



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED

MAY 31, 2021 AND 2020

(Expressed in Canadian Dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

SUN SUMMIT MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	May 31, 2021 (Unaudited)	November 30, 2020 (Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,700,012	3,045,869
Marketable securities	993	1,476
Receivables	95,943	89,818
Prepaid expenses	12,371	54,424
	1,809,319	3,191,587
Non-current assets		
Reclamation deposit	27,500	27,500
Equipment (Note 4)	20,228	6,533
Exploration advances	2,000	2,125
Mineral properties (Note 5)	230,297	208,178
	2,089,344	3,435,923
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	220,249	143,724
Flow-through premium (Note 7)	26,238	91,178
	246,487	234,902
Shareholders' equity		
Share capital (Note 8)	20,568,904	19,179,130
Equity reserves (Note 8)	3,619,265	3,216,801
Deficit	(22,345,312)	(19,194,910)
	1,842,857	3,201,021
	2,089,344	3,435,923

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

APPROVED AND AUTHORIZED BY THE DIRECTORS ON JULY 30, 2021:

“ C. PRENTER ” , Director

“ R. STUART ANGUS ” , Director

SUN SUMMIT MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	For the three months ended May 31,		For the six months ended May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
EXPENSES				
Accounting and audit fees (Note 6)	50,887	37,596	73,988	60,535
Advertising and promotion	71,643	8,682	105,568	51,248
Depreciation (Note 4)	1,944	1,787	2,708	3,676
Exploration and evaluation (Note 5)	1,493,185	417,226	2,126,561	480,610
Insurance	2,731	2,472	5,225	3,836
Investor relations	39,938	66,311	74,452	104,110
Legal and professional fees (Note 6)	22,776	27,982	41,595	57,247
Management fees (Note 6)	45,900	17,500	66,200	32,200
Office and administration expenses	15,451	7,177	27,008	14,459
Share-based payments (Note 6)	82,989	27,829	612,819	189,256
Wages and benefits	37,851	25,477	66,361	50,946
Transfer agent and filing fees	12,736	9,952	19,709	13,344
Travel	206	304	206	11,172
Total Expenses	(1,878,237)	(650,295)	(3,222,400)	(1,072,639)
OTHER ITEMS				
Foreign exchange gain (loss)	(345)	1,603	1,732	(2,404)
Gain on disposition of equipment	-	-	-	5,657
Interest income	2,216	1,171	5,808	1,489
Impairment of mineral property (Note 5)	-	(79,165)	-	(79,165)
Recovery of flow-through premium (Note 7)	49,935	-	64,940	-
Unrealized loss on marketable securities	(167)	318	(483)	260
Total Other Items	51,640	(76,073)	71,998	(74,163)
NET AND COMPREHENSIVE LOSS				
FOR THE PERIOD	(1,826,597)	(726,368)	(3,150,402)	(1,146,802)
Basic and diluted loss per common share	(0.03)	(0.02)	(0.06)	(0.04)
Weighted average number of common shares outstanding – basic and diluted	54,057,934	32,806,921	53,029,337	30,152,105

SUN SUMMIT MINERALS CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	For the six months ended May 31,	
	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(3,150,402)	(1,146,802)
Items not affecting cash:		
Depreciation	2,708	3,676
Share-based payments	612,819	189,256
Recovery of flow-through premium (Note 7)	(64,940)	-
Gain on disposition of equipment	-	(5,657)
Unrealized gain on marketable securities	483	(260)
Impairment of mineral property	-	79,165
Foreign exchange	125	(1,117)
Changes in non-cash working capital items:		
Receivables	(6,125)	(18,289)
Prepaid expenses	42,053	(2,481)
Accounts payable and accrued liabilities	76,525	(9,294)
Net cash used in operating activities	(2,486,754)	(911,803)
INVESTING ACTIVITIES		
Exploration advances	-	-
Purchase of property and equipment	(16,403)	(6,441)
Mineral property additions	(22,119)	(12,678)
Sale of property and equipment	-	29,181
Net cash used in investing activities	(38,522)	10,062
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net	-	1,455,568
Proceeds from exercise of warrants and stock options	1,179,419	3,096
Net cash provided by financing activities	1,179,419	1,458,664
CHANGE IN CASH	(1,345,857)	556,923
CASH, BEGINNING OF PERIOD	3,045,869	411,091
CASH, END OF PERIOD	1,700,012	968,014

