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**NORTHSTAR GOLD CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**THREE AND SIX MONTHS ENDED**  
**OCTOBER 31, 2021**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**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)**

<b>As at</b>	<b>October 31, 2021</b>	<b>April 30, 2021</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 1,706,409	\$ 1,261,898
Prepays and other assets	159,243	211,458
Sales tax receivable	109,034	74,605
<b>Total Current Assets</b>	<b>1,974,686</b>	<b>1,547,961</b>
<b>Non-Current Assets</b>		
Property and equipment (note 4)	3,041	3,571
Exploration and evaluation assets (note 5)	4,608,903	4,445,153
<b>Total Assets</b>	<b>\$ 6,586,630</b>	<b>\$ 5,996,685</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 732,472	\$ 372,848
Flow-through share premium liability (note 10)	394,067	302,138
Shareholder advances (note 7)	35,000	35,000
Government loan (note 6)	60,000	60,000
<b>Total Liabilities</b>	<b>1,221,539</b>	<b>769,986</b>
<b>Equity</b>		
Share capital (note 8(b))	17,390,124	16,164,464
Warrant reserves (note 8(c))	1,138,148	809,969
Contributed surplus	1,075,923	939,124
Deficit	(14,239,104)	(12,740,858)
<b>Total Equity</b>	<b>5,365,091</b>	<b>5,172,699</b>
<b>Total Equity and Liabilities</b>	<b>\$ 6,586,630</b>	<b>\$ 5,942,685</b>

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 Events** (note 15)

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

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	<b>Three Months Ended October 31,</b>		<b>Six Months Ended October 31,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Expenses</b>				
Professional fees	\$ 11,357	\$ 29,350	\$ 34,187	\$ 41,599
Investor relations	72,654	45,000	155,386	97,500
Advertising and promotion	25,090	10,199	34,956	27,074
Salaries and related benefits	28,844	25,364	59,762	54,229
General and administration	77,321	39,733	127,376	73,907
Travel	8,152	2,682	9,351	6,445
Exploration expenses (note 11)	746,868	273,213	898,649	1,183,630
Depreciation	265	512	530	1,024
Stock-based compensation	76,458	13,950	82,799	27,890
Consulting	47,625	39,000	95,250	78,000
<b>Income (loss) Before Other (Expense) Income</b>	<b>(1,094,634)</b>	<b>(479,003)</b>	<b>(1,498,246)</b>	<b>(1,591,298)</b>
<b>Net Loss and Comprehensive Loss for the Period</b>	<b>\$ (1,094,634)</b>	<b>\$ (479,003)</b>	<b>\$ (1,498,246)</b>	<b>\$ (1,591,298)</b>
<b>Basic and Diluted Loss per Share</b> (notes 1 and 9)	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.04)</b>
<b>Weighted Average Number of Common Shares Outstanding - basic and diluted</b>	<b>51,941,130</b>	<b>38,846,364</b>	<b>50,286,065</b>	<b>38,836,602</b>

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)**

<b>For the Six Months Ended October 31,</b>	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (1,498,246)	\$ (1,591,298)
Adjustments for:		
Depreciation	530	1,024
Stock-based compensation	82,799	27,890
Changes in non-cash working capital items:		
Prepaid expenses and other assets	52,215	108,739
Sales tax receivable	(34,429)	(160,071)
Amounts payable and other liabilities	359,623	232,530
<b>Net Cash Used In Operating Activities</b>	<b>(1,037,508)</b>	<b>(1,381,186)</b>
<b>Investing Activities</b>		
Funds held in trust	-	502,843
Acquisition of exploration and evaluation assets	(75,000)	-
<b>Net Cash Provided by (Used In) Investing Activities</b>	<b>(75,000)</b>	<b>502,843</b>
<b>Financing Activities</b>		
Shares issued on exercise of warrants	7,100	19,240
Shares issued on private placements	1,549,919	-
<b>Net Cash Provided by Financing Activities</b>	<b>1,557,019</b>	<b>19,240</b>
<b>Net Change in Cash for the Period</b>	<b>444,511</b>	<b>(859,103)</b>
<b>Cash, Beginning of Period</b>	<b>1,261,898</b>	<b>905,377</b>
<b>Cash, End of Period</b>	<b>\$ 1,706,409</b>	<b>\$ 46,274</b>

