OUTCROP GOLD CORP.

(formerly Miranda Gold Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended November 30, 2019

(Stated in Canadian dollars)

(unaudited)

Notice to Reader

These condensed consolidated interim financial statements of Outcrop Gold Corp. (formerly Miranda Gold Corp.) have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditor has not reviewed these condensed consolidated interim financial statements or the related Management Discussion and Analysis.

OUTCROP GOLD CORP.

(formerly Miranda Gold Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Stated in Canadian dollars)

	Note		**November 30, 2019**		August 31, 2019
ASSETS					
Current					
Cash		**$**	**422,406**	$	185,222
Amounts receivable			**16,399**		13,300
Investments and marketable securities			**5,730**		5,730
Advances and prepaid expenses			**81,998**		105,827
			526,533		310,079
Equipment			**54,120**		56,946
Exploration and evaluation assets	*5*		**1,304,230**		1,279,792
		$	**1,884,883**	$	1,646,817
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	*6*	**$**	**188,490**	$	191,172
Shareholders' Equity					
Share capital	*7*		**34,046,559**		33,624,454
Stock-based reserves	7		**7,006,899**		7,006,899
Warrant reserves	7		**7,650,112**		7,343,112
Accumulated other comprehensive loss			**(117,105)**		(112,715)
Share subscriptions receivable	*7*		**(247,223)**		(262,223)
Deficit			**(46,642,849)**		(46,143,882)
			1,696,393		1,455,645
		$	**1,884,883**	$	1,646,817

Nature of operations and going concern	*1*
Subsequent events	*12*

Approved for issue by the Board of Directors on January 29, 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 condensed consolidated interim financial statements

OUTCROP GOLD CORP.
(formerly Miranda Gold Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Stated in Canadian dollars)

	Note	Three months ended November 30, 2019	2018
Expenses			
Consulting fees	*8*	**$ 72,954**	$ 38,945
Depreciation		**2,796**	3,019
Directors' fees		**-**	13,929
Exploration and evaluation expenditures	*5*	**331,493**	303,908
Foreign exchange		**(49,079)**	(17,773)
Insurance		**6,275**	6,307
Investor relations		**-**	33,333
Office, rent, telephone, sundry		**7,955**	3,792
Professional fees		**14,235**	10,557
Travel and promotion		**55,490**	2,087
Transfer agent, filing and regulatory		**8,522**	1,633
Wages and benefits	*8*	**48,330**	23,854
		(498,971)	(423,591)
Interest income		**4**	138
Marketable securities, net change to fair value		**-**	(2,865)
		4	(2,727)
Loss for the period		**(498,967)**	(426,318)
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		**20,048**	(17,564)
Comprehensive loss for the period		**$ 478,919)**	$ (443,882)
Basic and diluted loss per share		**$ (0.02)**	$ (0.03)
Weighted average number of shares outstanding		**30,530,532**	13,251,754

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

OUTCROP GOLD CORP.
(formerly Miranda Gold Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Stated in Canadian dollars)

	Three months ended November 30, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**$ (498,967)**	$ (426,318)
Items not involving cash:		
Depreciation	**2,796**	3,019
Unrealized loss on marketable securities	**-**	2,865
Unrealized foreign exchange gain	**(1,005)**	(61,524)
Loss on sale of equipment	**-**	-
Changes in non-cash working capital balances:		
Amounts receivable	**(3,099)**	108
Advances and prepaid expenses	**23,829**	42,188
Accounts payable and accrued liabilities	**(2,682)**	(32,414)
	(479,128)	(472,076)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset acquisitions	**(25,533)**	(28,135)
	(25,533)	(28,135)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share subscriptions received	**15,000**	995,252
Share units issued	**732,000**	-
Share issue costs	**(2,895)**	-
	744,105	995,252
Effect of foreign exchange on cash	**(2,260)**	38,467
Change in cash during the period	**237,184**	533,508
Cash, beginning of period	**185,222**	200,414
Cash, end of period	**$ 422,406**	$ 733,922

