
NORTHSTAR GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED
OCTOBER 31, 2019
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Northstar Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Northstar Gold Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at October 31, 2019	As at April 30, 2019
ASSETS		
Current Assets		
Cash	\$ 2,622	\$ 90,965
Prepays and other assets	198,724	111,847
Sales tax receivable	8,070	18,095
Total Current Assets	209,416	220,907
Non-Current Assets		
Property and equipment (note 4)	6,461	7,485
Exploration and evaluation assets (note 5)	4,421,653	4,421,653
Total Assets	\$ 4,637,530	\$ 4,650,045
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 399,511	\$ 156,023
Flow-through share premium liability	36,452	36,452
Shareholder advances (note 6)	130,000	-
Total Liabilities	565,963	192,475
Equity		
Share capital (note 7(b))	11,615,971	11,615,971
Warrant reserves (note 7(c))	186,312	186,312
Contributed surplus	367,399	367,399
Units to be issued	60,928	60,928
Deficit	(8,159,043)	(7,773,040)
Total Equity	4,071,567	4,457,570
Total Equity and Liabilities	\$ 4,637,530	\$ 4,650,045

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of Operations (note 1)

Going Concern (note 2)

Subsequent Event (note 11)

Northstar Gold Corp.**Condensed Interim Statements of Income (loss) and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended		Six Months Ended	
	October 31,		October 31,	
	2019	2018	2019	2018
Expenses				
Professional fees	\$ 31,793	\$ 35,613	\$ 47,497	\$ 70,345
Salaries and related benefits	29,117	33,986	58,576	50,933
General and administration	104,068	16,724	150,241	37,572
Travel	37,609	4,471	44,868	8,716
Exploration expenses (note 5)	29,830	86	33,711	2,188
Depreciation	512	356	1,024	712
Consulting	40,000	-	50,000	-
Income (loss) Before Other (Expense) Income	(272,929)	(91,236)	(385,917)	(170,466)
Loss on foreign exchange	(41)	-	(86)	-
Net Loss and Comprehensive Loss for the Period	\$ (272,970)	\$ (91,236)	\$ (386,003)	\$ (170,466)
Basic and Diluted Loss per Share (notes 1 and 8)	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted Average Number of Common Shares Outstanding	25,014,032	22,885,086	25,014,032	22,785,086

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the Six Months Ended October 31,	2019	2018
Operating Activities		
Net loss for the period	\$ (386,003)	\$ (170,466)
Adjustments for:		
Depreciation	1,024	712
Changes in non-cash working capital items:		
Prepaid expenses and other assets	(86,877)	7,500
Sales tax receivable	10,025	(3,537)
Amounts payable and other liabilities	243,488	3,856
Net Cash Used In Operating Activities	(218,343)	(161,935)
Financing Activities		
Shares issued in private placements, net	-	49,020
Shareholder advances	130,000	-
Units to be issued	-	223,965
Net Cash Provided by Financing Activities	130,000	272,985
Net Change in Cash	(88,343)	111,050
Cash, Beginning of Period	90,965	9,714
Cash, End of Period	\$ 2,622	\$ 120,764

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

	Common Shares	Amount	Contributed Surplus	Warrants Reserve	Shares and Units to be Issued	Deficit	Total
Balance, April 30, 2018	22,618,420	\$ 11,187,919	\$ -	\$ -	\$ 30,000	\$ (6,885,364)	\$ 4,332,555
Private placement, net of issuance costs	266,667	63,414	-	15,606	(30,000)	-	49,020
Units to be issued	-	-	-	-	223,965	-	223,965
Net loss for the period	-	-	-	-	-	(170,466)	(170,466)
Balance, October 31, 2018	22,885,087	\$ 11,251,333	\$ -	\$ 15,606	\$ 223,965	\$ (7,055,830)	\$ 4,435,074
Balance, April 30, 2019	25,014,032	\$ 11,615,971	\$ 367,399	\$ 186,312	\$ 60,928	\$ (7,773,040)	\$ 4,457,570
Net loss for the period	-	-	-	-	-	(386,003)	(386,003)
Balance, October 31, 2019	25,014,032	\$ 11,615,971	\$ 367,399	\$ 186,312	\$ 60,928	\$ (8,159,043)	\$ 4,071,567

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Business

Northstar Gold Corp. (the "Company") was incorporated on May 20, 2008 under the laws of Ontario, Canada and is an exploration stage junior mining company. The Company's registered office is located at 17 Wellington Street, New Liskeard, Ontario, Canada.