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	Deficit	Total
<b>Balance, April 30, 2020</b>	<b>38,787,971</b>	<b>\$ 14,521,400</b>	<b>\$ 560,609</b>	<b>\$ 605,708</b>	<b>\$ (9,733,747)</b>	<b>\$ 5,953,970</b>
Exercise of broker warrants	64,132	30,984	-	(11,744)	-	19,240
Expiration of warrants	-	-	15,606	(15,606)	-	-
Stock-based compensation	-	-	27,890	-	-	27,890
Net loss for the period	-	-	-	-	(1,591,298)	(1,591,298)
<b>Balance, October 31, 2020</b>	<b>38,852,103</b>	<b>\$ 14,552,384</b>	<b>\$ 604,105</b>	<b>\$ 578,358</b>	<b>\$ (11,325,045)</b>	<b>\$ 4,409,802</b>
Balance, April 30, 2021	48,477,853	\$ 16,164,464	\$ 993,124	\$ 809,969	\$ (12,740,858)	\$ 5,226,699
Private placement, net of issuance costs	5,808,178	1,549,919	-	-	-	1,549,919
Warrants issued	-	(288,290)	-	288,290	-	-
Broker warrants issued	-	(44,716)	-	44,716	-	-
Shares issued for exploration and evaluation assets	250,000	88,750	-	-	-	88,750
Exercise of broker warrants	28,400	11,927	-	(4,827)	-	7,100
Flow-through share premium	-	(91,930)	-	-	-	(91,930)
Stock-based compensation	-	-	82,799	-	-	82,799
Net loss for the period	-	-	-	-	(1,498,246)	(1,498,246)
<b>Balance, October 31, 2021</b>	<b>54,564,431</b>	<b>\$ 17,390,124</b>	<b>\$ 1,075,923</b>	<b>\$ 1,138,148</b>	<b>\$ (14,239,104)</b>	<b>\$ 5,365,091</b>

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

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**Northstar Gold Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Six Months Ended October 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**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 condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on December 22, 2021.

**2. Going Concern**

As at October 31, 2021, the Company had not yet commenced production and had accumulated losses of \$14,239,104 (April 30, 2021 - \$12,740,858). During the six months ended October 31, 2021, the Company incurred a loss of \$1,498,246 (Six months ended October 31, 2020 - \$1,591,298) 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 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 which assumes the Company will be able to realize and discharge its liabilities in the normal course of business. 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 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. Such adjustments could be material.

**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, 2021.

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, 2021.

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**Northstar Gold Corp.****Notes to Condensed Interim Financial Statements****Three and Six Months Ended October 31, 2021****(Expressed in Canadian Dollars)****(Unaudited)**

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**3. Basis of Preparation (Continued)**

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, 2021.

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

**4. Property and Equipment**

<b>Cost</b>	<b>Building</b>	<b>Furniture and Equipment</b>	<b>Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
Balance, April 30, 2020, April 30, 2021 and October 31, 2021	\$ 1,500	\$ 6,968	\$ 13,132	\$ 4,827	\$ 26,427

  

<b>Accumulated Depreciation</b>	<b>Building</b>	<b>Furniture and Equipment</b>	<b>Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
Balance, April 30, 2020	\$ 425	\$ 4,057	\$ 12,488	\$ 4,020	\$ 20,990
Depreciation for the year	56	727	276	807	1,866
Balance, April 30, 2021	\$ 481	\$ 4,784	\$ 12,764	\$ 4,827	\$ 22,856
Depreciation for the period	28	364	138	-	530
Balance, October 31, 2021	\$ 509	\$ 5,148	\$ 12,902	\$ 4,827	\$ 23,386

  

<b>Carrying value</b>	<b>Building</b>	<b>Furniture and Equipment</b>	<b>Vehicles</b>	<b>Computer Equipment</b>	<b>Total</b>
Balance, April 30, 2021	\$ 1,019	\$ 2,184	\$ 368	\$ -	\$ 3,571
Balance, October 31, 2021	\$ 991	\$ 1,820	\$ 230	\$ -	\$ 3,041

# Northstar Gold Corp.

Notes to Condensed Interim Financial Statements  
Three and Six Months Ended October 31, 2021  
(Expressed in Canadian Dollars)  
(Unaudited)