SUN SUMMIT MINERALS CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY****(Expressed in Canadian Dollars)****(Unaudited)**

	Share Capital		Equity		Total
	Common Shares		Reserves	Deficit	Shareholders' Equity
	#	\$	\$	\$	\$
Balance at November 30, 2019	26,651,028	13,896,908	2,675,388	(15,943,973)	628,323
Shares issued for cash	9,080,409	1,514,859	-	-	1,514,859
Share issuance costs	-	(92,095)	32,804	-	(59,291)
Exercise of warrants	25,800	5,147	(2,051)	-	3,096
Share-based payments	-	-	189,256	-	189,256
Net and comprehensive loss	-	-	-	(1,146,802)	(1,146,802)
Balance at May 31, 2020	35,757,237	15,324,819	2,895,397	(17,090,775)	1,129,441
Balance at November 30, 2020	51,217,824	19,179,130	3,216,801	(19,194,910)	3,201,021
Exercise of warrants	4,290,467	1,045,915	(45,396)	-	1,000,519
Exercise of options	738,332	343,859	(164,959)	-	178,900
Share-based payments	-	-	612,819	-	612,819
Net and comprehensive loss	-	-	-	(3,150,402)	(3,150,402)
Balance at May 31, 2021	56,246,623	20,568,904	3,619,265	(22,345,312)	1,842,857

SUN SUMMIT MINERALS CORP.
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED MAY 31, 2021 AND 2020
(Expressed in Canadian Dollars)
(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Sun Summit Minerals Corp. (“the Company”) was incorporated on September 27, 2005 under the *Business Corporations Act* of British Columbia and its shares trade on the TSX Venture Exchange (the “Exchange”) under the symbol SMN and on the OTCQB Venture Market of the OTC Markets Group Inc. under the symbol SMREF. The Company’s mailing address is 1700 – 1030 W. Georgia Street, Vancouver, BC, V6E 2Y3. The registered and records office address is Suite 704 – 595 Howe Street, Vancouver, BC, V6C 2T5.

The Company is engaged in the acquisition, exploration and development of precious metal properties in British Columbia, Canada.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain resources that are economically recoverable. The realization of amounts shown for mineral properties and related deferred costs is dependent upon the discovery and exploitation of economically recoverable resources, the ability of the Company to obtain necessary financing to complete development, and attaining future profitable production or proceeds from the disposition of such properties.

These condensed interim consolidated financial statements have been prepared by management 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 for the foreseeable future. At May 31, 2021, the Company had not yet achieved profitable operations and has an accumulated deficit of \$22,345,312 since its inception. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt on the entity’s ability to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

In March 2020 the World Health Organization declared the CoViD-19 illness, caused by the novel coronavirus, to be a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Currently, the global pandemic has not had a significant effect on the Company’s operations other than certain delays and ensuring new protocols are being implemented in order to reduce the risk of further spread.

2. BASIS OF PRESENTATION

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended November 30, 2020, which have been prepared in accordance with IFRS as issued by IASB. The accounting policies adopted are consistent with those of the previous financial year, except for recent accounting pronouncements as described in Note 3 below. The Board of Directors approved the condensed interim consolidated financial statements on July 30, 2021.

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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3. RECENT ACCOUNTING PRONOUNCEMENTS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee.

During the period ended May 31, 2021, the Company was not required to, and has not adopted any new standards, interpretations, amendments and improvements to existing standards which had a material impact on the Company's condensed interim consolidated financial statements. The Company also does not expect the adoption of any currently announced new standards, interpretations, amendments and improvements to existing standards to have a material impact on the Company's condensed interim consolidated financial statements.

