 and year ended February 29, 2020 are as follows:

Balance February 28, 2019	$	14,824,963
Additional investment in joint venture		1,063,500
Share of joint venture loss from March 1, 2019 to February 29, 2020		(12,739)
65% of management fee income earned from joint venture from March 1, 2019 to February 29, 2020		(69,824)
Balance February 29, 2020		15,805,900
Additional investment in joint venture		542,200
Disposition of investment		(38,700)
Balance November 30, 2020	$	16,309,400

6. Property, plant and equipment

		Leased Office		Furniture and Equipment		Total
Cost						
Balance February 29, 2020	$	81,564	$	26,956	$	108,520
Additions		-		5,697		5,697
Balance November 30, 2020		81,564		32,653		114,217
Accumulated depreciation						
Balance February 29, 2020		25,087		25,887		50,974
Additions		19,550		436		19,986
Balance November 30, 2020		44,637		26,323		70,960
Net book value						
Balance February 29, 2020	$	56,477	$	1,069	$	57,546
Balance November 30, 2020	$	36,927	$	6,330	$	43,257

The leased office is being amortized on a straight-line basis over the lease term of 3 years.

(Unaudited - Expressed in Canadian Dollars)

7. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the period ended November 30, 2020:

	Milligan West	Top Cat	East Niv	Other	Total
Property acquisition costs					
Balance, beginning	$ 43,111	$ 64,502	$ 11,422	$ 439,354	$ 558,389
Additions	-	50,000	25,038	-	75,038
Balance, ending	43,111	114,502	36,460	439,354	633,427
Exploration and evaluation costs					
Balance, beginning	524,785	176,013	89,152	181,223	971,173
Costs incurred during period:					
Aircraft	-	-	32,693	-	32,693
Assaying	-	18,640	14,310	148	33,098
Camp and operations	-	25,008	26,605	732	52,345
Consulting	617	38,277	63,741	7,993	110,628
Geophysics	-	102,931	94,035	-	196,966
Software purchased	-	2,428	5,756	-	8,184
Travel and accommodation	-	9,901	9,958	-	19,859
	617	197,185	247,098	8,873	453,773
Other Items:					
Impairment	-	-	-	(20,056)	(20,056)
Balance, ending	525,402	373,198	336,250	170,040	1,404,890
Total	$ 568,513	$ 487,700	$ 372,710	$ 609,394	$ 2,038,317

(Unaudited - Expressed in Canadian Dollars)

7. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the year ended February 29, 2020:

	Atty	Milligan West	Top Cat	East Niv	Other	Total
Property acquisition costs						
Balance, beginning	$ 126,551	$ 43,111	$ -	$ 2,987	$ 814,052	$ 986,701
Additions	25,797	-	64,502	8,435	6,733	105,467
Balance, ending	152,348	43,111	64,502	11,422	820,785	1,092,168
Exploration and evaluation costs						
Balance, beginning	378,916	521,816	-	6,314	552,068	1,459,114
Costs incurred during year:						
Aircraft	273,208	-	28,145	14,815	65,993	382,161
Assaying	59,628	-	9,098	6,938	4,869	80,533
Camp and operations	95,161	-	71,099	16,736	22,347	205,343
Consulting	89,866	3,107	50,601	41,178	42,889	227,641
Drilling	323,273	-	-	-	-	323,273
Geophysics	112,912	-	-	-	120,920	233,832
Software purchased	-	-	270	-	-	270
Storage	-	2,472	-	-	4,538	7,010
Travel and accommodation	103,336	-	16,800	5,065	11,297	136,498
	1,057,384	5,579	176,013	84,732	272,853	1,596,561
Other Items:						
Exploration tax credits	(113,675)	(2,610)	-	(1,894)	(38,918)	(157,097)
Cost recoveries	-	-	-	-	(558)	(558)
Impairment	(1,474,973)	-	-	-	(985,653)	(2,460,626)
Balance, ending	(152,348)	524,785	176,013	89,152	(200,208)	437,394
Total	$ -	$ 567,896	$ 240,515	$ 100,574	$ 620,577	$ 1,529,562

a) ATTY and ATG Claims

The Company entered into an agreement to acquire a 100% interest in the Atty property from Finlay Minerals Ltd. ("Finlay") and adjacent claims ("ATG Claims") from Electrum Resource Corp. ("Electrum") on March 4, 2018 and the agreement was approved by the TSX-V on April 10, 2018.