The Company is engaged in the identification, evaluation and exploration of mineral properties in Ontario, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

These financial statements were authorized for issuance by the Board of Directors of the Company on December 30, 2019.

On June 28, 2019, the Company filed a final prospectus and application for a public listing on the Canadian Stock Exchange. Pursuant to the terms of the submission for the final prospectus, the Company is required to complete the initial public offering no later than 90 days from the date of filing, raising a minimum of \$3,000,000 to a maximum of \$4,000,000 at \$0.30 per common share.

On September 23, 2019, the Company withdrew its Prospectus dated June 28, 2019. On October 14, 2019, the Company filed a new preliminary prospectus in connection with a minimum offering for \$2,500,000 and a maximum of \$4,000,000 at \$0.30 per share, receiving final receipt from the Ontario Securities Commission on November 14, 2019. In conjunction with the Initial Public Offering, the Company raised \$2,995,649 for the issuance of 9,965,498 common shares, which is expected to close on December 31, 2019.

The Company's shares are expected to commence trading on the Canadian Securities Exchange on or about January 2, 2020.

2. Going Concern

As at October 31, 2019, the Company had not yet commenced production and had accumulated losses of \$8,159,043. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its financial statements.

The accompanying condensed interim financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

3. Basis of Preparation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2019.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2019 with the exception of the adoption of new pronouncements, which had no impact on the results of operations or financial position of the Company.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim financial statements are consistent with those applied and disclosed in note 3 to the Company's financial statements for the year ended April 30, 2019.

These unaudited condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Adoption of New Accounting Pronouncements

The following accounting pronouncements were adopted during the current period:

IFRS 16 Leases

A finalized version of IFRS 16 Leases replaces IAS 17 Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The Company adopted this standard on May 1, 2019, with no resulting change to its condensed interim financial statements, as no leases held had terms greater than one year.

IFRS 23 Uncertainty Over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Company adopted this standard on May 1, 2019, with no resulting change to its condensed interim financial statements.

There are no other relevant IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Northstar Gold Corp.**Notes to Condensed Interim Financial Statements****Three and Six Months Ended October 31, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

4. Property and Equipment

Cost	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, May 1, 2018	\$ 1,500	\$ 6,968	\$ 13,132	\$ 2,833	\$ 24,433
Additions	-	-	-	1,994	1,994
Balance, April 30, 2019 and October 31, 2019	\$ 1,500	\$ 6,968	\$ 13,132	\$ 4,827	\$ 26,427

Accumulated Depreciation	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, May 1, 2018	\$ 309	\$ 2,420	\$ 11,819	\$ 2,721	\$ 17,269
Depreciation for the year	60	909	393	311	1,673
Balance, April 30, 2019	\$ 369	\$ 3,329	\$ 12,212	\$ 3,032	\$ 18,942
Depreciation for the period	28	364	138	494	1,024
Balance, October 31, 2019	\$ 397	\$ 3,693	\$ 12,350	\$ 3,526	\$ 19,966

Carrying value	Building	Furniture and Equipment	Vehicles	Computer	Total
Balance, April 30, 2019	\$ 1,131	\$ 3,639	\$ 920	\$ 1,795	\$ 7,485
Balance, October 31, 2019	\$ 1,103	\$ 3,275	\$ 782	\$ 1,301	\$ 6,461

