



**Northern Superior Resources Inc.**

**Consolidated Financial Statements**

**(Expressed in Canadian dollars)**

**For the years ended December 31, 2023 and 2022**

## **Independent Auditor's Report**

To the Shareholders of Northern Superior Resources Inc.

### **Opinion**

We have audited the consolidated financial statements of Northern Superior Resources Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity (deficiency) and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter**

We draw your attention to Note 3 in the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

### **Other matter**

The consolidated financial statements of the Company for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on May 1, 2023.

We have audited the restatements to the consolidated financial statements as at December 31, 2022 and January 1, 2022, as described in Note 3 to the consolidated financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the financial statements of the Company as at December 31, 2022 and January 1, 2022, and for the year ended December 31, 2022, other than

with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

## **Material uncertainty related to going concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at December 31, 2023, the Company had a deficit balance and continuing operating losses. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 29, 2024

**Northern Superior Resources Inc.**  
**Consolidated Statements of Financial Position**  
*Expressed in Canadian Dollars*

As at:		December 31, 2023	December 31, 2022	January 1, 2022
	Note	\$	\$	\$
			Restated (Note 3)	Restated (Note 3)
<b>ASSETS</b>				
Current				
Cash and cash equivalents		2,078,549	1,442,094	11,959,293
Prepays and receivables	16	812,910	1,315,972	88,547
Marketable securities	6	378,000	-	3,600
<b>Total current assets</b>		<b>3,269,459</b>	2,758,066	12,051,440
Long-term				
Prepaid expenses		95,695	95,695	-
Equipment and right-of-use asset	14	7,039	85,916	-
<b>Total assets</b>		<b>3,372,193</b>	2,939,677	12,051,440
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	8,11	558,703	2,136,010	293,501
Consideration payable	9	-	1,969,420	-
Contingent value rights liability	5	-	2,549,600	-
Lease liability	14	-	24,290	-
Flow-through share premium liability		-	-	3,250,486
<b>Total current liabilities</b>		<b>558,703</b>	6,679,320	3,543,987
Non-current liabilities				
Lease liability		-	55,500	-
Environmental obligation	15	200,194	172,532	197,066
<b>Total liabilities</b>		<b>758,897</b>	6,907,352	3,741,053
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>				
Common shares	10	108,347,797	97,677,284	77,684,813
Shares to be issued	5,19	629,886	-	-
Warrant reserve	10	920,981	984,539	715,456
Option reserve	10	2,861,002	1,881,337	1,877,206
RSU	10	333,548	75,991	42,474
Accumulated other comprehensive loss		(277,150)	(7,150)	(6,650)
Deficit		(110,202,768)	(104,579,676)	(72,002,912)
<b>Total shareholders' equity (deficiency)</b>		<b>2,613,296</b>	(3,967,675)	8,310,387
<b>Total liabilities and shareholders' equity</b>		<b>3,372,193</b>	2,939,677	12,051,440

Nature of operations and going concern – Note 1  
 Commitments and contingencies – Note 17  
 Subsequent events – Note 19

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON APRIL 29, 2024

“François Perron”  
 Director

“Andrew Farncomb”  
 Director

*The accompanying notes are an integral part of these consolidated financial statements.*

**Northern Superior Resources Inc.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
*Expressed in Canadian Dollars*

		Years ended December 31,	
	Note	2023	2022
		\$	\$
		Restated (Note 3)	
<b>Expenses</b>			
Exploration evaluation expenses	4,5,7	1,522,270	32,116,955
Salaries and benefits	11	617,722	381,681
Consulting and management fees	11	403,695	154,622
Professional fees		788,120	351,042
Shareholder information		595,849	294,176
Office and general		363,090	339,090
Depreciation	14	15,260	10,945
Share-based compensation	10	1,570,069	104,066
<b>(Loss) for the year before other items</b>		<b>(5,876,075)</b>	<b>(33,752,577)</b>
<b>Other items</b>			
Interest income		60,250	67,273
Change in fair value of contingent value rights	5	(1,245,154)	(177,879)
Gain on early termination of lease	14	3,200	-
Gain on sale of exploration and evaluation property	7	1,070,000	-
Joint venture agreement payment	7	350,000	-
Flow-through share reimbursement		(30,820)	-
Accretion and interest expense		(5,724)	(2,833)
Foreign exchange loss		(4,330)	(3,908)
Flow-through share premium recovery	10	-	3,408,847
<b>Net loss for the year before discontinued operations</b>		<b>(5,678,653)</b>	<b>(30,461,077)</b>
<b>Discontinued operations:</b>			
Disposition of Wapistan	7	(9,144)	(723,680)
Spin-out of Ontario assets	7	(315,009)	(2,466,233)
<b>Loss for the year</b>		<b>(6,002,806)</b>	<b>(33,650,990)</b>
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified subsequently to loss</i>			
Change in value of marketable securities	6	270,000	500
<b>Total comprehensive loss</b>		<b>(6,272,806)</b>	<b>(33,651,490)</b>
<b>Basic and diluted loss per share</b>			
Before discontinued operations		(0.04)	(0.36)
Loss for the year		(0.04)	(0.40)
<b>Weighted average number of common shares outstanding</b>			
Basic and Diluted		140,426,655	83,456,960

*The accompanying notes are an integral part of these consolidated financial statements.*

# Northern Superior Resources Inc.

## Consolidated Statements of changes in Shareholders' Equity (Deficiency)

Expressed in Canadian Dollars

	Share Capital			Reserves				Accumulated other comprehensive loss	Deficit	Shareholders' equity (deficiency)
	Number of shares #	Amount \$	Shares to be issued \$	Stock Options \$	Restricted share units \$	Warrants \$	loss \$			
<b>Balance, December 31, 2022 (Note 3)</b>	<b>121,199,908</b>	<b>97,677,284</b>	<b>-</b>	<b>1,881,337</b>	<b>75,991</b>	<b>984,539</b>	<b>(7,150)</b>	<b>(104,579,676)</b>	<b>(3,967,675)</b>	
Shares issued for cash	10,000,000	5,000,000	-	-	-	-	-	-	5,000,000	
Share issuance costs - cash	-	(152,332)	-	-	-	-	-	-	(152,332)	
Share based payments	-	-	-	1,312,512	257,557	-	-	-	1,570,069	
Shares issued for debt	4,412,592	2,000,000	-	-	-	-	-	-	2,000,000	
Conversion of contingent value rights	9,890,215	3,164,869	629,886	-	-	-	-	-	3,794,755	
Exercise of stock options	50,000	33,691	-	(16,691)	-	-	-	-	17,000	
Expiration of options	-	-	-	(316,156)	-	-	-	316,156	-	
Exercise of warrants	6,242,858	624,285	-	-	-	-	-	-	624,285	
Expiration of warrants	-	-	-	-	-	(63,558)	-	63,558	-	
Expiration of RSUs	-	-	-	-	-	-	-	-	-	
Unrealized loss on marketable securities	-	-	-	-	-	-	(270,000)	-	(270,000)	
Net loss	-	-	-	-	-	-	-	(6,002,806)	(6,002,806)	
<b>Balance, December 31, 2023</b>	<b>151,795,573</b>	<b>108,347,797</b>	<b>629,886</b>	<b>2,861,002</b>	<b>333,548</b>	<b>920,981</b>	<b>(277,150)</b>	<b>(110,202,768)</b>	<b>2,613,296</b>	