4. EQUIPMENT

	Office Equipment	Vehicles	Exploration Equipment	Totals
	\$	\$	\$	\$
Cost:				
Balance, November 30, 2019	22,233	26,714	1,635	51,548
Additions	9,138	-	-	4,600
Disposals	(5,105)	(26,714)	(1,635)	(33,421)
Balance, November 30, 2020	27,266	-	-	27,266
Additions	-	-	16,403	16,403
Disposals	-	-	-	-
Balance, May 31, 2021	27,266	-	16,403	43,669
Accumulated depreciation:				
Balance, November 30, 2019	16,642	7,480	693	24,815
Additions	7,161	-	-	7,161
Disposals	(3,070)	(7,480)	(693)	(11,243)
Balance, November 30, 2020	20,733	-	-	20,733
Additions	1,067	-	1,641	2,708
Disposals	-	-	-	-
Balance, May 31, 2021	21,800	-	1,641	23,441
Carrying values:				
Balance, November 30, 2020	6,533	-	-	6,533
Balance, May 31, 2021	5,466	-	14,762	20,228

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NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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5. MINERAL PROPERTIES

A summary of capitalized acquisition costs is as follows:

	CUATRO DE MAYO PROJECT	BUCK PROPERTY	TOTAL
	\$	\$	\$
Balance at November 30, 2019	79,165	62,500	141,665
Additions:			
Cash payments	-	37,678	37,678
Common shares issued	-	108,000	108,000
Write-down	(79,165)	-	(79,165)
Balance, November 30, 2020	-	208,178	208,178
Additions:			
Cash payments	-	22,119	22,119
Balance, May 31, 2021	-	230,297	230,297

Exploration and evaluation costs incurred during the six months ended May 31, 2021 and 2020 are as follows:

	BUCK PROPERTY	OTHER PROJECTS	TOTAL
	\$	\$	\$
Drilling	903,308	-	903,308
Equipment rental	70,322	-	70,322
Field supplies and on-site expenses	48,501	-	48,501
Geochemical surveying	465,087	-	465,087
Geological consulting	26,100	834	26,934
Geophysics, topographic, mapping	43,322	-	43,322
Miscellaneous	27,699	10,336	38,034
Mineral rights	-	6,705	6,705
On-site personnel costs	320,377	-	320,377
Sampling, prospecting, study	89,361	38	89,399
Transportation and accommodation	112,053	2,520	114,573
Expenses for the six months ended May 31, 2021	2,106,129	20,432	2,126,561
Field supplies and on-site expenses	85,800	2,308	88,108
Geological consulting	40,600	12,254	52,854
Geophysics, topographic, mapping	22,969	-	22,969
Mineral rights	-	3,833	3,833
Sampling, prospecting, study	296,484	-	296,484
Travel expenses	14,373	1,989	16,362
Expenses for the six months ended May 31, 2020	460,226	20,384	480,610

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5. MINERAL PROPERTIES (continued)

Buck Property

As of July 5, 2019, the Company entered into an option agreement (the “Buck Agreement”) to acquire a 100% interest in a mineral property in north-central British Columbia (the “Buck Property”). To exercise the option and obtain a 100% interest in the Buck Property, the Company must incur \$112,000 in exploration expenditures by December 31, 2019, and make cash payments totalling \$300,000 and issue 4,000,000 common shares of the Company on or before the fifth anniversary of Exchange approval of the Buck Agreement, on October 9, 2019, as follows:

	Cash	Common shares
	\$	#
On October 9, 2019 (paid and issued)	25,000	250,000
On or before October 9, 2020 (paid and issued)	25,000	400,000
On or before October 9, 2021	25,000	500,000
On or before October 9, 2022	25,000	750,000
On or before October 9, 2023	50,000	1,000,000
On or before October 9, 2024	150,000	1,100,000
Total	300,000	4,000,000

On the exercise of the option, the optionors will be granted a 2.5% net smelter return (“NSR”) royalty on any commercial production from the Property. An additional 4,000,000 common shares are also to be issued to the optionors upon the earlier of the completion of a bankable feasibility study or the eighth anniversary of the Exchange’s approval of the Buck Agreement on October 9, 2019.