Supplemental disclosure with respect to cash flows – Note 11

OUTCROP GOLD CORP.
(formerly Miranda Gold Corp.)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF 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
Share subscriptions received	-	-	-	-	-	995,252	-	995,252
Foreign currency translation adjustment	-	-	-	-	(17,564)	-	-	(17,564)
Loss for the period	-	-	-	-	-	-	(426,318)	(426,318)
Balance, November 30, 2018	13,251,754	$ 32,202,273	$ 7,006,899	$ 5,696,054	$ (101,024)	$ 995,252	$ (43,817,186)	$ 1,982,268
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	**7,320,000**	**425,000**	**-**	**307,000**	**-**	**-**	**-**	**732,000**
Share subscriptions receivable	**-**	**-**	**-**	**-**	**-**	**15,000**	**-**	**15,000**
Share issue costs	**-**	**(2,895)**	**-**	**-**	**-**	**-**	**-**	**(2,895)**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**(4,390)**	**-**	**-**	**(4,390)**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(498,967)**	**(498,967)**
Balance, November 30, 2019	**36,344,928**	**$ 34,046,559**	**$ 7,006,899**	**$ 7,650,112**	**$ (117,105)**	**$ (247,223)**	**$ (46,642,849)**	**$ 1,696,393**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Outcrop Gold Corp. (formerly Miranda 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 #1200 – 750 West Pender Street, Vancouver, BC V6C 2T8. The Company is engaged in the identification, acquisition, exploration, and development of exploration and evaluation assets primarily in Colombia. These condensed consolidated interim financial statements of the Company for the three months ended November 30, 2019, comprise the Company and its subsidiaries. The Company is considered to be in the exploration stage, as it has not placed any of its exploration and evaluation assets into production.

These condensed consolidated interim 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 substantial doubt regarding the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate, which could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting using the Principles of International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").These unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements and accordingly, should be read in conjunction with the Company's annual consolidated financial statements for the year ended August 31, 2019.

b) Basis of measurement

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

2. BASIS OF PRESENTATION *(continued)*

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”) and has been determined for each entity within the Company. The functional currency of Outcrop Gold Corp., the parent company, is the Canadian dollar and the functional currency of the Company’s US subsidiary, Outcrop Gold USA Inc., is the United States dollar. The functional currency of all of the Company’s Canadian subsidiaries is the Canadian dollar, and the functional currency of all of the Colombian branch operations and Colombian simplified share companies is also the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates* (“IAS 21”).

d) Use of estimates and judgments

The preparation of the condensed consolidated interim 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.

In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended August 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments adopted during the period

New standard IFRS 16 “Leases”

In January 2016, the IASB issued IFRS 16, Leases which replaces IAS 17, Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The Company does not have any leases as at November 30, 2019.

(Unaudited - Stated in Canadian dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities:

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and fair value through OCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	**November 30, 2019**	August 31, 2019
Cash	FVTPL	**$ 422,406**	$ 185,222
Amounts receivable	Amortized cost	**1,402**	1,443
Marketable securities	FVTPL	**5,730**	5,730
Advances	Amortized cost	**431**	431
Accounts payable and accrued liabilities	Amortized cost	**188,490**	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 market place.

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 amounts receivable, advances and accounts payable 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.

(Unaudited - Stated in Canadian dollars)

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

Fair value of cash, investments and marketable securities at November 30, 2019:

Financial Instrument		Quoted prices in active markets for identical assets		Significant other observable inputs		Significant unobservable inputs		Total as at November 30, 2019
		Level 1		*Level 2*		*Level 3*		
Cash	$	422,406	$	-	$	-	**$**	**422,406**
Marketable securities		5,730		-		-		**5,730**
Total	$	428,136	$	-	$	-	**$**	**428,136**

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

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

Risk Management

All aspects of the Company's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended August 31, 2019.