	Share Capital			Reserves				Accumulated other comprehensive loss	Deficit	Shareholders' equity (deficiency)
	Number of shares #	Amount \$	Shares to be issued \$	Stock Options \$	Restricted share units \$	Warrants \$	loss \$			
<b>Balance, January 1, 2022, as previously stated</b>	<b>70,949,624</b>	<b>77,684,813</b>	<b>-</b>	<b>7,009,169</b>	<b>42,474</b>	<b>5,720,949</b>	<b>(6,650)</b>	<b>(69,148,189)</b>	<b>21,302,566</b>	
<b>Restatement (Note 3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,131,963)</b>	<b>-</b>	<b>(5,005,493)</b>	<b>-</b>	<b>(2,854,723)</b>	<b>(12,992,179)</b>	
<b>Balance, January 1, 2022, restated</b>	<b>70,949,624</b>	<b>77,684,813</b>	<b>-</b>	<b>1,877,206</b>	<b>42,474</b>	<b>715,456</b>	<b>(6,650)</b>	<b>(72,002,912)</b>	<b>8,310,387</b>	
Share based payments	-	-	-	208,890	84,873	-	-	-	293,763	
Option exercise	150,000	77,309	-	(38,309)	-	-	-	-	39,000	
Acquisition of subsidiaries	50,075,834	19,885,333	-	219,886	-	935,446	-	-	21,040,665	
Vesting of restricted share units	24,450	29,829	-	-	(29,829)	-	-	-	-	
Expiration of options (Note 3)	-	-	-	(386,336)	-	-	-	386,336	-	
Expiration of RSUs (Note 3)	-	-	-	-	(21,527)	-	-	21,527	-	
Expiration of warrants (Note 3)	-	-	-	-	-	(666,363)	-	666,363	-	
Unrealized loss on marketable securities	-	-	-	-	-	-	(500)	-	(500)	
Net loss	-	-	-	-	-	-	-	(33,650,990)	(33,650,990)	
<b>Balance, December 31, 2022</b>	<b>121,199,908</b>	<b>97,677,284</b>	<b>-</b>	<b>1,881,337</b>	<b>75,991</b>	<b>984,539</b>	<b>(7,150)</b>	<b>(104,579,676)</b>	<b>(3,967,675)</b>	

The accompanying notes are an integral part of these consolidated financial statements.

**Northern Superior Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023 and 2022**  
Expressed in Canadian dollars

		Year ended December 31,	
	Note	2023 \$	2022 \$
			Restated (Note 3)
<b>Cash (used in)/provided by:</b>			
<b>Operating activities</b>			
Net (loss) for the year from continuing operations		(5,678,653)	(30,461,077)
Items not involving cash:			
Acquisition of subsidiaries		-	24,604,404
Depreciation		15,260	10,945
Lease liability accretion expense		3,722	2,833
Environmental obligations	15	27,662	(30,483)
Change in fair value of contingent value rights	5	1,245,154	177,879
Share based payments	10	1,570,069	293,763
Flow-through share tax expense		4,878	-
Gain on early termination of lease	14	(3,200)	-
Gain on sale of E&E properties	7	(1,070,000)	-
Flow-through shares premium recovery		-	(3,408,847)
Changes in non cash working capital items:			
Change in prepaids and receivables		503,062	(428,485)
Change in accounts payable and accrued liabilities		(1,582,184)	44,122
Change in consideration payable		30,580	15,794
<b>Net cash (used in) operating activities</b>		<b>(4,933,650)</b>	<b>(9,179,152)</b>
<b>Net cash (used in) discontinued operating activities</b>		<b>(324,153)</b>	<b>(3,189,913)</b>
<b>Investing activities</b>			
Cash received from disposition of mineral properties	7	20,000	-
Cash acquired on the acquisition of subsidiaries	4,5	-	1,821,376
Sale of marketable securities		-	3,100
Additions to equipment		-	(480)
<b>Net cash provided by investing activities</b>		<b>20,000</b>	<b>1,823,996</b>
<b>Net cash provided by discontinuing investing activities</b>		<b>402,000</b>	<b>-</b>
<b>Financing activities</b>			
Proceeds from private placements	10	5,000,000	-
Share issuance costs	10	(152,332)	-
Options exercised	10	17,000	39,000
Warrants exercised	10	624,285	-
Lease payments	14	(16,695)	(11,130)
<b>Net cash (used) by financing activities</b>		<b>5,472,258</b>	<b>27,870</b>
<b>Change in cash and cash equivalents</b>		<b>636,455</b>	<b>(10,517,199)</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>1,442,094</b>	<b>11,959,293</b>
<b>Cash and cash equivalents, end of year</b>		<b>2,078,549</b>	<b>1,442,094</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

**Northern Superior Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
**For the years ended December 31, 2023 and 2022**  
Expressed in Canadian dollars

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Northern Superior Resources Inc. (“Northern Superior” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold properties in Ontario and Québec. The registered office of the Company is 1410-120 Adelaide Street West, Toronto, Ontario, M5H 1T1.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that the current exploration programs will result in profitable operations.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The recoverability of exploration and evaluation expenditures is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for a period of at least 12 months from December 31, 2023. At December 31, 2023, the Company had cash and cash equivalents of \$2,078,549 and working capital (current assets less current liabilities) of \$2,710,756 (December 31, 2022: working capital deficit \$3,921,254), which amount includes non-cash liabilities, as to contingent value rights valued at \$nil (December 31, 2022: \$2,549,600), which are to be settled by way of common shares in the capital of the Company (Note 5). Cash used in operating activities in the year ended December 31, 2023 was \$4,933,650 (December 31, 2022: \$9,179,152). As at December 31, 2023, the Company had a deficit balance of \$110,202,768 and continuing operating losses.

The Company continues to incur operating losses and has limited financial resources and no source of operating cash flow available to enable it to conduct further exploration and development of its mineral properties. The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PREPARATION**

**a) Statement of Compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and include interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements include the results for Genesis Metals Inc. (“Genesis”) from the date of

**Northern Superior Resources Inc.**  
**Notes to the Consolidated Financial Statements**  
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its acquisition on July 13, 2022 and Royal Fox Gold Inc. (“Royal Fox”) from the date of its acquisition on November 4, 2022.

These consolidated financial statements are disclosed in Canadian Dollars unless otherwise noted.

These consolidated financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on April 29, 2024.

**b) Principles of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Genesis, a company incorporated in British Columbia, Canada, and Royal Fox, a company incorporated in Ontario, Canada. Genesis wholly owns Chevrier Metals Inc., incorporated in British Columbia, Canada. Royal Fox wholly owns 9396-1217 Québec Inc (“9396-1217”), incorporated in Québec, Canada, and 9396-1217 wholly owns 9220-5392 Québec Inc (“9220-5392” or “Mines Royales”) incorporated in Québec, Canada. All significant inter-company transactions and balances have been eliminated.

**c) Basis of presentation**

These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information, and have been prepared using the historical cost basis.

**d) Functional and presentation currency**

These consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies followed by the Company as set out below have been consistently followed in the preparation of these consolidated financial statements.

***Changes in accounting policies***

**Exploration and evaluation expenditures**

In order to enhance the relevance to the decision-making needs of users and improve comparability with its peers, the Company has voluntarily changed its accounting policy with respect to exploration properties and deferred exploration expenditures, consistent with the guidance provided in IFRS 6 – Exploration for and Evaluation of Mineral Resources and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The new accounting policy has been applied retrospectively. In prior years the Company’s policy was to record costs on a property basis once the Company has the legal right to explore the related property. The Company deferred all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties. Costs incurred for general exploration, including expenditures of a general reconnaissance nature, that are not project specific or do not result in the acquisition of exploration or evaluation properties are charged to net loss. The Company elected to change this accounting policy to expense exploration expenditures as incurred, on a retrospective basis.

The new accounting policy is as follows:

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral property rights, property option payments and exploration and evaluation activities.

Once a project has been established as commercially viable, technically feasible and the decision to proceed has been approved by the Board of Directors, related development expenditures are capitalized.

**Northern Superior Resources Inc.**  
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This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production.

Environmental obligations have been reclassified from exploration and evaluation expenses.

Option, warrant and RSU expiration recorded to deficit

The Company has voluntarily changed its accounting policy with respect to the allocation of expired options and warrants to deficit from reserves. As a result, as at January 1, 2022, \$5,131,963 and \$5,005,493 was reclassified from the option and warrant reserve, respectively, to deficit and as at December 31, 2022, \$386,336, \$666,363 and \$57,305 was reclassified from the options, warrants and RSUs reserve, respectively, to deficit.