During the year ended November 30, 2020, the Company made cash payments totalling \$12,678 to stake additional claims adjacent to the existing claims comprising the Buck Property. During the six months ended May 31, 2021, the Company made cash payments totalling \$22,119 to stake additional claims adjacent to the existing claims comprising the Buck Property. To date, the Company has made cash payments of \$50,000 to the optionors and issued 650,000 common shares to the optionors pursuant to the Buck Agreement.

Chunibas

On January 22, 2015, the Company signed an option agreement with Argonaut Gold Inc. (“Argonaut”) to acquire a concession in the El Chunibas area in northwestern Mexico for cash payments of US\$50,000 over two years. The Company paid \$12,250 (US\$10,000) during fiscal 2015 and the remaining \$54,511 (US\$40,000) during the year ended November 30, 2016. Argonaut retains a 1% NSR royalty on any future production, one-half of which can be purchased by the Company for US\$1,000,000.

On January 27, 2015, the Company acquired 100% ownership of an additional claim in the El Chunibas area in northwestern Mexico for \$12,404 (US\$10,000). There is no retained interest or future royalty payable to the counterparty to the acquisition agreement, a private Mexican citizen.

Other Projects

During the year ended November 30, 2020, the Company recorded a write-down of \$79,165 (2019 - \$Nil), pertaining to the capitalized acquisition costs of the Cuatro de Mayo project in Mexico. Currently the Company does not have any future plans to continue exploration work on the property.

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6. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

The remuneration of the directors and the chief executive officer for the six months ended May 31, 2021 and 2020 were as follows:

	2021	2020
	\$	\$
Management fees ⁽ⁱ⁾	85,500	72,800
Share based payments – included in wages and benefits	368,681	112,697
Total	454,181	185,497

(i) Management fees includes \$59,400 (2020 – \$32,200) classified as management fees and \$26,100 (2020 - \$40,600) classified as exploration and evaluation costs paid to related parties.

Transactions with other related parties

Certain of the Company’s officers render services to the Company through entities in which they are an officer, director, or partner.

The Company incurred the following fees and expenses during the six months ended May 31, 2021 and 2020 with these related parties as follows:

	2021	2020
	\$	\$
Accounting fees	42,250	33,800
Legal fees	39,506	28,670
Legal fees related to share issuance costs	-	16,700
Total	81,756	79,170

At May 31, 2021, there was \$Nil (November 30, 2020 - \$33,610) included in accounts payable and accrued liabilities that was owing to related parties for accounting and legal fees.

7. FLOW-THROUGH PREMIUM

During the year ended November 30, 2020, the Company issued flow-through units and recognized a non-cash deferred flow-through premium of \$129,960 as the difference between the fair value of the amounts recognized as equity and the amounts paid by investors. During the six months ended May 31, 2021, the Company recognized \$64,940 as recovery of the deferred flow-through premium liability as other income based on the amount of eligible expenditures incurred. As at May 31, 2021, the remaining unrealized flow-through premium was \$26,238 (November 30, 2020 - \$91,178).

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8. SHARE CAPITAL AND EQUITY RESERVES

- a) Authorized
Unlimited number of common shares without par value
- b) Issued

During the six months ended May 31, 2021:

- i. The Company issued 4,290,467 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$1,000,519. In connection with the exercise of share purchase warrants, the Company reallocated \$45,396 from contributed surplus to shareholders' equity.
- ii. The Company issued 738,332 common shares pursuant to the exercise of stock options for gross proceeds of \$178,900. In connection with the exercise of stock options, the Company reallocated \$164,959 from contributed surplus to shareholders' equity.

During the six months ended May 31, 2020:

- i. The Company issued 266,667 flow-through common shares pursuant to a private placement for gross proceeds of \$40,000.
- ii. The Company issued 5,813,703 common shares pursuant to a private placement wherein the Company issued 5,813,703 units at a price of \$0.135 per unit for gross proceeds of \$784,850. Each unit consisted of one common share and one-half share purchase warrant, with each full warrant to purchase one common share for three years at a price of \$0.20.