(Unaudited - Stated in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

Outcrop acquires mineral properties through application, staking, and from third party vendors, some of which are subject to net smelter return royalties ("NSR") or underlying lease payments. Subsequently, 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.

Outcrop cannot guarantee title to all of its exploration and evaluation assets as the properties may be subject to prior mineral rights applications with priority, prior unregistered agreements or transfers and title may be affected by undetected defects. 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.

Exploration and evaluation assets deferred to the statements of financial position at November 30, 2019 are as follows:

	August 31, 2019	Additions	Recoveries	Transfer to investments	Effect of movement in exchange rates	**November 30, 2019**
Alaska, USA:						
Renshaw Royalty	**$ 425,635**	$ 25,533	$ -	$ -	$ (1,095)	**$ 450,073**
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**
	854,157	-	-	-	-	**854,157**
TOTAL	**$ 1,279,792**	$ 25,533	$ -	$ -	$ (1,095)	**$ 1,304,230**

	August 31, 2018	Additions	Recoveries	Transfer to investments	Effect of movement in exchange rates	**August 31, 2019**
Alaska, USA:						
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**

(Unaudited - Stated in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Exploration and evaluation expenditures

Exploration and evaluation expenditures recorded in the consolidated statements of comprehensive loss for the three month periods ended November 30, 2019 and 2018 are as follows:

	November 30, 2019			November 30, 2018		
	Exploration Expenditures	Recoveries from funding partners	Net Exploration expenditures	Exploration Expenditures	Recoveries from funding partners	Net Exploration expenditures
Other North America:						
General exploration	$ -	$ -	$ -	$ 4,354	$ -	$ 4,354
Lucky Shot / Willow	-	-	-	-	-	-
	-	-	-	4,354	-	4,354
Colombia:						
Antares	3,315	-	3,315	44,933	-	44,933
Argelia	3,315	-	3,315	14,978	-	14,978
Cauca	9,945	-	9,945	59,911	-	59,911
Cerro Oro	-	-	-	-	-	-
Kuntur	3,315	-	3,315	17,973	-	17,973
Lyra	3,315	-	3,315	38,942	-	38,942
Mallama	6,630	-	6,630	50,924	-	50,924
Oribella	3,315	-	3,315	20,969	-	20,969
Santa Ana	261,879	-	261,879	-	-	-
General exploration	36,464	-	36,464	50,924	-	50,924
	331,493	-	331,493	299,554	-	299,554
TOTAL	$ 331,493	$ -	$ 331,493	$ 303,908	$ -	$ 303,908

ALASKA, UNITED STATES:

a) Renshaw Royalty purchase

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. Outcrop and Renshaw have separated the Renshaw royalty into the area that covers the patented mining claims on the west side of the project (the “’A’ Royalty”) and the area that covers the patented mining claims on the east side of the project (the “’B’ Royalty”). The ‘A’ Royalty covers the area, including the Coleman resource, which is the area that is expected to be initially developed. The ‘B’ Royalty covers ground that is prospective for exploration including the Bullion Mountain target areas.

Outcrop has agreed to purchase up to 100% of the ‘A’ Royalty in a series of seven (7) contracts with each subsequent contract contingent on the prior contract being paid in full. Pursuant to each contract Outcrop will purchase 0.4% to 0.5% of the ‘A’ Royalty for each cumulative US$143,000 paid at the rate of US$5,000 per month plus interest, with the first payment commencing on October 31, 2015.

As each contract is paid Outcrop will register its ownership of the ‘A’ Royalty purchased. If Outcrop does not complete payment of any contract the remainder of the ‘A’ Royalty will remain with Renshaw. The seven contracts will be over an aggregate period of up to 200 months, but such contracts and payments can be accelerated and paid off at any time, providing that Outcrop pays Renshaw the full payment of an aggregate US$1,000,000 of principal so that Outcrop will have purchased the entire 3.3% ‘A’ Royalty.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

In addition, Renshaw has agreed to grant Outcrop the option to purchase the 'B' Royalty, which option may be exercised at any time provided that the 'A' Royalty contracts are not in default. Outcrop may purchase up to 100% of the 'B' Royalty for the aggregate amount of US$500,000 in principal to be paid under terms, conditions and instalments that are consistent with those of the 'A' Royalty.