The changes in accounting policies require full retrospective application. IAS 1 – Presentation of Financial Statements also requires a third statement of financial position be presented. As at January 1, 2022 and December 31, 2022, the following adjustments were recorded to the consolidated statements of financial position:

	As previously stated	Effect of change in accounting policy	As currently reported
At January 1, 2022:			
Exploration and evaluation assets	\$ 12,795,113	\$ (12,795,113)	\$ -
Environmental obligation	-	197,066	197,066
Option reserve	7,009,169	(5,131,963)	1,877,206
Restricted share units reserve	42,474	-	42,474
Warrant reserve	5,720,949	(5,005,493)	715,456
Accumulated deficit	(69,148,189)	(2,854,723)	(72,002,912)
At December 31, 2022:			
Exploration and evaluation assets	\$ 48,132,464	\$ (48,162,947)	\$ -
Environmental obligation	-	172,532	172,532
Option reserve	7,399,636	(5,518,299)	1,881,337
Restricted share units reserve	133,296	(57,305)	75,991
Warrant reserve	6,656,395	(5,671,856)	984,539
Accumulated deficit	(69,148,189)	(35,431,487)	(104,579,676)

For the year ended December 31, 2022, the following adjustments were recorded to the annual consolidated statements of loss and comprehensive loss:

	As previously stated	Effect of change in accounting policy	As currently reported
For the year ended December 31, 2022:			
Exploration and evaluation expenditures	\$ -	\$ (32,116,955)	\$ (32,116,955)
Discontinued operations	-	(3,189,913)	(3,189,913)
Loss and comprehensive loss for the year	1,655,879	(35,306,868)	(33,650,990)
Basic and diluted income (loss) per share	\$ 0.02	\$ (0.42)	\$ (0.40)

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For the year ended December 31, 2022, the following adjustments were recorded to the annual consolidated statements of cash flows:

	As previously stated	Effect of change in accounting policy	As currently reported
For the year ended December 31, 2022:			
Cash flow from operating activities	\$ (1,825,814)	\$ (7,353,338)	\$ (9,179,152)
Cash flow from investing activities	(8,719,254)	10,543,250	1,823,996

***Critical judgements and estimation uncertainties***

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

*Share-based payments and warrants*

Management determines costs for share-based payments and warrants issued in financing transactions using market-based valuation techniques. The fair value of the market-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

*Rehabilitation provisions*

The Company records management's best estimate of the present value of the future cash requirements of any rehabilitation obligation as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

*Income, value added, withholding and other taxes*

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

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*Tax credits receivable*

The tax credit receivable for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources and the exploration and evaluation expenses in future periods.

*Contingencies (see Notes 5 and 17).*

*Accounting for the acquisition of Genesis*

The Company accounted for the July 13, 2022, acquisition of Genesis as an asset acquisition. Significant judgment was required to determine that the application of this accounting treatment was appropriate for the transaction. This included, among others, the determination that Genesis was not considered a business under IFRS 3 - Business combinations as Genesis did not have inputs and substantive processes that can collectively contribute to the creation of outputs. See Note 4.

*Accounting for the acquisition of Royal Fox*

The Company accounted for the November 4, 2022 acquisition of Royal Fox as an asset acquisition. Significant judgment was required to determine that the application of this accounting treatment was appropriate for the transaction. This included, among others, the determination that Royal Fox was not considered a business under IFRS 3 - Business combinations as Royal Fox did not have inputs and substantive processes that can collectively contribute to the creation of outputs. See Note 5.

**Financial Instruments**

**Financial Assets**

**Initial recognition and measurement**

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

**Subsequent measurement- financial assets at amortized cost**

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of (loss). The Company's cash and cash equivalents and amounts receivable are recorded at amortized cost.

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**Subsequent measurement – financial assets at FVPL**

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the statements of (loss). The Company does not measure any financial assets at FVPL.

**Subsequent measurement – financial assets at FVOCI**

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company measures its marketable securities at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the statements of comprehensive (loss). When the investment is sold, the cumulative gain or loss is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the statements of (loss) when the right to receive payments is established.

The Company has recorded its marketable securities as a FVOCI.

**Derecognition**

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

**Impairment of financial assets**

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

**Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities are measured at amortized cost and contingent value rights are recorded at FVPL. All financial liabilities are recognized initially at fair value.

**Subsequent measurement – financial liabilities at amortized cost**

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the statements of loss. The Company's accounts payable and accrued liabilities, consideration payable and lease liability are recorded at amortized cost.

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**Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

***Fair value of financial instruments***

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

***Cash and cash equivalents***

Cash and cash equivalents include deposits held with banks which may be settled on demand or an original maturity of less than 90 days.

***Development assets***

When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to development and construction are capitalized as construction-in-progress and classified as a component of property, plant and equipment. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development expenditure is net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

***Share capital***

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares, warrants and share options issues in equity transactions are recognized as a deduction from equity, net of any tax effects.

***Foreign currency translation***

The functional and presentation currency of the Company and its subsidiaries is Canadian dollars. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Exchange differences are recognized in operations in the period in which they arise.

***Income taxes***

Any income tax on profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income/loss, in which case the income tax is recognized in equity or other comprehensive income/loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax is provided for temporary differences between the carrying

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amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, on a non-discounted basis using tax rates at the end of the reporting period applicable to the period of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

***Tax credits receivable***

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of exploration and evaluation costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

***Share-based payments***

The Company's stock option plan allows Company employees, directors, officers and consultants to acquire common shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity reserves.

The Company's restricted share unit ("RSU") plan allows Company employees, directors, officers and consultants to acquire common shares of the Company. The fair value of RSU's granted is recognized as a share-based payment expense with a corresponding increase in equity reserves.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of granted options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. RSUs that the Company intends to settle through the issuance of common shares are expensed over the vesting period on a straight-line basis based on the grant date fair value and are not remeasured. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options and RSU's that are expected to vest.

In situations where equity instruments are issued to settle amounts due or for goods or services received by the Company as consideration which cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the amount settled or goods or services received.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

**Warrants**

The Company issues warrants either as part of a financing, whereby the investor acquires a unit which is comprised of a common share and a warrant, or for services. Warrants allow the holder to acquire common

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shares of the Company. Where the warrant is issued for services received by the Company as consideration which cannot be specifically identified, they are measured at the fair value of the warrant. Otherwise, warrants are measured at the fair value of the amount settled or goods or services received. Warrants issued as part of a unit financing are allocated a value relative to the estimated fair value of the components of the units issued. The fair value of the warrant is valued using the Black-Scholes pricing model. On exercise, the value recorded in reserves is reclassified to share capital. Upon expiry, the recorded value is transferred to deficit.

***Loss per share***

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share calculation assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

***Rehabilitation provisions***

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. If incurred while exploration and evaluation activities were taking place, amounts are expensed. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in operations as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in loss.

***Future accounting changes***

During the year ended December 31, 2023, the Company adopted a number of amendments and improvements of existing standards. These included IAS 1, IAS 8, and IAS 12. These new standards and changes did not have any material impact on the Company's financial statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

***Classification of Liabilities as Current or Non-current (Amendments to IAS 1)***

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a

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conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

*Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

#### 4. GENESIS ACQUISITION

On July 13, 2022, the Company completed the acquisition of Genesis through the acquisition of all of the issued and outstanding shares of Genesis, pursuant to which the Company issued 14,500,037 shares at a price of \$0.39 per share, for consideration of \$5,655,013. All outstanding stock options of Genesis were exchanged for economically equivalent stock options to purchase common shares of the Company, and holders of Genesis warrants are entitled, in accordance with the terms of such warrants, to receive Northern Superior shares on the exercise of such warrants (subject to adjustment based on an exchange ratio of 0.2304).

The fair value of the replacement stock options was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	3.4
Expected stock price volatility (%)	70.0
Expected dividend yield (%)	Nil
Expected life (years)	1

The fair value of the Genesis warrants was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	2.56 to 3.44
Expected stock price volatility (%)	33.8 to 66.3
Expected dividend yield (%)	Nil
Expected life (years)	0.08 to 1.25

The Company incurred \$697,760 in transaction costs. The transaction was accounted for as an asset acquisition.

Genesis owns two gold projects: October Gold in Ontario and Chevrier in Québec.