In connection with the private placement, the Company paid cash finders' fees of \$37,100 and issued 274,820 finders' warrants, with each warrant exercisable to purchase one common share for one year at a price of \$0.135. The Company also incurred other share issuance costs of \$9,750 in connection with the private placement.

- iii. The Company issued 3,000,039 common shares pursuant to a private placement wherein the Company issued 3,000,039 units at a price of \$0.23 per unit for gross proceeds of \$690,009. Each unit consisted of one common share and one share purchase warrant to purchase one common share for three years at a price of \$0.30. The Company incurred share issuance costs of \$11,206 in connection with the private placement.
- iv. The Company issued 25,800 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$3,096. In connection with the exercise of the share purchase warrants, the Company reallocated \$2,051 from equity reserves to share capital.

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8. SHARE CAPITAL AND EQUITY RESERVES (continued)

c) Stock options

The Company's stock option transactions are as follows:

	Number of Shares issuable under Options	Weighted Average Exercise Price
		\$
Shares issuable under Options outstanding at November 30, 2019	1,750,000	0.50
Granted	2,050,000	0.23
Expired	(66,667)	0.48
Shares issuable under Options outstanding at November 30, 2020	3,733,333	0.35
Granted	1,475,000	0.43
Exercised	(738,332)	0.24
Shares issuable under Options outstanding at May 31, 2021	4,470,001	0.40
Shares issuable under Options exercisable at May 31, 2021	4,141,250	0.40

As at May 31, 2021, the following stock options were outstanding:

Number of Shares issuable under Options Outstanding	Exercise Price	Expiry Date
	\$	
50,000	0.30	June 6, 2021
50,000	0.18	December 31, 2021
133,334	0.56	February 1, 2022
500,000	0.57	June 2, 2022
100,000	0.48	July 12, 2022
66,667	0.54	October 2, 2022
75,000	0.43	January 13, 2023
600,000	0.56	June 25, 2023
750,000	0.18	February 6, 2025
300,000	0.30	June 1, 2025
150,000	0.30	June 15, 2025
150,000	0.31	August 4, 2025
75,000	0.28	October 22, 2025
200,000	0.30	November 10, 2025
1,225,000	0.43	January 13, 2026
45,000	0.38	January 31, 2026
4,470,001		

As at May 31, 2021 the stock options outstanding have a weighted average outstanding life of 3.24 years.

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8. SHARE CAPITAL AND EQUITY RESERVES (continued)

c) Stock options (continued)

The Company has a 10% rolling stock option plan whereby the Company may from time to time, in accordance with the Exchange's requirements, grant to directors, officers, employees and consultants options to purchase common shares of the Company. The options can be granted for a maximum of five years, the vesting provisions are determined by the Board of Directors and, the exercise price of each option is required to be no less than the market price of the Company's stock as calculated immediately preceding the day of the grant and shall not be less than \$0.10 per share.

During the six months ended May 31, 2021, the Company granted stock options to various directors, officers and consultants of the Company to purchase 1,475,000 common shares. Each stock option is exercisable at prices ranging from \$0.38 to \$0.48 for a period ranging from 18 months to five years.

During the six months ended May 31, 2020, the Company granted stock options to various directors, officers and consultants of the Company to purchase 1,175,000 common shares. Each stock option is exercisable at a price of \$0.18 per common share for a period ranging from 13 months to five years.

During the six months ended May 31, 2021 and 2020, the Company recorded share-based payments of \$529,830 (2020 - \$189,256) in connection with the stock options granted and vested during the period. The fair value of the stock options granted was estimated as at the date of the grant using the Black-Scholes Option Pricing Model and the following weighted average assumptions:

	2021	2020
Risk free interest rate	0.42%	1.36%
Expected life of options	4.61 years	4.84 years
Expected dividend yield	0%	0%
Expected stock price volatility	125%	159%
Exercise price	\$0.43	\$0.18
Stock price	\$0.43	\$0.17
Weighted average fair value per option	\$0.35	\$0.16

d) Warrants

The Company's warrant transactions are as follows:

