



NORSEMONT MINING INC.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

NORSEMONT MINING INC.
Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2022 and December 31, 2021
(Expressed in Canadian Dollars)

	Notes	September 30, 2022	December 31, 2021
		\$	\$
Assets			
Current assets			
Cash		123,876	2,602,049
Amounts receivable	9	34,546	15,808
Loan receivable	9	23,500	23,500
Prepaid expenses and deposits	9	29,277	38,063
Share subscription receivable		-	46,100
		211,199	2,725,520
Non-current			
Mineral properties	3	27,477,053	27,477,053
Property and equipment	4	60,400	88,300
Term deposit		28,750	28,750
		27,566,203	27,594,103
		27,777,402	30,319,623
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5,9	1,606,073	1,425,378
Loan payable	6	104,000	-
Amount owing on mineral properties	3	-	633,900
Convertible debenture	7	977,558	-
Lease liability	15	37,400	43,900
		2,725,031	2,103,178
Non-current liabilities			
Lease liability	15	31,500	49,800
		2,756,531	2,152,978
Shareholders' equity			
Share capital	8	45,766,110	44,949,764
Share subscription	8	-	22,500
Reserves	8	1,708,057	1,050,379
Deficit		(22,453,296)	(17,855,998)
		25,020,871	28,166,645
		27,777,402	30,319,623
Nature of operations and going concern	1		

The consolidated financial statements were approved by the Board of Directors on November 25, 2022 and were signed on its behalf by:

"Marc Levy"
Director

"Charles Ross"
Director

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

NORSEMONT MINING INC.

Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Expenses					
Consulting fees		30,000	67,500	125,000	245,754
Depreciation	4	9,300	-	27,900	2,950
Exploration costs	3	586,741	2,041,984	2,414,997	3,647,342
Investor communications		48,750	44,220	519,854	156,098
Office, rent and administration	9	10,385	47,404	69,503	141,827
Professional fees	9	31,109	33,581	100,291	123,988
Regulatory fees		8,177	7,409	31,033	34,971
Salaries and benefits	9	133,128	115,702	411,745	304,887
Share-based payments	8, 9	207,453	300,880	878,330	1,181,485
Transfer agent fees		14,681	1,959	32,708	11,471
Travel and other expenses		2,383	461	15,599	753
Loss before other items		(1,082,107)	(2,661,100)	(4,626,960)	(5,851,526)
Finance costs	7, 15	(45,071)	-	(79,709)	-
Foreign exchange gain (loss)		(72,219)	3,253	(6,132)	24,254
Interest income		705	705	2,187	2,115
Net loss for the period		(1,198,692)	(2,657,142)	(4,710,614)	(5,825,157)
Other comprehensive gain (loss) for the period					
Foreign exchange differences on translation of foreign operations		18,196	-	(14,272)	-
Net loss and comprehensive loss for the period		(1,180,496)	(2,657,142)	(4,724,886)	(5,285,157)
Loss per share					
Loss per common share – basic and diluted		(0.02)	(0.05)	(0.09)	(0.11)
Weighted average number of shares outstanding – basic and diluted		54,758,223	52,097,510	54,526,437	51,991,427

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

NORSEMONT MINING INC.

Condensed Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

	Note	Share capital		Share subscription payable	Reserves					
		Number	Amount		Share-based payment	Foreign exchange translation	Convertible debentures	Total reserves	Deficit	Total
		#	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020		51,860,074	43,433,212	-	1,914,600	-	-	1,914,600	(10,760,261)	34,587,551
Shares issued for exercise of warrants	8	343,334	181,083	-	-	-	-	-	-	181,083
Share-based payments	8	-	-	-	1,181,485	-	-	1,181,485	-	1,181,485
Net comprehensive loss		-	-	-	-	-	-	-	(5,825,157)	(5,825,157)
Balance, September 30, 2021		52,203,408	43,614,295	-	3,096,085	-	-	3,096,085	(16,585,418)	30,124,962
Balance, December 31, 2021		53,984,033	44,949,764	22,500	1,164,000	(113,621)	-	1,050,379	(17,855,998)	28,166,645
Shares issued for private placement – net of issue cost	8	850,000	335,800	-	-	-	-	-	-	335,800
Shares issued for exercise of warrants	8	80,000	60,000	(22,500)	-	-	-	-	-	37,500
Shares issued for vested RSU	8	301,625	206,967	-	(206,969)	-	-	(206,969)	-	-
Shares issued for settlement of debt	8	284,772	213,577	-	-	-	-	-	-	213,577
Equity component of convertible debenture	7	-	-	-	-	-	113,905	113,905	-	113,905
Share-based payments	8	-	-	-	878,330	-	-	878,330	-	878,330
Cancelled and expired options and warrants	8	-	-	-	(113,316)	-	-	(113,316)	113,316	-
Net comprehensive loss		-	-	-	-	(14,272)	-	(14,272)	(4,710,614)	(4,724,886)
Balance, September 30, 2022		55,500,430	45,766,110	-	1,722,045	(127,893)	113,905	1,708,057	(22,453,296)	25,020,871