The Company issued 25,000 shares at fair value of $6,500 to each of the Kwadacha First Nation and Tsay Keh Dene Nation pursuant to the exploration agreement on the Atty property.

In the prior year, upon review of the exploration results obtained in the 2019 drilling program, the Company made a decision to discontinue its option for the acquisition of a 100% interest in the Atty property from Finlay Minerals Ltd. and adjacent ATG Claims from Electrum Resources Corp., returning these properties to the vendors. No further work payments were due at the time. The Atty property was impaired in full during the year ended February 29, 2020.

During the period ended November 30, 2020, the Company also recorded an impairment of $20,056 on the ATG property.

7. Exploration and evaluation assets (cont'd)

b) Milligan West

The Company owns a 56.3% interest in the Milligan West property in joint venture with Fjordland Exploration Inc., an arm's-length company also listed on the TSX-V.

c) East Niv

The Company acquired East Niv by staking in 2018 and conducted an initial reconnaissance that year. A follow-up program was carried out in 2019 and a more substantial program in 2020. . East Niv lies within Mesozoic volcanic rocks of the Stikine Terrane along the unconformity between the Upper Triassic Takla and Early Jurassic Hazelton Groups, approximately 40km SW of the Kemess Minesite.

The mapping, sampling and a 17.5 line km IP geophysical survey completed to date at East Niv have outlined a previously unknown, 3.5 sq km multiparameter porphyry copper-gold target at East Niv encompassing a number of porphyry-style copper-gold occurrences, demonstrating regional scale potential and the property was expanded to over 20,750 hectares.

d) Top Cat

On July 19, 2019, the Company optioned the Top Cat claims.

The Company may earn a 100% interest by:

- Making staged cash payments totaling $340,000 over 5 years; $18,000 of which was paid on signing. On November 7, 2019, the Company issued 83,333 shares at a fair value of $18,333 in lieu of cash payment pursuant to the option agreement. On July 13, 2020, the Company paid $22,000 pursuant to the option agreement;
- Issuing a total of 1,500,000 common shares in stages over a 5-year period. On August 2, 2019, 100,000 shares with a fair value of $27,000 were issued upon TSX-V approval of the option agreement. On July 13, 2020, the Company issued 100,000 shares with fair value of $28,000 pursuant to the option agreement (Note 12);
- Incurring a total of $1,250,000 in exploration expenditures over a 5-year period with a minimum of $100,000 to be spent before the first anniversary of the agreement, which expenditure was made;
- Granting the optionors a 3% NSR on the property, subject to the Company's right to purchase a 2% NSR for $2,000,000 at any time prior to the first anniversary of commercial production.

e) Net Smelter Return Royalties – Thor Marmot and Deer Lake Properties

During the year ended February 28, 2019, the Company acquired NSR's of 0.75% on each of the Thor Marmot and Deer Lake Properties located in the Kemess and Kamloops Mining Districts from Electrum and received a payment of $10,000 in exchange for Portable Assessment Credits that the Company transferred to Electrum for the maximum allowable five-year period.

f) Other Properties

Serengeti holds a 100% interest in a number of other properties, all of which are located in British Columbia.

(Unaudited - Expressed in Canadian Dollars)

8. Reclamation deposits

The Company has posted bonds and investment certificates to provide for certain potential reclamation liabilities as agreed with the Province of British Columbia – Ministry of Energy, Mines and Petroleum Resources.