As at November 30, 2019, the Company has paid $450,073, including interest, (August 31, 2019 – $425,635) towards the purchase of the series of the 'A' Royalty contracts representing an 0.08% royalty, all of which is being capitalized as exploration and evaluation assets.

COLOMBIA:

b) Colombia – 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, and the Company's subsidiary MAD II, and the Colombian Branch of MAD II, to acquire the Antares property, with minimum operation payments due and a share issuance by the Company 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.

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	-

5. EXPLORATION and EVALUATION ASSETS *(continued)*

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 that the Company does not have a suitable joint venture partner funding expenditures on the project.

On March 7, 2017, the Company signed an option agreement (the “Agreement”) that allowed IAMGOLD Corporation (“IAMGOLD”) to earn an interest in the Antares Project in Colombia by conducting exploration on a scheduled earn-in basis.

During the year ended August 31, 2018, IAMGOLD informed the Company that it will not continue with the option on Antares and withdraw from the project.

c) Colombia – 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.

(Unaudited - Stated in Canadian dollars)

5. EXPLORATION and EVALUATION ASSETS *(continued)*

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:

Event	Issuance of Outcrop shares	Payment amount US$
By June 22, 2017 (*paid*)	-	100,000
Upon TSXV approval of the issuance of 1,624,270 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) Colombia – 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 - an advanced gold-copper project in the Almaguer Mining District of southern Colombia, which consists of one title and one application.

The option agreement, to earn up to 100% of the Cauca Project through the acquisition of further interest in Poliandes, in three phases, is as follows:

i) To acquire the first 51% undivided interest in the Cauca project:

Performance Date	Annual Expenditure Amount	Cumulative Expenditure Amount
First anniversary of Effective Date (completed)	US$250,000	US$250,000
Second anniversary of Effective Date	US$750,000	US$1,000,000
Third anniversary of the Effective Date	US$2,000,000	US$3,000,000
Fourth (1) anniversary of Effective Date	US$2,000,000	US$5,000,000

(1) may be extended up to 12-months with payment of US$500,000

(Unaudited - Stated in Canadian dollars)

5. EXPLORATION and EVALUATION ASSETS *(continued)*

Also included in the earn-in, is a commitment to core drill up to 12,000 meters, to be completed during the first earn-in period.

Subsequent to Outcrop's exercise of the first option, the vendor shall be entitled to a 1.5% NSR royalty (the "Base Royalty") on any gold or gold equivalent ounces in excess of one million ounces produced from the property.

ii) To acquire the second 19% undivided interest in the Cauca project:

Performance Date	Annual Expenditure Amount	Cumulative Expenditure Amount
First anniversary of the exercise of first option	$2,000,000	$7,000,000
Second anniversary of the exercise of first option	$4,500,000	$11,500,000

Also included is a commitment to core drill up to 15,000 meters, to be completed during the second earn-in period, for a total commitment of 27,000 meters.

iii) To acquire the final 30% undivided interest in the Cauca project:

Performance Date	Performance Criteria
First anniversary of the exercise of second option	Delivery of a NI 43-101 Preliminary Economic Assessment ("PEA"), with the cost borne entirely by Outcrop.
Maximum of 120 days following the delivery of the PEA	Delivery of a notice of intent to purchase the remaining 30%.
Maximum of 90 (or 180) days following the delivery of the intent to purchase	Agreement as to the total fair market value of the Cauca project ("FMV"), within 90 days, to be mutually determined; or failing mutual agreement, by the use of an independent professional valuation expert. The valuation expert, if needed, may be given an additional 90 days to produce the final FMV report.
Maximum of 60 days following the FMV agreement or delivery of the final FMV report on the Cauca project	Payment of the pro-rata portion of the FMV, in cash. Payment of a 1.5% NSR royalty on all gold and gold equivalent ounces of production from the property (*replacing the Base Royalty*), beginning from the FMV agreement closing date and continuing for the life-of-mine.