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

NORSEMONT MINING INC.
Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

	Nine months ended September 30	
	2022	2021
	\$	\$
Operating activities:		
Loss for the period	(4,710,614)	(5,825,157)
<i>Adjustment for non-cash items:</i>		
Finance costs	82,109	-
Depreciation	27,900	2,950
Foreign exchange	6,132	(24,254)
Share-based payments	878,330	1,181,485
<i>Changes in working capital items:</i>		
Prepaid expenses and deposits	8,786	38,832
Amounts receivable	(18,738)	23,885
Accounts payable and accrued liabilities	(274,927)	460,226
Cash used in operating activities	(4,001,022)	(4,142,033)
Financing activities:		
Proceeds from issuance of shares, net of issuance cost	335,800	-
Proceeds from issuance of convertible debentures, net of issuance costs	1,044,285	-
Exercise of warrants	37,500	181,082
Share subscription received	46,100	-
Proceeds from loan payable	104,000	-
Lease liability payments	(32,850)	-
Cash provided by financing activities	1,534,835	181,082
Decrease in cash	(2,466,187)	(3,960,951)
Effect of foreign exchange rate changes	(11,986)	-
Cash, beginning of the period	2,602,049	7,604,968
Cash, end of the period	123,876	3,644,017
Non-cash financing activities:		
Shares issued for debt settlement	213,579	-

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

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

1. Nature of Operations

Norsemont Mining Inc. (“the Company”) was incorporated on July 26, 2000 under the Canada Business Corporations Act and continued into BC under the British Columbia Corporations Act on January 30, 2016 as Norsemont Capital Inc. The Company’s common shares are traded on the Canadian Securities Exchange (“Exchange”) under the symbol “NOM”.

The head office, principal address and records office of the Company are located at Suite 610 – 700 West Pender Street, Vancouver, BC, Canada, V6C 1G8. The Company’s registered office address is Suite 900 – 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

The Company is engaged in the acquisition, exploration and development of mineral properties. The Company has exploration projects including the Choquelimpie Gold and Silver Project (“Choquelimpie Project”) located in Northern Chile and the Burge Lake Project located in Quebec.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2022, the Company had working capital deficit of \$2,513,832 (December 31, 2021 - working capital of \$622,342) and accumulated deficit of \$22,453,296 (December 31, 2021 - \$17,855,998). The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its condensed consolidated interim statement of financial position.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 on business operations cannot be reasonably estimated at the time, the Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows.

2. Basis of Presentation and Significant Accounting Policies

(a) Basis of presentation and consolidation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2021.

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Rosswoll Industries Inc. (“Rosswoll”) and Tavros Gold Corp. (“Tavros”), incorporated in British Columbia. Sociedad Contractual Minera Vilacollo (“SCMV”) is a wholly owned subsidiary of Tavros, incorporated in Chile. All significant intercompany balances and transactions were eliminated on consolidation.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Basis of Presentation and Significant Accounting Policies (Continued)

(b) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments are as follows:

(i) Fair value measurement of stock-based payments

The Company measures equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option and volatility and making assumptions about them.

(ii) Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. As a result of the assessment, management concluded the going concern basis of accounting is appropriate based on its profit and cash flow forecasts and access to replacement financing for the future twelve months.

(iii) Measurement of deferred tax assets and liabilities

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

2. Basis of Presentation and Significant Accounting Policies (Continued)

(b) Significant accounting estimates and judgments (continued)

(iv) Carrying value and the recoverability of mineral properties

Significant judgment is required in determining the carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on capitalized acquisition and expenditure costs, facing review for impairment based on factors including the planned exploration budgets and activities, commodity prices, drill results of exploration programs, and strategic direction of the Company.

(c) New Accounting Standards and Interpretations

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a material impact on the Company's financial statements, other than increased disclosure.

3. Mineral Properties

(a) Canada

On May 4, 2020, the Company entered into an option agreement with La Croix Exploration Ltd. ("Optionor") to acquire a 100% interest in the Burge Lake project located in the province of Quebec. In order to exercise the option and maintain the option in good standing, the Company was required to pay the Optionor an aggregate of \$285,000 (\$135,000 in year 1 and \$150,000 in year 2) and incur exploration expenditures of \$250,000 within two years of signing of the option agreement. As at September 30, 2022, the option agreement was in default as the required payments and exploration expenditures were not met. The property was fully impaired in 2021.