## 5. Exploration and Evaluation Assets

	Rosegrove	Miller	Bryce	Temagami- Milestone	Total
Balance, April 30, 2020	\$ -	\$ 169,831	\$ 4,247,822	\$ 4,000	\$ 4,421,653
Additions	23,500	-	-	-	23,500
Balance, April 30, 2021	\$ 23,500	\$ 169,831	\$ 4,247,822	\$ 4,000	\$ 4,445,153
Additions	-	163,750	-	-	163,750
<b>Balance, October 31, 2021</b>	<b>\$ 23,500</b>	<b>\$ 333,581</b>	<b>\$ 4,247,822</b>	<b>\$ 4,000</b>	<b>\$ 4,608,903</b>

### (a) Miller Gold Project, Ontario

The Miller Gold 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 Miller Gold 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. The remaining 698 hectares of the Miller Gold Project are unencumbered and royalty free.

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

On June 8, 2021, the Company entered into an option agreement (or "the Agreement") to acquire 100% interest in the Searles Patent (or "the Searles Patent").

To earn a 100% interest in the Searles Patent, the Company is subject to the following option terms:

- Cash payment of \$75,000 (paid) and issuance of 250,000 Northstar common shares upon signing (issued and ascribed a fair value of \$88,750).
- Cash payment of \$75,000, issuance of 200,000 Northstar common shares and completion of \$100,000 in exploration expenditures by the first anniversary of signing for 50% interest in the Searles Patent.
- Cash payment of \$150,000, issuance of 200,000 common shares and completion of \$100,000 in exploration expenditures by the second anniversary of signing for 100% interest in the Searles Patent.
- The Vendors retain a 2.5% Net Smelter Return (NSR). Northstar has the right to purchase 1% of the NSR for \$1.5 million and an additional 0.5% NSR for \$1 million. Northstar retains a standard right of first refusal on any proposed sale or transfer by Searles of the remaining 1% of the NSR.
- Northstar shall pay the vendors US\$20 per ounce for any National Instrument 43-101 Measured, Indicated, and Inferred mineral resource ounce delineated on the Searles Patent, determined as at and payable upon the commencement of Commercial Production, subject to a maximum payment of US\$15 million. The parties acknowledge and agree that the ounces shall be verified by a formal feasibility study initiated by Northstar at the time of production.

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# Northstar Gold Corp.

## Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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### 5. Exploration and Evaluation Assets (Continued)

#### (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.

#### (d) Rosegrove, Ontario

On November 2, 2020, the Company acquired the Rosegrove Property. The property is south of the town of Kirkland Lake and Kirkland Lake Gold's Macassa SMC gold mine, northwest of the Miller Gold Property. The purchase price consisted of a cash payment of \$10,000 and the issuance of 50,000 common shares (ascribed a fair value of \$13,500).

#### *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.

### 6. Government Loan

During the year ended April 30, 2021, the Company applied for and received a Canadian Emergency Business Account ("CEBA") loan for amounts totaling \$60,000. The CEBA loan was implemented by the Government of Canada to provide financial relief measures to small businesses adversely effected by COVID-19. Under the terms of the CEBA loan, proceeds received are interest-free up until December 31, 2022. If a minimum of 75% of the principal balance on the loan is repaid on, or prior to, December 31, 2022, the remaining 25% shall be forgiven. All principal amounts unpaid and outstanding subsequent to December 31, 2022 shall bear interest at a rate of 5% per annum, payable and compounding monthly.

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# Northstar Gold Corp.

## Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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### 7. 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, 2021, the Company paid \$28,051 and \$58,114, respectively (three and six months ended October 31, 2020 - \$24,853 and \$51,666, respectively) in fees to the Company's VP, exploration. Included in accounts payable is \$327 (April 30, 2021 - \$4,920) in relation to these fees and reimbursable expenses.
- During the three and six months ended October 31, 2021, the Company paid \$43,125 and \$86,250, respectively (three and six months ended October 31, 2020 - \$34,500 and \$69,000, respectively) to the Company's Chief Executive Officer. Included in accounts payable and accrued liabilities is \$16,238 (April 30, 2021 - \$12,496) in relation to these fees and reimbursable expenses.
- As at October 31, 2021, \$35,000 (April 30, 2021 - \$35,000) was owed to a shareholder who is a director of the Company pertaining to working capital advances. These advances are unsecured, non-interest bearing and have no fixed terms for repayment.
- During the three and six months ended October 31, 2021, the Company expensed stock-based compensation pertaining to grants awarded key management, officers and directors of the Company of \$76,458 and \$82,799, respectively (three and six months ended October 31, 2020 - \$13,950 and \$27,980, respectively).