		November 30, 2020		February 29, 2020
Balance, beginning	$	54,222	$	31,760
Changes during the period		22,000		22,462
Balance, ending	$	76,222	$	54,222

9. Trade payables and accrued liabilities

		November 30, 2020		February 29, 2020
Trade payables	$	77,876	$	106,826
Amounts due to related parties (Note 13)		121,242		62,233
Other payable		9,866		-
Accrued liabilities		18,000		20,000
	$	226,984	$	189,059

10. Lease payable

On May 1, 2019, the Company entered into an office lease agreement for a term of three years. In accordance with IFRS 16, the Company recorded a lease asset and a lease liability with a fair value of $91,661. Fair value was determined by discounting future lease payments at a discount rate of 8%.

On February 1, 2020, the Company revised the lease to reduce the amount of office space being leased, and the lease asset and lease liability were revalued to reflect changes in the future lease payments. As a result of the revaluation, the Company recorded a reduction of $13,086 in the lease liability.

The following table summarizes the lease transactions for the period ended November 30, 2020 and year ended February 29, 2020:

		November 30 2020		February 29, 2020
Balance, beginning	$	54,623	$	-
Additions, net		-		78,575
Payments made		(20,650)		(29,018)
Interest recorded		2,681		5,066
Balance, ending	$	36,654	$	54,623

(Unaudited - Expressed in Canadian Dollars)

10. Lease payable (cont'd)

		November 30 2020		February 29, 2020
Current portion	$	26,362	$	24,250
Long term portion		10,292		30,373
	$	36,654	$	54,623

11. Term loan payable

On April 27,2020, the Company received a loan for gross proceeds of $40,000 under the Canada Emergency Business Account ("CEBA") as part of the Canadian government funded COVID-19 financial assistance programs. The CEBA term loan is due on December 25, 2025. The loan is interest free until December 31, 2022 and bears interest at 5% per annum thereafter. If at least 75% of the loan principal is paid on or before December 31, 2022, the balance of the loan will be forgiven.

The benefit of the government loan received at below market rate of interest is treated as a government grant. The loan was recognized at the fair value of $19,254, using the Company's incremental borrowing rate of 18% per annum. The difference between the initial carrying amount and proceeds received of $20,746 was recognized as gain on term loan payable. During the period ended November 30, 2020, the Company recorded interest of $1,991 on the loan (2019 – $Nil). The balance of the loan at November 30, 2020 is $21,245.

12. Share capital and reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At November 30, 2020, there were 110,400,518 issued and fully paid common shares (February 29, 2020 – 109,173,573).

On June 24, 2020, the Company issued 272,104 common shares in the capital of the Company at a deemed price of $0.19 per share in settlement of $51,700 of debt owing to certain creditors who are at arm's length.

On July 13, 2020, the Company issued 100,000 shares at a fair value of $28,000 pursuant to the option agreement on the Top Cat project (Note 7).

During the period ended November 30, 2020, 775,000 stock options were exercised for gross proceeds of $50,750 and 79,841 of warrants were exercised for gross proceeds of $20,048.

(Unaudited - Expressed in Canadian Dollars)

12. Share capital and reserves (cont'd)

Basic and diluted loss per share

The basic and diluted loss per share for the period ended November 30, 2020 was $0.00 (November 30, 2019 – $0.01). The calculation of basic and diluted loss per share for the period ended November 30, 2020 was based on the loss attributable to common shareholders of $536,214 (November 30, 2019 – $941,203) and the weighted average number of common shares outstanding of 109,575,927 (November 30, 2019 – 96,507,759). The diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive. At November 30, 2020, the total number of potentially dilutive warrants was 2,317,411 (November 30, 2019 – 1,925,000) and the total number of potentially dilutive stock options was 8,447,500 (November 30, 2019 – 7,294,999). The aggregate number of potentially dilutive shares was 10,764,911 (November 30, 2019 – 9,219,999).