Consideration for the purchase is as follows:

	<b>(\$)</b>
Common shares of the Company	5,655,013
Value of stock options of Genesis	15,022
Value of warrants of Genesis	14,465
Transaction costs	697,760
	<b>6,382,260</b>

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The allocation of the purchase price to the assets acquired and liabilities assumed is based upon estimated fair values at the date of acquisition as set out below:

	(\$)
Cash	384,265
Receivables and prepaids	140,540
Property, plant and equipment	8,297
Exploration and evaluation expenditures	5,915,033
Accounts payable and accrued liabilities	(65,875)
	<b>6,382,260</b>

## 5. ROYAL FOX ACQUISITION

On November 4, 2022, the Company completed the acquisition of Royal Fox through the acquisition of all of the issued and outstanding shares of Royal Fox, pursuant to which the Company issued 35,575,797 shares at a price of \$0.40 per share, for consideration of \$14,230,319. All outstanding stock options of Royal Fox were exchanged for economically equivalent stock options to purchase common shares of the Company, and holders of Royal Fox warrants are entitled, in accordance with the terms of such warrants, to receive Northern Superior shares on the exercise of such warrants (subject to adjustment based on an exchange ratio of 0.12).

In addition, the former Royal Fox shareholders received contingent consideration in the form of one contingent value right (each, a "CVR") for each Royal Fox share that provides for the potential payment of additional consideration upon the declaration by way of news release of a maiden mineral resource estimate on the Philibert project (the "Resource Calculation") within 12 months from the closing of the transaction (the "Contingent Purchase Price"). If the Resource Calculation confirms a mineral resource estimate of 1.2 million ounces or more of gold in the inferred, measured or indicated categories (as such terms are defined in NI 43-101), each CVR will be exchanged for:

- 0.02 of a Northern Superior share, if the Resource Calculation is greater than or equal to 1.2 million ounces of gold and less than 1.6 million ounces of gold;
- 0.04 of a Northern Superior share, if the Resource Calculation is greater than or equal to 1.6 million ounces of gold and less than 2.0 million ounces of gold; or
- 0.06 of a Northern Superior share, if the Resource Calculation is greater than or equal to 2.0 million ounces of gold.

There were 49,209,425 CVRs outstanding at December 31, 2023 (December 31, 2022 – 296,465,145). The CVRs are recognized as a financial liability measured at fair value through profit and loss. The CVRs had an estimated fair value of \$2,371,721 at acquisition. During the year ended December 31, 2023, the Company recorded a non-cash loss of \$1,245,154 related to the CVRs (year ended December 31, 2022 - \$177,879), due to the changes in the market price of the Company's common shares. As the Resource Calculation announced on August 8, 2023 was between 1.6 million ounces and 2.0 million ounces of gold, each CVR was to be exchanged for 0.04 of a Northern Superior share. A total of 9,890,215 Northern Shares (247,255,720 CVRs) were issued on November 6, 2023 at a value of \$3,164,869 based on the market price of the shares when they were issued. As at December 31, 2023, 1,968,377 Northern Shares (49,209,425 CVRs) remain to be issued at a value of \$629,886. See Note 19.

The fair value of the replacement stock options was determined using the Black-Scholes Option Pricing Model and the following assumptions:

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Risk-free interest rate (%)	4.55
Expected stock price volatility (%)	84.64%
Expected dividend yield (%)	Nil
Expected life (years)	1.00

The fair value of the Royal Fox warrants was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	2.56 to 3.44
Expected stock price volatility (%)	33.75 to 66.30
Expected dividend yield (%)	Nil
Expected life (years)	0.08 to 1.25

During the year ended December 31, 2022, the Company incurred \$782,380 in other transaction costs. The transaction was accounted for as an asset acquisition.

Royal Fox owned the Coppermine River project (uranium) in Nunavut and the Philibert project (gold) in Québec.

Consideration for the purchase is as follows:

	(\$)
Common shares of the Company	14,230,319
Value of stock options of Royal Fox	204,864
Value of warrants of Royal Fox	920,981
Value of contingent right of Royal Fox	2,371,721
Transaction costs	782,380
	<b>18,510,265</b>

The allocation of the purchase price to the assets acquired and liabilities assumed is based upon estimated fair values at the date of acquisition as set out below:

	(\$)
Cash	1,437,111
Receivables and prepaids	754,095
Exploration and evaluation expenditures	19,423,543
Accounts payable and accrued liabilities	(1,150,858)
Accounts payable and accrued liabilities	(1,953,626)
	<b>18,510,265</b>

## 6. MARKETABLE SECURITIES

At December 31, 2023 and 2022, the Company held the following marketable securities:

	December 31, 2023			December 31, 2022		
	Shares (#)	Cost (\$)	Fair Value (\$)	Shares (#)	Cost (\$)	Fair Value (\$)
Rockland Resources Ltd	10,800,000	648,000	378,000	-	-	-

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On March 9, 2023, the Company entered into agreement with Rockland Resources Ltd (“Rockland”), pursuant to which the Company disposed of its 100% owned Wapistan property in consideration for the receipt of a total of \$400,000 cash and a total of 10,800,000 shares of Rockland. The shares were valued at \$648,000 on the dates of receipt. See Note 7(f).

During the year ended December 31, 2023, the Company recorded an unrealized loss of \$270,000 (December 31, 2022 – \$Nil) related to the change in fair value of the marketable securities, in other comprehensive loss.

**7. EXPLORATION AND EVALUATION EXPENDITURES**

	Ontario		Quebec					Total
	Ti-pa-haa-kaa-ning	October Gold	Croteau Est	Lac Surprise	Wapistan	Chevrier	Philbert	
<b>For the year ended December 31, 2023</b>	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition expense	-	-	-	-	-	-	215,147	215,147
Assessment and maintenance	136,137	17,904	1,667	26,704	-	1,403	75,541	259,356
Analytical	-	-	75,676	34,756	526	-	121,265	232,223
Geophysics	-	-	-	-	-	26,666	-	26,666
Geology	43,304	80,690	84,130	212,016	12,930	97,977	294,264	825,311
Drilling	-	-	(68,732)	(137,212)	-	2,905	488,910	285,871
Project Administration	27,866	179	1,816	8,665	348	-	(243)	38,631
Refundable credits and adjustments	8,929	-	(32,189)	(46,021)	(4,660)	(21,532)	(265,462)	(360,935)
Exploration and evaluation expenditures								
before discontinued operations	\$ 216,236	\$ 98,773	\$ 62,368	\$ 98,908	\$ 9,144	\$ 107,419	\$ 929,422	\$ 1,522,270
Discontinued operations	\$ (216,236)	\$ (98,773)	\$ -	\$ -	\$ (9,144)	\$ -	\$ -	\$ (324,153)
<b>Total exploration and evaluation expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,368</b>	<b>\$ 98,908</b>	<b>\$ -</b>	<b>\$ 107,419</b>	<b>\$ 929,422</b>	<b>\$ 1,198,117</b>

	Ontario		Quebec					Total
	Ti-pa-haa-kaa-ning	October Gold	Croteau Est	Lac Surprise	Wapistan	Chevrier	Philbert	
<b>For the year ended December 31, 2022</b>	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition expense	-	1,903,369	-	-	-	4,166,862	18,889,281	24,959,512
Assessment and maintenance	27,937	-	20,423	28,208	1,835	1,444	-	79,847
Analytical	-	-	446,940	517,888	36,700	2,205	-	1,003,733
Camp	15,714	-	-	-	-	30,979	-	46,693
Geophysics	-	99,612	285,024	133,731	330,389	-	-	848,756
Geology	-	217,706	411,850	527,357	343,661	129,024	-	1,629,598
Drilling	-	209,424	2,539,842	3,778,538	-	-	-	6,527,804
Project Administration	8,131	14,823	78,162	116,330	11,095	-	14,033	242,574
Refundable credits and adjustments	(30,483)	-	(583)	(583)	-	-	-	(31,649)
Exploration and evaluation expenditures								
before discontinued operations	\$ 21,299	\$ 2,444,934	\$ 3,781,658	\$ 5,101,469	\$ 723,680	\$ 4,330,514	\$ 18,903,314	\$ 35,306,868
Discontinued operations	\$ (21,299)	\$ (2,444,934)	\$ -	\$ -	\$ (723,680)	\$ -	\$ -	\$ (3,189,913)
<b>Total exploration and evaluation expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,781,658</b>	<b>\$ 5,101,469</b>	<b>\$ -</b>	<b>\$ 4,330,514</b>	<b>\$ 18,903,314</b>	<b>\$ 32,116,955</b>

**ONTARIO**

**a) Ti-pa-haa-kaa-ning (“TPK”) property**

The Company owns a 100% interest in the TPK Property. Although claims associated with the Annex area of the property are free of any Net Smelter Royalties (“NSR”), some claims associated with the New Growth and Big Dam areas of the property are subject to a 2% NSR, of which the Company has the right to purchase back 0.5% for \$1.0 million. Additionally, certain claims within the Big Dam area are subject to a 2% NSR on diamonds only in favour of Vale S.A.