During the three and six months ended October 31, 2021 the Company expensed \$16,597 and \$32,304, respectively, (three and six months ended October 31, 2020 - \$14,255 and \$29,231, respectively) 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 services.

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, 2021 the Marrelli Group was owed \$7,688 (April 30, 2021 - \$11,932) 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, 2021  
(Expressed in Canadian Dollars)  
(Unaudited)

## 8. 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 the six months ended October 31, 2021 and 2020:

	Number of Common Shares	Amount
Balance, April 30, 2020	38,787,971	\$ 14,521,400
Exercise of broker warrants	64,132	30,984
<b>Balance, October 31, 2020</b>	<b>38,852,103</b>	<b>\$ 14,552,384</b>
Balance, April 30, 2021	48,477,853	16,164,464
Private placements, net of costs (i)(ii)	5,808,178	1,549,919
Issuance of warrants (i)(ii)	-	(288,290)
Issuance of brokers warrants (i)(ii)	-	(44,716)
Flow-through share premium	-	(91,930)
Exercise of broker warrants	28,400	11,927
Shares issued for exploration and evaluation assets (Note 5(e))	250,000	88,750
<b>Balance, October 31, 2021</b>	<b>54,564,431</b>	<b>\$ 17,390,124</b>

- i) On August 5, 2021, the Company closed the first tranche of a non-brokered private placement of units for gross proceeds of \$1,572,220. The offering was comprised of 2,999,806 flow through units, for proceeds of \$929,940 and 2,293,856 non-flow through units, for proceeds of \$642,280. The flow through units were priced at \$0.31 and comprised of one flow through common share and one-half of one non-flow through share purchase warrant. Each full warrant is exercisable for one non-flow through common at an exercise price of \$0.42 for a period of 24 months. The non-flow through units were priced at \$0.28 and were comprised of one common share and one-half of one share purchase warrant. Each full purchase warrant is exercisable into common shares at a price of \$0.42 for a period of 24 months. The Company issued 160,608 finder warrants with exercise price of \$0.31 and 137,631 finder warrants with an exercise price of \$0.28, both expiring 24 months from the closing date of the offering and issued 150,000 common shares (ascribed a fair value of \$37,500) to a finder who assisted the Company as a financial advisor in connection with the offering. Cash costs of issue amounted to \$126,301.

The grant date fair value of the 2,646,831 warrants issued in conjunction with this private placement was assigned a fair value of \$273,153 using the Black-Scholes option pricing model under the relative value method at \$0.103 per warrant, based on the following assumptions: underlying share price of \$0.25 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 0.47%; expected dividend yield of 0%; and expected life of 2 years.

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**Northstar Gold Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Six Months Ended October 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**8. Share Capital (Continued)**

**(b) Common Shares Issued**

i) (Continued)

The grant date fair value of the 160,608 \$0.31 broker warrants issued in conjunction with this private placement was assigned a fair value of \$22,581 using the Black-Scholes option pricing model at \$0.141 per warrant, based on the following assumptions: underlying share price of \$0.25 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 0.47%; expected dividend yield of 0%; and expected life of 2 years.

The grant date fair value of the 137,631 \$0.28 broker warrants issued in conjunction with this private placement was assigned a fair value of \$20,067 using the Black-Scholes option pricing model at \$0.146 per warrant, based on the following assumptions: underlying share price of \$0.25 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 0.47%; expected dividend yield of 0%; and expected life of 2 years.

ii) On September 13, 2021, the Company closed a private placement comprised of 64,516 flow through units, for gross proceeds of \$20,000, and 300,000 non-flow through units, for gross proceeds of \$84,000. The flow through units were priced at \$0.31 and comprised of one flow through common share and one-half of one non-flow through share purchase warrant. Each full warrant is exercisable for one non-flow through common at an exercise price of \$0.42 for a period of 24 months. The non-flow through units were priced at \$0.28 and were comprised of one common share and one-half of one share purchase warrant. Each full purchase warrant is exercisable into common shares at a price of \$0.42 for a period of 24 months

The grant date fair value of the 182,258 warrants issued in conjunction with this private placement was assigned a fair value of \$15,137 using the Black-Scholes option pricing model under the relative value method at \$0.083 per warrant, based on the following assumptions: underlying share price of \$0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 0.41%; expected dividend yield of 0%; and expected life of 2 years.