In addition, there will be a payment due to the vendor based upon either Outcrop's Maiden NI 43-101 Technical Report, or Outcrop's Maiden internal resource estimate – either of which must contain an estimate of measured, indicated and/or inferred gold resources on the property (the "Resource Bonus"). The payment of the Resource Bonus shall be calculated as USD$5.00 per ounce of gold or gold equivalent of such resources to a maximum of USD $4,500,000. The Resource Bonus shall be payable in two tranches: the first 50% shall be due on the date of the exercise of the first option, and the second 50% shall be due 12-months later.

5. EXPLORATION and EVALUATION ASSETS *(continued)*

e) Colombia – 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 for drilling program credits made by Prism in fiscal 2017. In September 2018, the Company refunded $40,000 to Prism for drilling program credits made by Prism in fiscal 2017.

f) Colombia – 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) Colombia – 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.

Outcrop will operate a prospecting program funded by Newmont Colombia on Lyra totaling US$600,000 over 18 months or less, unless the applications are converted to concession contracts before the end of 18 months. Conversion of all applications to concession contracts will trigger a decision by Newmont Colombia as to whether they want to earn into the project - although Newmont Colombia may elect to terminate the Agreement at any time.

Upon successful conversion of the Lyra applications to concession contracts, and an election to earn into the project, Newmont Colombia shall incur a minimum of US$3,000,000 in qualifying expenditures over the course of the subsequent four years to earn-in and vest into 51% of the Lyra project (the "Initial Earn-In").

Upon successful completion of the Initial Earn-In, Newmont Colombia and Outcrop shall form a joint venture mining company whereby Newmont Colombia shall have an initial 51% interest and Outcrop shall have a 49% interest. Newmont Colombia shall than have the right to earn an additional 19% interest, for an aggregate 70% interest in the joint venture, by funding an additional US$7,000,000 in qualifying expenditures over the course of the subsequent four years.

h) Colombia – 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 four percent (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.

(Unaudited - Stated in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

i) Colombia – 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.

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 Soratama Gold (a wholly owned subsidiary of Barrick Gold Corporation). Outcrop acquired the property, subject to the royalties, by making the license *canon* payment on May 14, 2014, of $62,715, and will also reimburse Antioquia Gold for the application payment of COP 101,136,976 (approximately US$35,000) when the property is registered with the ANM as a contract. If the application is converted to a license on or before the anniversary of the agreement, Outcrop will pay Antioquia Gold an additional US$30,000 payment on the anniversary date. No other obligations are required to keep the project in good standing, and Outcrop may drop or reduce the lands at any time.

j) Colombia – Santa Ana Project

On May 14, 2019 and amended on October 29, 2019, the Company entered into an agreement with Cedar Capital Corporation. ("Cedar") to acquire the Santa Ana project in consideration for 24,000,000 common shares of the Company. The property is located in Tolima, Colombia. Pursuant to the agreement, the Company will acquire all of the issued and outstanding shares of Cedar's wholly owned subsidiary, Malew Overseas SA ("Malew"). Malew's wholly owned subsidiary, Lost City SAS, owns the Santa Ana project. The transaction was completed on January 24, 2020.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		As at November 30, 2019		As at August 31, 2019
Trade and other payables in Canada	**$**	**129,798**	$	126,354
Trade and other payables in the USA		**1,676**		1,661
Trade and other payables in Colombia		**21,608**		36,958
Amounts payable and accrued liabilities to related parties (Note 8)		**35,408**		26,199
Total	**$**	**188,490**	$	191,172

(Unaudited - Stated in Canadian dollars)

7. SHARE CAPITAL

Effective February 7, 2019, the Company consolidated its common shares on a 10:1 basis. These consolidated financial statements reflect the share consolidation retroactively.

a) **Authorized:** An unlimited number of common shares without par value.

b) **Share issuance:**

At November 30, 2019, the Company had 36,344,928 common shares issued and outstanding (August 31, 2019 – 29,024,928) and $247,223 in share subscriptions receivable was outstanding and recorded as a reduction of shareholders' equity..