**b) Metson Lake, Rapson Bay and Thorne Lake properties (collectively, the “Metson, Rapson and Thorne Lake Properties”)**

The Metson, Rapson and Thorne Lake Properties are owned 100% by the Company.

**c) October Gold property**

Northern Superior has a 100% interest in the October Gold property subject to a 3% NSR of which the Company can purchase 2% on payment of \$500,000 for each 1% NSR. In September 2021, a Memorandum of Understanding (“MOU”) with two First Nations regarding exploration activities on its October Gold project. The MOU sets out a framework to facilitate exploration activities at the October Gold project. In addition, there is a requirement to pay a fee of 2% of eligible expenditures on the project to the First Nations (1% each) annually.

On November 6, 2023, the Company announced that it has granted Evolution Mining Limited an option to acquire a 75% undivided interest in October Gold by incurring an aggregate of \$7 million in expenditures and making cash payments totaling \$1.1 million (the “Option”) over a period of 5 years. The annual schedule of expenditures and cash payments is as follows:

(a) incurring an aggregate of C\$7,000,000 in expenditures on the October Gold Project as per the following schedule: (i) an amount of at least C\$1,500,000 on or before the second anniversary of the Earn-In Agreement; (ii) an additional amount of at least C\$1,000,000 on or before the third anniversary of the Earn-In Agreement; (iii) an additional amount of at least C\$2,000,000 on or before the fourth anniversary of the Earn-In Agreement; and (iv) an additional amount of at least \$2,500,000 on or before the fifth anniversary of the Earn-In Agreement;

(b) paying to the Properties an aggregate cash payment of C\$1,100,000 as per the following schedule: (i) an amount of C\$350,000 within 20 Business Days following the execution of the Earn-In agreement; (ii) an amount of C\$300,000 within 60 Business Days following the third anniversary of the Earn-In Agreement; and (iii) an amount of C\$450,000 within 60 Business Days following the fifth anniversary of the Earn-In Agreement. The initial payment of \$350,000 was received by Northern.

Upon closing of the Proposed Transaction (defined below), the Option will remain in full force and is expected to be assigned to the spin-out company 1348515 B.C. LTD. (“BCCo”).

**Spinout of projects located in Ontario**

On July 10, 2023 the Company and BCCo entered into a binding letter agreement (“Letter Agreement”) outlining the proposed terms and conditions pursuant to which the Company will sell all of its exploration properties located in the Province of Ontario, being the TPK Project, the October Gold Property as well as the Metson, Rapson and Thorne Lake Properties (collectively, the “Spin-Out Assets”) to BCCo in consideration for common shares of BCCo (the “Proposed Transaction”).

The Proposed Transaction is anticipated to be carried out as a purchase and sale of the Spin-Out Assets to BCCo, in consideration for BCCo issuing 35,686,686 common shares of BCCo, with a deemed value of approximately \$18.2 million based on the concurrent financing Subscription Receipt offering price of \$0.51 per share, to the Company. Completion of the Proposed Transaction is subject to a number of conditions, including the completion of the Concurrent Private Placements, the completion of technical reports in respect of the TPK Project and the October Project in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects, receipt of all necessary third party and regulatory approvals, conditional listing approval to list the common shares of BCCo (as it exists upon completion of the Proposed Transaction, the “Resulting Issuer”) on the TSX Venture Exchange or Cboe Canada (such exchange, the “Exchange”), BCCo changing its name to ONGold Resources Ltd. or such other name as may be acceptable to applicable regulatory authorities and if determined necessary according to applicable law or

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by the Company, and replacing all directors and officers on closing of the Proposed Transaction as directed by the Company at its sole discretion.

As a condition to the Proposed Transaction, BCCo completed a non-brokered private placement of subscription receipts (each a "Subscription Receipt") at a price of \$0.51 per Subscription Receipt for gross proceeds of \$3,000,000 (the "Subscription Receipt Private Placement") (completed September 5, 2023). Each Subscription Receipt issued is convertible, for no additional consideration, into one common share of BCCo. The gross proceeds (the "Escrowed Proceeds") from the sale of the Subscription Receipts are being held in escrow pending the satisfaction of the escrow release conditions (the "Escrow Release Conditions") immediately prior to the completion of the Proposed Transaction. The Proposed Transaction is subject to certain shareholder and regulatory approvals and there can be no assurance the Proposed Transaction will be completed as contemplated or at all.

## **QUEBEC**

### **d) Croteau Est property**

The Croteau Est property comprises claims blocks governed by two separate agreements. As the claims blocks under the agreements are contiguous, they have been aggregated, for geological and exploration reporting purposes, into the Croteau Est property.

*Pursuant to agreement #1:* The Company holds a 100% interest in this claim block, subject to a 1.0% NSR on any commercial production, of which Company has the right to buy back 0.5% for \$1.5 million.

*Pursuant to agreement #2:* The Company owns a 100% interest in this claim block, subject to a 1% NSR royalty on a majority of the claims. The 1% NSR royalty covers all except 7 claims (comprising approximately 287 hectares) which were already subject to a prior 2% NSR royalty in favor of the prospector who originally staked the claims. The Company has the right to repurchase one half of the 1% NSR royalty (reducing it to a 0.5% NSR royalty) at any time for \$1.0 million. Similarly, the Company has the right to repurchase half of the 2% NSR royalty (reducing it to a 1% NSR royalty) at any time, for \$1.0 million. In either case, should the Company exercise its buy-back right, it will then have a right of first refusal with respect to the remaining NSR royalty.

### **e) Lac Surprise property**

The Lac Surprise property is comprised of two claims blocks. As the claims blocks are contiguous, they have been aggregated, for geological and exploration reporting purposes, into the Lac Surprise property.

*Pursuant to staking:* The Company owns a 100% interest in the staked claims block.

*Pursuant to agreement:* On September 14, 2021, the Company entered into an agreement (the "Agreement") with Kintavar Exploration Inc. ("Kintavar") to acquire 100% of the Gaspard Nord mineral property, in consideration for 85,000 common shares of the Company, the granting of a 2% NSR on the property, 1% of which can be bought back for \$1,000,000, and a right of first refusal on any proposed transfer of the NSR royalty to a third party. Pursuant to the terms of the Agreement, the Company issued 85,000 common shares of the Company to Kintavar, valued at \$60,350, prior to December 31, 2021.

### **f) Wapistan property**

On March 29, 2023, the Company entered into an option agreement with Rockland, pursuant to which Rockland acquired a 100% interest in the Company's 100% owned Wapistan property, in consideration for making the following payments to the Company:

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Date	Shares of Rockland (#)	Cash (\$)
On or before 5 days of CSE approval ("Approval Date")	5,400,000 <sup>(1)</sup>	200,000 <sup>(2)</sup>
On or before 12 months from the Approval Date	5,400,000 <sup>(3)</sup>	200,000 <sup>(3)</sup>
<b>Total</b>	<b>10,800,000</b>	<b>400,000</b>

<sup>(1)</sup> Received April 20, 2023

<sup>(2)</sup> Received April 19, 2023

<sup>(3)</sup> Received June 2, 2023

The transaction closed June 2, 2023, with the final payments of cash and shares. Additionally, the Company has a 2% NSR on production from the property, 1% of which may be repurchased by Rockland for \$1,000,000. See Note 6.