The grant date fair value of the 18,000 \$0.28 broker warrants issued in conjunction with this private placement was assigned a fair value of \$2,068 using the Black-Scholes option pricing model at \$0.1149 per warrant, based on the following assumptions: underlying share price of \$0.21 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 0.41%; expected dividend yield of 0%; and expected life of 2 years.

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**Northstar Gold Corp.****Notes to Condensed Interim Financial Statements****Three and Six Months Ended October 31, 2021****(Expressed in Canadian Dollars)****(Unaudited)**

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

The following table reflects the continuity of warrants for the six months ended October 31, 2021 and 2020:

	<b>Number of Warrants</b>	<b>Amount</b>
Balance, April 30, 2020,	5,161,712	\$ 605,708
Exercised	(64,132)	(11,744)
Expired	(266,667)	(15,606)
<b>Balance, October 31, 2020</b>	<b>4,830,913</b>	<b>\$ 578,358</b>
Balance, April 30, 2021	6,624,945	\$ 809,969
Exercised	(28,400)	(4,827)
Issued (Note 6(b)(i)(ii))	3,145,328	333,006
<b>Balance, October 31, 2021</b>	<b>9,741,873</b>	<b>\$ 1,138,148</b>

The following table reflects the warrants outstanding and exercisable as of October 31, 2021:

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>	<b>Number of Warrants Outstanding</b>
January 2, 2022	0.30	0.17	934,417
January 2, 2022	0.43	0.17	265,713
June 22, 2022	0.40	0.64	2,068,750
June 22, 2022	0.45	0.64	2,158,125
June 22, 2022	0.25	0.64	274,200
June 22, 2022	0.32	0.64	305,700
August 21, 2022	0.40	0.81	561,000
August 21, 2022	0.25	0.81	28,640
August 5, 2023	0.31	1.76	160,608
August 5, 2023	0.28	1.76	137,631
August 5, 2023	0.42	1.76	2,646,831
September 13, 2023	0.28	1.87	18,000
September 13, 2023	0.42	1.87	182,258
	0.41	0.96	9,741,873

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**Northstar Gold Corp.****Notes to Condensed Interim Financial Statements****Three and Six Months Ended October 31, 2021****(Expressed in Canadian Dollars)****(Unaudited)**

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**8. Share Capital (Continued)****(d) Stock Options**

The following table reflects the continuity of stock options for the six months ended October 31, 2021 and 2020:

	<b>Number of Stock Options</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance, April 30, 2020 and October 31, 2020	3,360,000	0.30
Balance, April 30, 2021	3,360,000	0.30
Granted	800,000	0.30
<b>Balance, October 31, 2021</b>	<b>4,160,000</b>	<b>0.30</b>

As at October 31, 2021, 3,560,000 (April 30, 2021 - 3,020,000) issued and outstanding options were exercisable.

The following table reflects the stock options issued and outstanding as of October 31, 2021:

<b>Expiry Date</b>	<b>Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (years)</b>	<b>Number of Options Outstanding</b>
February 9, 2024	0.30	2.28	2,200,000
January 27, 2025	0.30	3.24	1,160,000
September 13, 2026	0.30	4.87	800,000
	<b>0.30</b>	<b>3.04</b>	<b>4,160,000</b>

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# Northstar Gold Corp.

## Notes to Condensed Interim Financial Statements

Three and Six Months Ended October 31, 2021

(Expressed in Canadian Dollars)

(Unaudited)

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### 9. Loss per Share

The calculation of basic and diluted loss per share for the six months ended October 31, 2021 and 2020 were based on the loss attributable to common shareholders of \$1,498,246 (six months ended October 31, 2020 - \$1,591,298) and the weighted average number of common shares outstanding of 50,286,065 (six months ended October 31, 2020 - 38,836,602). Diluted loss per share does not include the effect of warrants and stock options as they are anti-dilutive.