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

5. Exploration and Evaluation Assets

	Boston Creek- Miller	Bryce	Temagami- Milestone	Total
Balance, April 30, 2018	\$ 169,831	\$ 4,247,822	\$ 4,000	\$ 4,421,653
Balance, April 30, 2019	\$ 169,831	\$ 4,247,822	\$ 4,000	\$ 4,421,653
Balance, October 31, 2019	\$ 169,831	\$ 4,247,822	\$ 4,000	\$ 4,421,653

(a) Boston Creek - Miller Project, Ontario

The Boston Creek-Miller Project is the Company's flagship property located in the Catherine, Pacaud, Boston and McElroy Townships in the Larder Lake mining division of Northeastern Ontario. All claims are 100% owned by the Company. These claims were acquired in 2013 and 2014 by issuing 500,000 common shares at a price of \$0.30 for a total of \$150,000 and cash payments of \$19,831.

The Boston Creek-Miller Project is subject to a 0.25% net smelter royalty (the "NSR"), with an option to buy out for \$250,000 on 16 hectares of land in Pacaud township. There is a 3% NSR on 32 hectares of the Campbell portion of the property. There is a 2% NSR on 96 hectares in Catharine Township with a 1% buy back for \$1,000,000 and a right of first refusal on the remaining 1% NSR. The remaining 240 hectares in Catharine Township also carries a 2% NSR, with a 1% buy back for \$1,000,000 and a right of first refusal on the remaining 1% NSR. The 32 hectares of freehold patents hold a 3% NSR.

All exploration expenses during the periods, net of recoveries on sale of gold extracted from samples, relate to the above property.

(b) Bryce Project, Ontario

The Bryce Project is located in Bryce and Tudhope Township in the Larder Lake mining division of Northeastern Ontario. The Company owns 100% of the unpatented claims. The Company also has 100% ownership of the mining rights to patented ground contiguous with the rest of the Bryce Property. These claims were acquired in 2008, 2009 and 2010 by issuing 7,041,667 shares at a price of \$0.60 for a total of \$4,225,000 and cash payments of \$22,822.

The Bryce Project is subject to a 3% NSR on 672 hectares in Bryce Township with a right of first refusal on a buy out of the NSR. There is also a 3% NSR on another 176 hectares in Bryce with an option to buyback \$500,000 per 0.5% for a total of \$1,500,000 and a right of first refusal on the remaining 1.5%. The 80 hectares of patented land is subject to a 3% NSR, with a right of first refusal option to buy back 2% at a rate of \$100,000 per 0.5%, for a total of \$400,000 and a right of first refusal on the remaining 1%.

(c) Temagami-Milestone, Ontario

The Temagami-Milestone Project is located in Strathcona Township in Northeastern Ontario and is currently in the early stages of exploration. All claims are 100% owned by the Company. No royalties exist on the Property. These claims were acquired in 2012 for staking costs of \$4,000.

Title to Mineral Property Interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, noncompliance with regulatory requirements or aboriginal land claims, and title may be affected by undetected defects.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

6. Related Party Transactions and Key Management Compensation

The Company has contracts for management and geological services plus costs incurred in providing these services with its key management, namely officers, administrators and directors and companies controlled by management. Transactions are recorded at their fair value, which is the agreed upon amount between the parties to provide the services.

- During the three and six months ended October 31, 2019, the Company paid \$28,460 and \$57,784, respectively (three and six months ended October 31, 2018 - \$32,193 and \$49,140, respectively) in fees to the Company's VP, exploration. Included in accounts payable is \$1,810 (April 30, 2019 - \$nil) in relation to these fees and reimbursable expenses.
- During the three and six months ended October 31, 2019, the Company paid \$40,000 and \$50,000, respectively (three and six months ended October 31, 2018 - \$nil) to the Company's Chief Executive Officer. Included in accounts payable is \$49,282 (April 30, 2019 - \$15,299) in relation to these fees and reimbursable expenses.
- During the six months ended October 31, 2019, the Company received working capital advances from its directors of \$130,000 in aggregate. These advances are unsecured, non-interest bearing and have no fixed terms for repayment.