During the three months ended November 30, 2019, the Company closed two tranches of a non-brokered private placement consisting of 7,320,000 units at a price of $0.10 per unit for gross proceeds of $732,000. 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 $425,000 to common shares and $307,000 to warrants. The assumptions used in the Black-Scholes Option-Pricing Model for the relative fair value allocation were: a risk-free interest rate of 1.59%; an expected volatility of 113.14%; an expected life of 5 years; and an expected dividend of zero. Share issuance costs of $2,895 were paid in relation to the private placement.

Subsequent to November 30, 2019, the Company returned 304,583 common shares to treasury related to the previousprivate placements.

c) **Stock Options Outstanding:**

The Company has a shareholder-approved stock option plan that provides for the reservation for issuance of a fixed number of not more than 1,049,189 options to acquire 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.

The continuity for stock options for the three months ended November 30, 2019, is as follows:

Number outstanding Aug 31, 2019	Granted	Exercised	Expired/ Cancelled	**Number outstanding Nov 30, 2019**	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	0.21 yrs
107,500	-	-	-	**107,500**	$ 1.20	Jan. 28, 2021	1.16 yrs
30,000	-	-	-	**30,000**	$ 1.20	Apr. 25, 2021	1.40 yrs
202,500	-	-	-	**202,500**	$ 0.90	Jan. 25, 2022	2.16 yrs
416,000	-	-	(66,000)	**350,000**	$ 1.03	*(weighted average)*	1.41 yrs
			Exercisable	**350,000**	$ 1.03	*(weighted average)*	1.41 yrs

As at November 30, 2019, all of the outstanding stock options were vested and exercisable, with a weighted average exercise price of $1.03. The intrinsic value of the vested stock options was $nil. The intrinsic value of the vested stock options outstanding at November 30, 2019, is calculated on the difference between the exercise prices of the underlying vested options and the quoted price of the common stock as of the reporting date of November 30, 2019, being $0.11.

(Unaudited - Stated in Canadian dollars)

7. SHARE CAPITAL *(continued)*

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 August 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 yrs
10,000	-	-	-	**10,000**	$ 1.45	Feb. 16, 2020	0.46 yrs
107,500	-	-	-	**107,500**	$ 1.20	Jan. 28, 2021	1.41 yrs
30,000	-	-	-	**30,000**	$ 1.20	Apr. 25, 2021	1.65 yrs
202,500	-	-	-	**202,500**	$ 0.90	Jan. 25, 2022	2.41 yrs
468,250	-	-	(52,250)	**416,000**	$ 1.10	*(weighted average)*	1.66 yrs
			Exercisable	**416,000**	$ 1.10	*(weighted average)*	1.66 yrs

Stock-Based Compensation:

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

There were no stock options granted during the three months ended November 30, 2019 and during the fiscal year ended August 31, 2019.

d) Share Purchase Warrants:

The continuity for share purchase warrants for the three months ended November 30, 2019, is as follows:

Number outstanding August 31, 2019	Issued	Exercised	Expired/ Cancelled	**Number outstanding November 30, 2019**	Exercise price	Expiry date	Weighted average remaining life in yrs
2,914,056	-	-	-	**2,914,056**	$ 1.20	Jun.23, 2021	1.56 yrs
2,751,250	-	-	-	**2,751,250**	$ 1.20	Mar.09, 2022	2.27 yrs
13,599,260	-	-	-	**13,599,260**	$ 0.40	Feb.22, 2024	4.23 yrs
2,230,754	-	-	-	**2,230,754**	$ 0.40	Apr. 17, 2024	4.38 yrs
-	7,320,000	-	-	**7,320,000**	$ 0.20	Nov. 07, 2024	4.94 yrs
21,495,320	7,320,000	-	-	**28,815,320**	$ 0.61	*(weighted average)*	3.96 yrs