**g) Chevrier Gold project**

Through its wholly owned subsidiary Genesis, the Company owns a 100% interest in the Chevrier Gold Project, comprised of:

- various contiguous mining claims, some of which are subject to royalties ranging from 7.5% - 10% on net profits of production and 0.5%-1% NSR
- certain mineral claims subject to a 1% NSR, of which the Company can purchase 0.5% for \$750,000
- certain mineral claims comprising the Hygrade Property, subject to a 2% NSR, of which the Company can purchase 1% for \$1,500,000.
- certain mineral claims comprising the Trenholme Property, subject to a 2% NSR, of which the Company can purchase 1% for \$1,000,000.

On September 1, 2023, the Company disposed of 3 of the mining claims included in the property, pursuant to which the Company received \$20,000 cash.

**h) Philibert property**

Through its wholly owned subsidiary Royal Fox, the Company is party to an option agreement (the "Philibert Option Agreement") between its subsidiary Mines Royales and Soquem Inc. ("Soquem"), pursuant to which Mines Royales can earn up a 100% interest in the Philibert property pursuant to the following terms:

**Option 1:** an initial 50% pursuant to Mines Royales incurring the following exploration expenditures:

On or before	Annual amount required (\$)	Cumulative amount required (\$)
March 21, 2020	300,000 (incurred)	300,000
March 21, 2021	400,000 (incurred)	700,000
March 21, 2022	700,000 (incurred)	1,400,000
March 21, 2023	900,000 (incurred)	2,300,000
March 21, 2024	1,200,000 (incurred)	3,500,000

Mines Royales has the right to accelerate the timing of the spending of eligible expenditures over the 5-year period, such that it can earn its initial 50% interest in the property immediately upon the spending of \$3.5 million of eligible expenditures and notifying Soquem within 30 days of the completion of the expenditures requirements under option 1. In the event Mines Royales does not meet the cumulative expenditure requirements by the respective anniversary dates to be able to exercise its option 1 by the required date, it forfeits its right to earn any interest in the property. Upon exercise of option 1 by the Company, Mines Royales and Soquem will form a joint venture, with each entity holding a 50% interest in the property. Prior to March 31, 2023, Mines Royales earned the initial 50% interest in the Philibert property.

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**Option 2:** Upon exercise of option 1, the Company has 30 days to inform Soquem whether it wishes to enter into Option 2, whereby Mines Royales can earn an additional 25% interest in the property (for a cumulative total of 75%) by spending a further \$2.0 million on eligible expenditures within two years from the date of exercise of option 1.

Mines Royales has the right to accelerate the timing of the spending of eligible expenditures over the further 2-year period, such that it can earn the additional 25% interest in the property immediately upon the spending of the additional \$2.0 million of eligible expenditures and notifying Soquem within 30 days of the completion of the expenditures requirements under option 2. In the event Mines Royales does not meet the additional expenditure requirements by the respective 2-year anniversary date to be able to exercise its option 2 by the required date, it forfeits its right to earn any further interest in the property and maintains its previously earned 50% interest.

On April 13, 2023, Soquem confirmed that the Company had exercised Option 2 of the Philibert Option Agreement, such that it has earned a 75% ownership interest in the Philibert property.

**Option 3:** Upon the exercise of option 2, the Company has until March 21, 2026, to inform Soquem whether it wishes to enter into Option 3, pursuant to which Mines Royales can earn an additional 25% interest in the property (for a cumulative total of 100%) through the immediate payment to Soquem of \$3.5 million on or before March 21, 2026. In the event Mines Royales does not exercise its option 3 by the required date, it forfeits its right to earn any further interest in the property and maintains its previously earned 75% interest.

Soquem has a 2% NSR, of which 1% can be purchased for \$1,000,000, and the vendor of the property has a 2% NSR, of which 1% can be purchased for \$2,000,000.

**NUNAVUT**

i) **Coppermine River property**

Through its wholly owned subsidiary Royal Fox, the Company held a 100% interest in certain mineral leases in the Coppermine River area of Nunavut. On May 11, 2023, Royal Fox sold the Coppermine River property, pursuant to which it received \$2,000.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31, 2023	December 31, 2022
	\$	\$
Trade payables	153,935	2,012,777
Amounts due to related parties	221,644	84,451
Accrued liabilities - general	183,124	38,782
<b>Cash and cash equivalents</b>	<b>558,703</b>	<b>2,136,010</b>

The fair value of accounts payable and accrued liabilities approximates their carrying amount. Trade payables relate mainly to the acquisition of materials, supplies and services. These payables do not accrue interest.

**9. CONSIDERATION PAYABLE**

Royal Fox acquired the Philibert property on May 21, 2021, for total consideration of \$7,000,000. Royal Fox paid the vendor \$4,000,000 upon closing date of the transaction and had an aggregate payable amount of \$3,000,000 owing through the issuance of shares to the former shareholders of 9396-1217. The three payments of \$1,000,000 each was due on May 21, 2022, November 21, 2022 and May 21, 2023, with each

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such payment to be made through the issuance of that number of common shares in the capital of the Company equal to the \$1,000,000 payment, divided by the volume weighted average trading price of the Company's common shares for the 20 trading days prior to the date on which such payment is due. The payment of \$1,000,000 due May 21, 2022, was made by Royal Fox during the year ended December 31, 2022. The \$1,000,000 payment, to be made in shares of the Company on or before November 21, 2022, was deferred until April 28, 2023. The Company entered into agreement with the consideration payable holders to satisfy its obligations relating to the payment due on November 21, 2022, pursuant to which the payment originally due on November 21, 2022, was then due on May 21, 2023, which date was further extended to June 2023. On June 2, 2023, the Company issued a total of 4,412,592 common shares of the capital of the Company to the former shareholders of 9396-1217 in extinguishment of the total consideration payable of \$2,000,000.

**10. SHARE CAPITAL**

**a) Authorized**

At December 31, 2023, the authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

**b) Common shares**

Shares issued and outstanding as at December 31, 2023 and 2022 are as follows:

	Number of shares outstanding	Amount
<b>Balance, January 1, 2022</b>	<b>70,949,624</b>	<b>\$ 77,684,813</b>
Option exercise (vi)	150,000	77,309
Acquisition of subsidiaries (vii, viii)	50,075,834	19,885,333
Vesting of restricted share units (ix)	24,450	29,829
<b>Balance, December 31, 2022</b>	<b>121,199,908</b>	<b>\$ 97,677,284</b>
Shares issued for cash (i)	10,000,000	5,000,000
Share issue costs (i)	-	(152,332)
Shares issued for debt (ii)	4,412,592	2,000,000
Conversion of contingent value rights (iii)	9,890,215	3,164,869
Exercise of stock options (iv)	50,000	33,691
Exercise of warrants (v)	6,242,858	624,285
<b>Balance, December 31, 2023</b>	<b>151,795,573</b>	<b>\$ 108,347,797</b>

Year ended December 31, 2023

- i. In connection with a private placement closed on February 9, 2023, the Company issued a total of 10,000,000 common shares for total gross proceeds of \$5,000,000. Share issue costs of \$152,332 were paid.
- ii. In satisfaction of \$2,000,000 owed to the shareholders of 9396-1217, the Company issued 4,412,592 shares; the shares were valued at \$2,000,000. See Note 9.
- iii. In satisfaction of 247,255,720 contingent value rights related to the resource statement for Philibert property, the Company issued 9,890,215 shares; the shares were valued at \$3,164,869 based on the quoted market value of the Company's common shares. See Note 5.

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- iv. In connection with the exercise of stock options during the year ended December 31, 2023, the Company issued a total of 50,000 common shares for total gross proceeds of \$17,000.
- v. In connection with the exercise of warrants during the year ended December 31, 2023, the Company issued a total of 6,242,858 common shares for total gross proceeds of \$624,285.

Year ended December 31, 2022

- vi. In connection with the exercise of stock options during the year ended December 31, 2022, the Company issued a total of 150,000 shares for total gross proceeds of \$39,000.
- vii. In connection with the acquisition of Genesis (Note 4) the Company issued 14,500,037 common shares, with a fair value of \$5,655,013.
- viii. In connection with the acquisition of Royal Fox (Note 5) the Company issued 35,575,797 common shares, with a fair value of \$14,230,319.
- ix. In connection with the vesting of Restricted Share Units (“RSU”), the Company issued 24,450 common shares.
- x. In connection with flow-through expenditures incurred during the year ended December 31, 2022, \$3,408,847 of flow-through premium was recognized in the Statements of Loss.