During the three and six months ended October 31, 2019, the Company expensed \$15,203 and \$29,703, respectively (three and six months ended October 31, 2019 - \$nil) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

- (i) Robert D.B. Suttie to act as Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping and office support services;
- (iii) Corporate filing services
- (iv) Corporate secretarial service

The Marrelli Group is also reimbursed for out of pocket expenses.

Both Marrelli Support and DSA are private companies. Robert Suttie is the President of Marrelli Support.

As of October 31, 2019 the Marrelli Group was owed \$71,369 (April 30, 2019 - \$20,965) and these amounts were included in accounts payable and accrued liabilities.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

7. Share Capital

(a) **Authorized Share Capital**

The Company is authorized to issue an unlimited number of common shares.

(b) **Common Shares Issued**

The following is a summary of common shares issued during periods ended October 31, 2019 and 2018:

	Number of Common Shares	Amount
Balance, April 30, 2018	22,618,420	\$ 11,187,919
Private placement, net of share issuance costs	266,667	79,020
Proceeds allocated to warrants	-	(15,606)
Balance, October 31, 2018	22,885,087	\$ 11,251,333
Balance, April 30, 2019 and October 31, 2019	25,014,032	\$ 11,615,971

(c) **Warrants**

The following table reflects the continuity of warrants for the six months ended October 31, 2019 and 2018:

	Number of Warrants	Amount
Balance, April 30, 2018, Issued on private placement	-	\$ -
	266,667	15,606
Balance, October 31, 2018	266,667	\$ 15,606
Balance, April 30, 2019 and October 31, 2019	2,191,400	\$ 186,312

Northstar Gold Corp.**Notes to Condensed Interim Financial Statements****Three and Six Months Ended October 31, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

7. Share Capital (Continued)**(c) Warrants (Continued)**

The following table reflects the warrants outstanding and exercisable as of October 31, 2019:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (Years)	Number of Warrants Outstanding
July 4, 2020	0.54	0.68	266,667
January 28, 2021	0.54	1.25	1,450,667
January 28, 2021	0.30	1.25	10,693
March 18, 2021	0.54	1.38	432,164
March 18, 2021	0.30	1.38	12,320
March 18, 2021	0.36	1.38	18,889
	0.54	1.21	2,191,400

(d) Stock Options

The following table reflects the continuity of stock options for the six months ended October 31, 2019 and 2018:

	Number of Stock Options	Weighted Average Exercise Price (\$)
Balance, April 30, 2018, and October 31, 2018	-	-
Balance, April 30, 2019 and October 31, 2019	2,200,000	0.30

As at October 31 2019, all 2,200,000 (April 30, 2019 - 2,200,000) issued and outstanding options were exercisable.

The following table reflects the stock options issued and outstanding as of October 31, 2019:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding
February 9, 2024	0.30	4.28	2,200,000

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

8. Loss per Share

The calculation of basic and diluted loss per share for the six months ended October 31, 2019 and 2018 were based on the loss attributable to common shareholders of \$386,003 (six months ended October 31, 2018 - \$170,466) and the weighted average number of common shares outstanding of 25,014,032 (six months ended October 31, 2018 - 22,785,086). Diluted loss per share did not include the effect of warrants and stock options as they are anti-dilutive.

9. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended October 31, 2019 or 2018. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at October 31, 2019 totaled \$4,071,567 (April 30, 2019 - \$4,457,570). The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to sustain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification and development of precious metal and base metal deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2019

(Expressed in Canadian Dollars)

(Unaudited)

10. Financial Instruments and Risk Management

The Company has determined the fair value of its financial instruments as follows:

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments and their market rates of interest.

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the Company's cash is held with a highly rated Canadian financial institution in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 9. At October 31, 2019, the Company's current liabilities, which comprise accounts payable and accrued liabilities total \$399,511. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or exchange rate volatility.

11. Subsequent Event

Subsequent to October 31, 2019, the Company received an additional \$38,000 in working capital advances from its directors. These advances are unsecured, non-interest bearing and have no fixed terms for repayment.