	Number of Shares issuable under Warrants	Weighted Average Exercise Price
		\$
Shares issuable under Warrants outstanding at November 30, 2019	3,887,136	0.20
Exercised	(1,331,102)	
Issued	13,917,865	
Shares issuable under Warrants outstanding at November 30, 2020	16,473,899	0.28
Exercised	(4,290,467)	
Expired	(121,618)	
Shares issuable under Warrants outstanding at May 31, 2021	12,061,814	0.30

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8. SHARE CAPITAL AND EQUITY RESERVES (continued)

d) Warrants (continued)

As at May 31, 2021, the following share purchase warrants were outstanding:

Number of Shares issuable under Warrants	Exercise Price	Expiry Date
	\$	
1,510,000	0.20*	November 21, 2022
841,473	0.20	February 19, 2023
3,000,039	0.30	May 29, 2023
6,311,899	0.34	July 23, 2022
398,403	0.26	July 23, 2022
12,061,814		

* The exercise price of these warrants will increase to \$0.25 on November 22, 2021.

As at May 31, 2021, the warrants outstanding have a weighted average outstanding life of 1.05 years.

During the six months ended May 31, 2020, the Company issued 274,820 finders' warrants in connection with a private placement completed during the quarter. The Company recorded share issuance costs of \$32,804 in connection with the finders' warrants. The fair value of the finders' warrants was estimated as at the date of the grant using the Black-Scholes Option Pricing Model and the following weighted average assumptions:

	2021	2020
Risk free interest rate	-	1.63%
Expected life of warrants	-	1.00 years
Expected dividend yield	-	0%
Expected stock price volatility	-	151%
Exercise price	-	\$0.135
Stock price	-	\$0.19
Weighted average fair value per warrants	\$ -	\$0.12

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9. SEGMENTED INFORMATION

The Company currently conducts substantially all of its operations in Canada and Mexico in one business segment being the exploration and development of mineral properties. Geographical information for the Company's significant non-current assets is as follows:

May 31, 2021	Canada	Mexico	Total
	\$	\$	\$
Reclamation deposit	27,500	-	27,500
Equipment	20,228	-	20,228
Exploration advances	-	2,000	2,000
Mineral properties	230,297	-	230,297
	278,025	2,000	280,025
November 30, 2020	Canada	Mexico	Total
	\$	\$	\$
Reclamation deposit	27,500	-	27,500
Equipment	6,533	-	6,533
Exploration advances	-	2,125	2,125
Mineral properties	208,178	-	208,178
	242,211	2,125	244,336

10. COMMITMENTS

During the year ended November 30, 2020, the Company issued flow-through common shares for gross proceeds of \$4,136,214. Expenditures related to the use of flow-through share proceeds are not available as a tax deduction to the Company as the tax benefits of these expenditures are renounced to the investors. As at May 31, 2021, the Company had \$825,749 (November 30, 2020 - \$2,872,528) in unspent flow-through funds. The Company was required to incur these expenditures before December 31, 2020 under the general rule and before December 31, 2021 under the look-back rule. The Government of Canada has announced that it may extend the look-back rule by one year which would mean the Company could have until December 31, 2022 to incur these expenditures.

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11. SUBSEQUENT EVENTS

Subsequent to May 31, 2021:

- i. The Company issued 750,037 common shares pursuant to the exercise of share purchase warrants for gross proceeds of \$228,827.
- ii. The Company issued 180,000 common shares pursuant to the exercise of stock options for gross proceeds of \$38,400.
- iii. The Company issued 6,953,878 units for gross proceeds of \$5,000,000 pursuant to a brokered financing. Each unit consisted of one flow-through common share and one-half of a share purchase warrant, with each whole share purchase warrant exercisable to purchase one additional (non-flow-through) common share of the Company at a price of \$0.90 for a period of two years.

The Company paid commissions, fees and expenses totalling approximately \$332,542 and issued 207,838 and 163,198 brokers' warrants, with each brokers' warrant exercisable to purchase one common share of the Company at a price of \$0.66 and \$0.81, respectively, for a period of two years.