**c) Stock Options**

The Company has a stock option plan (the “SO Plan”) administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant. The terms of all options cannot exceed ten years and the minimum exercise price cannot be less than the closing price of the Company’s common shares on the TSX Venture Exchange (“TSX-V”) on the last trading day preceding the grant of the option. All outstanding options of the Company were issued with an expiry date of 5 years from the date of issue. Except as may be prescribed by the Exchange, the Board of Directors determines the vesting terms of the options. Share-based payments reserve is included in shareholders’ equity and consists of the estimated fair value of stock options.

The following table summarizes stock options that were issued and outstanding as at December 31, 2023 and the Black-Scholes valuation of the options granted:

Number of options outstanding	Number of options exercisable	Grant date	Expiry date	Exercise price	Share price	Fair value of options vested	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			\$	\$	\$			Years	
370,000	370,000	29-Mar-19	29-Mar-24	0.22	0.22	79,988	211%	1.75%	5.00	0%
1,250,000	1,250,000	16-Jun-20	16-Jun-25	0.34	0.34	417,263	210%	1.75%	5.00	0%
400,000	400,000	9-Dec-21	22-Apr-26	0.69	0.71	236,892	132%	1.31%	4.37	0%
100,000	100,000	9-Dec-21	28-Jun-26	0.69	0.71	60,149	133%	1.32%	4.55	0%
1,355,000	1,355,000	9-Dec-21	9-Dec-26	0.69	0.71	836,079	133%	1.33%	5.00	0%
1,020,000	1,020,000	22-Nov-23	10-Jun-26	0.55	0.31	65,545	52%	4.32%	2.55	0%
240,000	240,000	22-Nov-23	19-Jul-26	0.55	0.31	16,190	52%	4.32%	2.66	0%
5,180,000	1,680,000	7-Mar-23	7-Mar-28	0.50	0.450	1,145,588	120%	3.41%	5.00	0%
<b>9,915,000</b>	<b>6,415,000</b>			<b>0.51</b>		<b>2,857,693</b>			<b>4.66</b>	

The weighted-average remaining contractual life of the options at December 31, 2023 is 3.21 years. (December 31, 2022 – 2.20 years).

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A summary of the changes in the Company's stock options are as follows:

	Number of options	Weighted average exercise price	Value of options vested
<b>Balance, January 1, 2022</b>	<b>4,665,000</b>	<b>\$ 0.519</b>	<b>\$ 1,877,206</b>
Options vested	-	-	208,890
Expired, April 2022	(510,000)	0.650	(298,541)
Expired, November 2022	(285,000)	0.500	(87,795)
Issued in replacement of Genesis options	1,265,009	1.272	15,022
Issued in replacement of Royal Fox options	2,022,000	0.531	204,864
Exercised	(150,000)	0.260	(38,309)
<b>Balance, December 31, 2022</b>	<b>7,007,009</b>	<b>\$ 0.655</b>	<b>\$ 1,881,337</b>
Options vested	-	-	85,188
Grant, March 2023	5,180,000	0.500	1,145,588
Grant, November 2023*	1,260,000	0.550	81,736
Exercised, January 2023	(50,000)	0.340	(16,691)
Expired, November 2023	(3,287,009)	0.816	(219,886)
Expired, December 2023	(195,000)	0.494	(96,270)
<b>Balance, December 31, 2023</b>	<b>9,915,000</b>	<b>\$ 0.512</b>	<b>\$ 2,861,002</b>

\*The options granted November 22, 2023, are related to the extension of previously issued replacement options for Royal Fox.

For the year ended December 31, 2023, the Company recorded \$1,312,512 in share-based compensation for stock options (December 31, 2022 - \$208,890).

**d) Restricted Share Units ("RSU")**

The Company has a restricted share unit plan ("RSU Plan") administered by the Board of Directors and which permits the Company to grant awards of RSUs. Pursuant to the terms of the RSU Plan, the RSUs will be redeemed, upon vesting, within 30 days of the applicable redemption date at the option of the Company, for:

- (i) the number of common shares equal to the numbers of RSUs vested on the redemption date;
- (ii) a cash amount equal to the number of common shares multiplied by the fair market value of the common shares on the redemption date; or
- (iii) a combination of (i) and (ii) as determined by the Company.

The redemption date in respect of any RSU is the date provided for in the agreement granting the RSUs or if no date is set, the third anniversary of the grant date, unless otherwise provided for in the RSU Plan. The Company has the discretion to stipulate the length of time for vesting and to determine various performance objectives based on certain business criteria as a pre-condition to an RSU vesting. The Company's intention is to always settle its RSUs with issuance of common shares of the Company.

At December 31, 2023, the Company had RSUs outstanding as follows:

Issue date	Vesting date	Number of RSUs	Fair value of RSUs Vested
April 22, 2021	April 22, 2023	24,450	29,829
November 4, 2022	November 4, 2023	759,297	303,719
		<b>783,747</b>	<b>333,548</b>

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A summary of the changes in the Company's RSUs follows:

	Number of RSUs	Weighted average grant price	Fair value of RSUs Vested
<b>Balance, January 1, 2022</b>	<b>98,900</b>	<b>\$ 1.14</b>	<b>\$ 42,474</b>
Vested	-	-	37,443
Converted	(24,450)	1.22	(29,829)
Expired, October 2022	(50,000)	1.07	(21,527)
Granted, November 2022	759,297	0.40	47,430
<b>Balance, December 31, 2022</b>	<b>783,747</b>	<b>\$ 0.43</b>	<b>\$ 75,991</b>
Vested	-	-	257,557
<b>Balance, December 31, 2023</b>	<b>783,747</b>	<b>\$ 0.43</b>	<b>\$ 333,548</b>

For the year ended December 31, 2023, the Company recorded share-based compensation of \$257,557 for RSUs (December 31, 2022 - \$84,873).

**e) Warrants**

Holders of 71,623,000 Royal Fox warrants were eligible to receive up to, in the aggregate, 8,594,760 common shares of the Company. The following table summarizes warrants that were issued and outstanding, converted to Northern Superior warrants using the exchange ratio of 0.12, as at December 31, 2023 and the Black-Scholes valuation of the warrants issued:

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiry date	Exercise price	Share price	Estimated fair value at grant date	Volatility	Risk-free interest rate	Expected life	Expected dividend yield
#	#			\$	\$	\$			Years	
6,896,760	6,896,760	4-Nov-22	6-Jan-24	0.50	0.40	805,068	66%	3.44%	1.17	0%
1,698,000	1,698,000	4-Nov-22	13-Dec-24	0.67	0.40	115,913	34%	2.56%	2.11	0%
<b>8,594,760</b>	<b>8,594,760</b>			<b>0.53</b>		<b>920,981</b>			<b>1.36</b>	

A summary of the changes in the Company's warrants follows:

	Number of warrants	Weighted average exercise price	Fair value of warrants granted
<b>Balance, January 1, 2022</b>	<b>7,687,635</b>	<b>\$ 0.297</b>	<b>\$ 715,456</b>
Expired, June 2022	(1,190,150)	1.200	(666,363)
Acquisition of Genesis warrants	796,821	0.978	14,465
Acquisition of Royal Fox warrants	8,594,760	0.534	920,981
<b>Balance, December 31, 2022</b>	<b>15,889,066</b>	<b>\$ 0.392</b>	<b>\$ 984,539</b>
Exercised	(6,242,858)	\$ 0.100	\$ -
Expired, 2023	(1,051,448)	\$ 0.959	\$ (63,558)
<b>Balance, December 31, 2023</b>	<b>8,594,760</b>	<b>\$ 0.534</b>	<b>\$ 920,981</b>

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## 11. RELATED PARTY TRANSACTIONS

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all the costs are recorded at the terms agreed upon between the parties. The Company's key management and related party expenses for the years ended December 31, 2023 and 2022 are as follows:

	Years ended December 31,	
	2023	2022
Management - fees and salaries	\$ 1,051,174	\$ 664,150
Management - share based compensation	899,288	200,562
Directors - fees	100,000	21,963
Directors - share based compensation	424,577	45,708
<b>Total</b>	<b>\$ 2,475,039</b>	<b>\$ 932,383</b>

As at December 31, 2023, an amount of \$108,028, included in accounts payable and accrued liabilities, was owed to directors and officers of the Company (December 31, 2022 - \$1,073). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms or repayment.