Warrants

The changes in warrants during the period ended November 30, 2020 and year ended February 29, 2020, are as follows:

	November 30, 2020		February 29, 2020	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning	2,397,252	$ 0.26	2,150,000	$ 0.22
Warrants issued	-	-	2,397,252	0.26
Warrants exercised	(79,841)	0.25	(325,000)	0.22
Warrants expired	-	-	(1,825,000)	0.22
Warrants outstanding, ending	2,317,411	$ 0.26	2,397,252	$ 0.26

Warrants outstanding at November 30, 2020 are as follows:

Number of warrants	Exercise price	Expiry date
308,169	$0.25	December 17, 2021
52,850	$0.25	December 19, 2021
1,956,392	$0.26	January 16, 2022
2,317,411		

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V policies, grant to directors, officers, employees and consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance does not exceed a fixed total of 12,624,000. Such options may be exercisable for a period of up to five years from the date of grant.

(Unaudited - Expressed in Canadian Dollars)

12. Share capital and reserves (cont'd)

Stock options (cont'd)

The changes in stock options during the period ended November 30, 2020 and year ended February 29, 2020, are as follows:

	November 30, 2020		February 29, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	9,320,000	$ 0.15	6,195,000	$ 0.11
Options granted	190,000	0.30	3,350,000	0.23
Options exercised	(775,000)	0.07	(200,000)	0.06
Options expired	(200,000)	0.15	(25,000)	0.23
Options forfeited	(50,000)	0.23	-	-
Options outstanding, ending	8,485,000	$ 0.17	9,320,000	$ 0.16
Options exercisable, ending	8,447,500	$ 0.17	8,674,167	$ 0.15

Details of options outstanding as at November 30, 2020 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.05 - $0.095	0.33 years	1,770,000	1,770,000
$0.15 - $0.30	2.69 years	6,715,000	6,677,500
	2.20 years	8,485,000	8,447,500

On September 4, 2020, the Company granted 190,000 (2019 – 2,100,000) stock options to employees and consultants, exercisable at $0.30 for a period of five years.

During the period ended November 30, 2020, the Company recorded share-based payments of $89,165 (2019 – $364,960) relating to options vested during the period.

The fair value of options granted was determined using Black-Scholes option pricing model using the following assumptions: volatility of 120.96%, expected life of 5 years, risk-free interest rate of 0.36% and expected dividends of nil.

(Unaudited - Expressed in Canadian Dollars)

12. Share capital and reserves (cont'd)

Flow-through premium liability

For the purposes of calculating any premium related to the issuances of the flow-through shares, the Company compares the market price of its shares to the subscription price of flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with private placements is as follows:

		November 30 2020		February 29, 2020
Balance, beginning of period	$	327,707	$	-
Additions		-		770,260
Reversal		(297,175)		(442,553)
Balance, end of period	$	30,532	$	327,707

As at November 30, 2020, the Company is committed to spending approximately $183,184 in connection with its flow-through offerings (February 29, 2020 - $1,615,427).

13. Related party transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 9). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

		November 30, 2020		February 29, 2020
Directors and officers of the Company	$	121,242	$	62,233

Key management personnel compensation – paid or accrued

Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company as a whole. The Company has determined that its key management personnel consist of the Company's Board of Directors and corporate officers.

Amounts recorded for key management personnel are as follows:

		Nine-month period ended November 30, 2020		Nine-month period ended November 30, 2019
Management fees (1)	$	158,812	$	136,759
Consulting (2)		81,059		122,251
Director fees (3)		57,000		55,326
Share-based payments		26,282		307,608
	$	323,153	$	621,944

(1) $78,562 of management fees were accrued

(2) Includes accounting fees paid to a company controlled by the CFO of $53,834 (2019: $51,241).
$23,680 of management fees were included in the accounts payable

(3) $19,000 of director fees were accrued

14. Commitments

On April 1, 2019, the Company entered into a lease agreement for two years. Minimum lease payments under the agreement are $12,000 for the year ended February 2021.