### 10. Flow-through Share Liability

<b>For the six months ended October 31,</b>	<b>2021</b>	<b>2020</b>
Balance, beginning of period	\$ 302,138	\$ 23,097
Recognition of flow-through premium on flow-through private placement	91,929	-
Balance, end of period	\$ 394,067	\$ 23,097

- (i) In conjunction with the private placement closed on March 30, 2020, no flow-through liability resulted. The Company is committed to incur and renounce the \$989,509 in eligible flow-through expenditures by December 31, 2022.
- (ii) The Flow-Through Common Shares issued in private placement completed on December 22, 2020 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$302,138. The Company is committed to incur and renounce the \$1,381,200 in eligible flow-through expenditures by December 31, 2022.
- (iii) The Flow-Through Common Shares issued in private placement completed on August 5, 2021 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$89,994. The Company is committed to incur and renounce the \$929,940 in eligible flow-through expenditures by December 31, 2022.
- (iv) The Flow-Through Common Shares issued in private placement completed on September 13, 2021 were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be \$1,935. The Company is committed to incur and renounce the \$20,000 in eligible flow-through expenditures by December 31, 2022.

On June 29, 2021, due to the Covid-19 pandemic, Bill C-30 received Royal Assent, enacting the Canadian Government's legislation extending the deadline to incur expenditures for flow-through financings closed in 2019 and 2020 by twelve months.

# Northstar Gold Corp.

## Notes to Condensed Interim Financial Statements Three and Six Months Ended October 31, 2021 (Expressed in Canadian Dollars) (Unaudited)

### 11. Exploration Expenses

	Three Months Ended October 31,		Six Months Ended October 31,	
	2021	2020	2021	2020
<u>Boston Creek-Miller Project</u>				
Drilling	\$ 329,752	\$ 47,005	\$ 329,752	\$ 479,157
Geophysics	69,828	95,929	114,033	432,594
Assays	69,092	63,267	108,908	125,878
Linecutting	-	7,650	-	52,113
Geological	79,027	48,550	89,475	71,750
Support costs	60,925	10,812	63,968	22,138
Transportation	-	-	170	-
Mechanical stripping	42,250	-	42,250	-
Travel	5,215	-	5,404	-
	<b>656,089</b>	<b>273,213</b>	<b>753,960</b>	<b>1,183,630</b>
<u>Bryce Project</u>				
Assays	5,870	-	5,870	-
Geological	84,909	-	96,222	-
	<b>90,779</b>	<b>-</b>	<b>102,092</b>	<b>-</b>
<u>Rosgrove Project</u>				
Geophysics	-	-	42,597	-
<b>Total Exploration Expenses</b>	<b>\$ 746,868</b>	<b>\$ 273,213</b>	<b>\$ 898,649</b>	<b>\$ 1,183,630</b>

### 12. 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, 2021 or 2020. 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, 2021 totaled \$5,365,091 (April 30, 2021 - \$5,172,699). 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.

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**Northstar Gold Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Three and Six Months Ended October 31, 2021**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

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**13. Financial Instruments and Risk Management**

**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 12. At October 31, 2021, the Company's current liabilities, which comprise accounts payable and accrued liabilities total \$732,472. 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.

**14. Impact of COVID-19**

The outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, ability to finance, carrying value of assets and condition of the Corporation and its operating subsidiaries in future periods. On April 6, 2020, the Company temporarily suspended its drilling program as it no longer felt that these activities could be carried out in a way that was safe to the Company's employees and contractors. Operations re-commenced on June 15, 2020. Aside from a temporary pause in exploration activities, the Company has not experienced any material impact related to the Covid-19 outbreak.

**15. Subsequent Events**

On December 7, 2021, the Company announced it had closed a \$500,000 bought deal private placement of units ("Units") (the "Offering"). The Offering comprised of 2,083,334 flow through units ("Flow Through Units"), for a total of \$500,000. The Flow Through Units were priced at \$0.24 and comprised of one flow through common share and one-half of one non-flow through share purchase warrant. Each full warrant is exercisable for one non-flow through common at an exercise price of \$0.37 for a period of 24 months from the closing date of the Offering. The Company paid a total of \$40,000 in finders fees associated with the Offering and issued 166,667 finder warrants at an exercise price of \$0.24 and expiring 24 months from the closing date of the Offering.