The Company has a geological services agreement with a company controlled by a director that was entered into prior to the acquisition of Royal Fox. The minimum remaining commitment is for three years with a balance owing of \$478,356. As at December 31, 2023, an amount of \$121,644, was included in accounts payable and accrued liabilities (December 31, 2022 - \$21,963). The amounts outstanding on fees are unsecured, non-interest bearing, with no fixed terms or repayment.

The Company issued 4,305,405 common shares to a director of the Company for the settlement of the consideration payable (Note 9).

The settlement of the CVRs (Note 5) requires the Company to issue 1,973,873 common shares of the Company to certain directors and officers.

## 12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

### Management of Capital risk

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, equity reserves.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and will need to raise additional amounts. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic 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 year ended December 31, 2023.

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The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body.

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

As at December 31, 2023, the Company believes it is compliant with the policies of the TSXV.

### **Financial Instruments and Risk Management**

As at December 31, 2023, the Company’s financial instruments consist of cash and cash equivalents, marketable securities, receivables, accounts payable and accrued liabilities, contingent value rights liability and consideration payable. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

#### *Fair value estimation*

The Company’s financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company’s financial instruments recorded at fair value consist of cash and cash equivalents and marketable securities are measured based on Level 1 inputs. There were no transfers between the three levels.

The carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities, contingent value rights and consideration payable approximate their fair values due to the short-term maturity of these financial instruments.

As at December 31, 2023, the Company believes that the carrying values of cash and cash equivalents, prepaids and receivables, accounts payable and accrued liabilities, contingent value rights and consideration payable approximate their fair values because of their nature and relatively short maturity dates or durations.

#### **i. Credit Risk**

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company’s credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. The Company’s surplus cash at December 31, 2023, is invested in liquid accounts in A

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rated Canadian Chartered Banks. The Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

**ii. Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had cash and cash equivalents of \$2,078,549 (December 31, 2022: \$1,442,094) available to settle trade payables and accrued liabilities totaling \$558,703 (December 31, 2022: \$2,136,009).

**iii. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short-term interest rates through the interest earned on cash balances. A 1% change in short term rates would change the interest income and net loss of the Company, assuming that all other variables remained constant, by approximately \$20,785 at December 31, 2023.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency or commodity risk arising from financial instruments.

**13. SEGMENTED INFORMATION**

The Company conducts its business as a single operating segment being the mineral exploration business in Canada. All exploration properties and equipment are situated in Canada.

**14. LEASES – RIGHT OF USE ASSET AND LEASE LIABILITIES**

Effective September 1, 2021, the Company entered into a lease agreement which was due to expire on August 31, 2025. The lease was divided between the right-of-use assets and the lease liabilities, representing the monthly lease payments from September 1, 2022 to August 31, 2025.

During 2023, the Company terminated the lease agreement, pursuant to which it recorded a gain on termination of the lease of \$3,200, in the Statement of Loss and Comprehensive Loss.

Right-of-use Asset

A summary of the changes in the right-of-use assets follows:

	\$
<b>Balance, December 31, 2021</b>	-
Additions	88,087
Depreciation	(9,787)
<b>Balance, December 31, 2022</b>	<b>78,300</b>
Depreciation	(14,681)
Write off of lease on early termination	(63,619)
<b>Balance, December 31, 2023</b>	-

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A summary of changes in lease liabilities follows:

	\$
<b>Balance, December 31, 2021</b>	-
Lease liability from lease agreement	88,087
Lease payment on principle portion	(11,130)
Lease liability accretion expense	2,833
<b>Balance, December 31, 2022</b>	<b>79,790</b>
Lease payment on principle portion	(16,695)
Lease liability accretion expense	3,722
Write off of lease on early termination	(66,817)
<b>Balance, December 31, 2023</b>	-

The following is a schedule of the Company's future lease payments:

	\$
October 1, 2022 to December 31, 2022	-
January 1, 2023 to December 31, 2023	(16,695)
January 1, 2024 to December 31, 2024	(34,185)
January 1, 2025 to December 31, 2025	(23,849)
Total undiscounted lease payment	(74,729)
Less: imputed interest	7,912
Write off of lease on early termination	66,817
Total carrying value of lease obligation	-

## 15. ENVIRONMENTAL OBLIGATIONS

The Company recognized a provision for future estimated reclamation costs related to an existing camp site on the TPK property. As at December 31, 2023, the estimated future liability of approximately \$200,000 (2022 – \$200,000; January 1, 2022 - \$200,000) was adjusted for inflation at an average rate of 3.11% (2022 – 2.3%), discounted at a rate of 3.10% (2022 – 3.30%), and recorded as \$200,194 (2022 - \$172,532; January 1, 2022 - \$197,066). The changes in the environmental obligations are reflected in Note 7, Exploration and Evaluation Expenditures as other expenditures.

## 16. PREPAIDS AND RECEIVABLES

The following table shows the breakdown of prepaids and receivables:

For the year ended December 31	2023	2022
Input tax credit recoverable	197,063	738,392
Quebec mining taxes recoverable	456,838	360,974
Prepaid expenditures	159,009	216,606
	<b>812,910</b>	<b>1,315,972</b>

## 17. COMMITMENTS AND CONTINGENCIES

### Environmental

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make expenditures to comply with such laws and regulations.

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**General**

The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable.

**Management Contracts**

The Company is party to certain employment and consulting contracts. These contracts contain minimum commitments of approximately \$850,000 with regards to termination pay and additional contingent payments of up to approximately \$1,520,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Minimum commitments under these contracts due within one year are \$795,000.

**Other**

The Company has a geological services agreement with a company controlled by a director that was entered into prior to the acquisition of Royal Fox. The minimum remaining commitment is for three years with a balance owing of \$478,356. See Note 11.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that may become payable by the subscribers as a result of the Company not meeting this expenditure commitment. The Company's provision for indemnity costs represents management's best estimate of the present value of the future outflows required. The provision reflects estimates of future payments directly attributable to the indemnity and assumptions about claims in respect of the indemnity. Changes in these factors can result in a change to the provision recognized by the Company.

See Note 5.

**18. INCOME TAXES**

*Provision for income taxes*

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2022 - 26.5%) to the effective tax rate is as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<u>(Loss) before income taxes</u>	<u>(5,678,653)</u>	<u>(30,461,077)</u>
Expected income tax recovery based on statutory rate	(1,505,000)	(8,072,000)
Adjustment to expected income tax recovery:		
Flow-through premium recognized in the statement of loss	(8,167)	(861,379)
Premanent differences	370,500	9,314,631
Tax benefits not realized (realized)	1,142,667	381,252
<u>Deferred income tax provision (recovery)</u>	<u>-</u>	<u>-</u>

*Deferred income taxes*

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

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	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Non-capital loss carry-forwards (Canada)	43,605,786	42,526,733
Non-deductible capital costs	8,462,587	8,247,440
<b>Total temporary differences</b>	<b>52,068,373</b>	<b>50,774,173</b>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Non-capital losses of \$43,918,260 in Canada expire between 2024 and 2043.

**19. SUBSEQUENT EVENTS**

On January 6, 2024, 6,896,760 warrants expired unexercised.

On March 14, 2024, the Company disposed of 7,800,000 shares of Rockland Resources Ltd. on the open market for gross proceeds of \$195,000.

On March 28, 2024, the Company issued 1,968,377 common shares to settle the remaining CVR liability with Royal Fox shareholders.

On March 29, 2024, 270,000 options expired unexercised.

On April 5, 2024, the Company issued 50,000 common shares upon the exercise of stock options for gross proceeds of \$17,000.

On April 8, 2024, the Company issued 50,000 common shares upon the exercise of stock options for gross proceeds of \$17,000.

On April 16, 2024, the Company issued 100,000 common shares upon the exercise of stock options for gross proceeds of \$22,000.