15. Financial instruments

The Company's financial instruments consists of cash and cash equivalents, receivables, reclamation deposits and trade payables and accrued liabilities. The carrying values of cash and cash equivalents, receivables, reclamation deposits and trade payables and accrued liabilities approximate their fair value because of their relatively short-term nature on the instruments.

<u>There are three levels of the fair value hierarchy as follows:</u>

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.0

All financial instruments other than cash and cash equivalents are measured using level 2 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The majority of cash is deposited in bank accounts at a major bank in Canada. As most of the Company's cash and cash equivalents are held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company aims to have sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from its ability to raise equity capital or borrowings sufficient funds and its holdings of cash and cash equivalents.

Interest rate risk

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

15. Financial instruments (cont'd)

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

16. Subsequent events

Merger Transaction with Sun Metals Corp.

On November 29, 2020, The Company and Sun Metals Corp. (TSX-V: SUNM) ("Sun Metals") entered into a definitive arrangement agreement (the "Agreement") pursuant to which the Company will acquire all of the issued and outstanding shares of Sun Metals (the "Transaction") on the basis of 0.43 common shares of Serengeti (on a pre-Consolidation basis) for each share of Sun Metals held, by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement"). The Transaction will consolidate the contiguous copper-gold exploration and development assets of KCC (67% Serengeti owned) and Stardust (100% Sun Metals owned), both of which will benefit from operational synergies as the projects advance with a combined development strategy, along with a robust portfolio of British Columbia copper-gold assets, well positioned to take advantage of a strengthening copper market.

Upon completion of the Transaction, it is expected that the shareholders of Sun Metals will hold approximately 40% of the Company's issued and outstanding shares (prior to the concurrent financing). Sun Metals shall be entitled to nominate three directors, including Mark O'Dea as Executive Chairman, to join a newly constituted six-member board of directors of Serengeti, which shall include three nominees of Serengeti. David Moore will remain as Interim CEO of the Company, until such time as a full time CEO is appointed.

Immediately prior to the closing of the Transaction, it is anticipated that the Company will consolidate its common shares on a two for one basis (the "Consolidation"), subject to the receipt of all necessary approvals.

Additional information regarding the Company's merger transaction with Sun Metals Corp. is available on SEDAR at www.sedar.com

Transaction Highlights

- Consolidation of the contiguous Kwanika (67% owned by the Company) and Startust (100% Sun Metals owned) copper-gold resources projects in north-central British Columbia, creating synergistic co-development opportunities.
- Additional regional consolidation of the advanced exploration Lorraine (100% Sun Metals owned) and neighboring Top Cat (Serengeti option to earn 100%) copper-gold projects.
- Further grassroots exploration opportunities, particularly the 3.5 km district-scale copper-gold target on the Company's 100% owned 20,750 ha East Niv property.
- Strong leadership team, with the combined company to be led by Mark O'Dea as Executive Chairman and David Moore as interim CEO, upon closing of the Transaction.
- Increase corporate and asset scale in a strengthening copper price environment to broaden investor appeal.
- Well-capitalized with concurrent $10,350,000 bought deal subscription receipts.

16. Subsequent events (cont'd)

Merger Transaction with Sun Metals Corp. (cont'd)

Transaction Details

Pursuant to the terms of the Agreement, the Company will acquire all of the issued and outstanding common shares of Sun Metals on the basis of 0.43 common shares of Serengeti (on a pre-Consolidation basis) for each share of Sun Metals held (the "Exchange Ratio"). Warrants and options of Sun Metals will be adjusted or exchanged to become warrants and options, respectively, of Serengeti based on the Exchange Ratio. It is anticipated that these securities will be adjusted or exchanged on a post-Consolidation basis. The Transaction was negotiated at arm's length.