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

Number outstanding August 31, 2018	Issued	Exercised	Expired/ Cancelled	**Number outstanding August 31, 2019**	Exercise price	Expiry date	Weighted average remaining life in yrs
2,914,056	-	-	-	**2,914,056**	$ 1.20	Jun.23, 2021	1.81 yrs
2,751,250	-	-	-	**2,751,250**	$ 1.20	Mar.09, 2022	2.52 yrs
-	13,599,260	-	-	**13,599,260**	$ 0.40	Feb.22, 2024	4.48 yrs
-	2,230,754	-	-	**2,230,754**	$ 0.40	Apr. 17, 2024	4.63 yrs
5,665,306	15,830,014	-	-	**21,495,320**	$ 0.61	*(weighted average)*	3.88 yrs

(Unaudited - Stated in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

a) 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 as follows:

Name	Nature of transactions
RIP Services Inc. ("RIP")	Consulting as CFO *(terminated in December 2019)*
Goldnor Global Management Inc. ("GGMI")	Consulting as CFO, Corporate Secretary, corporate compliance services and financial reporting *(terminated in October 2018)*

The Company incurred the following fees in connection with companies owned or partially owned by key management (CEO, CFO, Corporate Secretary) and / or directors. Expenses have been measured at the exchange amount, which is determined on a cost recovery basis.

Three months ended	**November 30, 2019**	November 30, 2018
Consulting fees - RIP	**$ 12,000**	$ -
Consulting fees - GGMI	**-**	38,945
Total	**$ 12,000**	$ 38,945

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

The remuneration of directors and members of key management personnel during the three months ended November 30, 2019 and 2018 were as follows:

Three months ended	**November 30, 2019**	November 30, 2018
Consulting fees	**$ -**	$ 38,945
Wages and benefits (1)	**48,330**	69,406
Directors fees	**-**	13,929
Total	**$ 48,330**	$ 122,280

(1) a portion of wages and benefits are included in exploration and evaluation expenditures

9. SEGMENTED DISCLOSURE

The Company operates in the mineral exploration sector within Colombia.

Note 5 provide disclosure as to the geographic location equipment and of exploration and evaluation assets and expenditures.

10. MANAGEMENT OF CAPITAL

The Company manages its common shares, stock options and warrants as capital (see Note 7). 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.

In order 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.

In order to maximize ongoing exploration expenditures, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in interest bearing Canadian chartered bank account 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.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

For the three months ended	**November 30, 2019**	November 30, 2018
Non-cash investing and financing activities:		
Fair value of shares issued for exploration and evaluation assets	**$ -**	$ -
Reclassification of exploration and evaluation assets to investments	**-**	-
Shares issued for settlement of accounts payable	**-**	55,000
Interest received	**$ 4**	$ 222
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

12. SUBSEQUENT EVENTS

Subsequent to November 30, 2019:

a) The Company completed an offering on a non-brokered private placement basis of 11,120,000 units at a price of $0.10 per unit for gross proceeds of $1,112,000 (of which the first tranche of 5,895,000 units and second tranche of 1,425,000 units were closed for proceeds of $589,500 and $142,500, respectively, in November 2019). Each unit consists of one common share and one non-transferable share purchase warrant, each warrant exercisable into a common share at a price of $0.20 per share for a period of five years. A total of $6,030 was paid in finders' fees, and 48,300 broker warrants, entitling the holder to acquire one common share at a price of 20 cents until November 7, 2024, were also issued in connection with part of the placement.

b) The Company returned 304,583 common shares to treasury (Note 7).

c) On January 24, 2020, the Company completed the acquisition of the Santa Ana Silver Project for consideration of 24,000,000 common shares of the Company and 350,000 common shares finder’s fee.