Immediately prior to the closing of the Transaction, it is anticipated that the Company will consolidate its common shares on a two for one basis (the "Consolidation"), subject to the receipt of all necessary approvals.

The Arrangement will be carried out by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia) and is subject to a number of conditions being satisfied or waived by one or both of the Company and Sun Metals at or prior to closing of the Arrangement, including approval of Sun Metals securityholders, together with any requisite minority approvals, approval of the Company's shareholders, completion of the Consolidation, amendment of the Company's stock option plan, and receipt of all necessary regulatory and court approvals and the satisfaction of certain other closing conditions customary for a transaction of this nature, including completion of the Offering (as hereinafter defined). The Transaction is also subject to a simple majority of the votes cast by the Company's shareholders.

It is expected that the special meeting of Sun Metals security holders and the special meeting of the Company shareholders to approve the proposed Arrangement will be held in mid-February 2021 and, if approved at those meetings and all other conditions have been met, it is expected that the Arrangement would close shortly thereafter.

The Agreement includes customary provisions, including non-solicitation, right-to-match and fiduciary out provisions, as well as certain representations, covenants and conditions that are customary for a transaction of this nature. A termination fee of $750,000 may be payable by either party in the case of certain terminating events.

Concurrent Financing

Concurrent with announcement of the Transaction, Sun Metals has entered into an agreement with a syndicate of underwriters co-led by PI Financial Corp., Haywood Securities Inc., Agentis Capital Markets Canada Limited Partnership, Clarus Securities Inc., and Cormark Securities Inc. (collectively, the "Underwriters") in connection with a bought deal private placement financing (the "Offering") of an aggregate of 82,800,000 subscription receipts (the "Subscription Receipts") at a price of $0.125 per Subscription Receipt (the "Issue Price") for gross proceeds of $10,350,000.

16. Subsequent events (cont'd)

Merger Transaction with Sun Metals Corp. (cont'd)

Concurrent Financing (cont'd)

The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the "Subscription Receipt Agreement") to be entered into by Sun Metals, the Underwriters, and a licensed Canadian trust company as subscription receipt agent to be agreed upon. Pursuant to the Subscription Receipt Agreement, the gross proceeds of the Offering (less 50% of the Underwriters' cash commission and all of the Underwriters' expenses) (the "Escrowed Funds") will be held in escrow pending satisfaction of certain conditions, including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Transaction; and (b) the receipt of all required shareholder and regulatory approvals in connection with the Transaction and the Offering, including the condition approval of the TSX Venture Exchange (the "Escrow Release Conditions"). If the Escrow Release Conditions have not been satisfied on or prior to March 31, 2020, the holders of Subscription Receipts will be returned a cash amount equal to the Issue Price of the Subscription Receipts and any interest that has been earned on the Escrowed Funds.

Upon the satisfaction of the Escrow Release Conditions, each Subscription Receipt will automatically convert into one unit of Sun Metals (each a "Unit") which shall be exchanged or adjusted into securities of the Company at the Exchange Ratio upon completion of the Transaction, on a post-Consolidation basis. Each Unit will consist of one common share of Sun Metals (each a "Common Share") and one-half of one common share purchase warrant (each a "Warrant"). Each Warrant will be exercisable to acquire one common share of Sun Metals (each a "Warrant Share") for a period of 24 months from the closing of the Offering, at an exercise price of $0.18, as adjusted by the Exchange Ratio, subject to acceleration in the event that the volume weighted average trading price of the common shares of Sun Metals on the TSX Venture Exchange is equal to or greater than $0.30 (on an exchanged or adjusted basis pursuant to the Arrangement) for 20 consecutive trading days.

Bridge Loan

Subsequent to November 30, 2020, the Company received an aggregate of $500,000 bridge loans. The loans bear interest rate of 1% per month and repayable within six months.