(b) Chile

	December 31, 2021	Additions	September 30, 2022
	\$	\$	\$
Choquelimpie project			
Acquisitions costs – cash	5,247,428	-	5,247,428
Acquisitions costs – shares	22,229,625	-	22,229,625
	27,477,053	-	27,477,053

On July 15, 2020, pursuant to a share purchase agreement (the "Agreement"), the Company acquired all of the issued and outstanding shares of Tavros which included the Choquelimpie Project located in northern Chile. The acquisition did not meet the definition of a business under IFRS 3, therefore, the acquisition of Tavros was accounted for as an acquisition of an exploration and evaluation asset.

The Company acquired the Choquelimpie Project for aggregate consideration of \$5,247,428 which comprised of staged cash payments of US\$3,300,000, a finder's fee of \$550,000 and transaction fees capitalized. In addition, 15,000,000 common shares (the "Shares") of the Company at a fair value of \$22,229,625 were issued. Pursuant to the Agreement, the Shares were held in escrow for a period of two years, and as at September 30, 2022, 5,971,429 shares were released from escrow. During the nine months ended September 30, 2022, the Company fully settled the remaining payable balance of US\$500,000. Of that amount, USD\$329,750 was paid in cash and USD\$170,250 was settled by issuing 284,772 common shares (for \$213,579) (Note 8).

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

3. Mineral Properties (Continued)

(c) Exploration Costs

During the period ended September 30, 2022, the Company incurred exploration costs related to the Choquelimpie Project in Chile, as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consulting fees	62,647	189,850	241,989	427,164
Field operating costs	30,151	138,217	138,300	276,701
Field/camp maintenance	(328)	191,414	12,958	284,838
Geo assays and materials	(8,052)	257,222	333,114	667,387
Geophysics campaign	-	243,706	-	243,706
Mining property and water rights	8,749	38,685	135,003	140,625
Office and administration	113,941	56,695	319,017	124,477
Salaries	361,274	344,552	1,147,056	818,021
Sonic Drilling	-	485,260	-	485,260
Travel expenses	18,361	96,381	87,559	179,162
	586,741	2,041,983	2,414,997	3,647,342

4. Property and Equipment

	Right-of-use asset	Equipment	Total
	\$	\$	\$
Cost			
Balance, December 31, 2020	-	10,022	10,022
Additions (Note 14)	111,300	-	111,300
Balance, December 31, 2021 and September 30, 2022	111,300	10,022	121,322
Accumulated depreciation			
Balance, December 31, 2020	-	7,072	7,072
Depreciation	23,000	2,950	25,950
Balance, December 31, 2021	23,000	10,022	33,022
Depreciation (Note 14)	27,900	-	27,900
Balance, September 30, 2022	50,900	10,022	60,922
Net book value			
December 31, 2021	88,300	-	88,300
September 30, 2022	60,400	-	60,400

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

4. Property and Equipment (Continued)

The Company entered into new lease agreements during the year ended December 31, 2021 to rent 2 trucks (Note 15). The Right-of-use asset ("ROU") is depreciated using a straight-line method over the lease term of the underlying asset (3 years).

5. Accounts Payable and Accrued Liabilities

	September 30, 2022	December 31, 2021
	\$	\$
Accounts payable	252,311	114,903
Accounts payable – Chile	1,009,876	1,215,593
Accrued liabilities	1,000	41,000
Accrued liabilities due to related parties (Note 9)	301,465	39,498
Interest payable on debentures (Note 7)	26,250	-
Interest payable on loan (Note 6)	581	-
Payroll liabilities	14,590	14,384
	1,606,073	1,425,378

6. Loan Payable

On September 13, 2022, the Company received a loan in the principal amount of \$104,000. The loan bears interest of 12% per annum and payable on-demand together with the principal amount after one year from the effective date of the loan. If the interest was not paid upon its maturity, the interest accrued on the loan shall be added to and form part of the principal sum.

7. Convertible Debenture

	April 2022
	\$
Balance, December 31, 2021	-
Issued	1,050,000
Equity portion	(114,529)
Transaction costs	(5,091)
Accretion	47,178
Balance, September 30, 2022	977,558

In April 2022, the Company completed a non-brokered private placement of a one year convertible debentures (the "Debentures") in the principal amount of \$1,050,000. The Debentures bear interest at 6% per annum, payable on maturity. The Debentures are convertible into units of the Company at a price of \$1.00 per unit, where each unit is comprised of one common share and one half share purchase warrant. Each warrant is exercisable into one additional common share at a price of \$1.25 per share for a period of three years from the date of conversion.

The Debentures are compound financial instruments which were classified separately as financial liability and equity. At initial recognition, the fair value of the liability component was estimated at \$930,380, using a discounted cash flow model method with an expected life of 1 year and a discount rate of 18.57%. The conversion feature is classified as equity and was estimated based on the residual value of \$114,529. This amount is not subsequently remeasured and will remain in equity until the debentures

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

7. Convertible Debenture (Continued)

are converted, in which case, the balance recognized in equity will be transferred to share capital. Transaction costs of \$5,715 related to the issuance of the convertible debentures were allocated to the liability (\$5,091) and equity (\$624) components in proportion to the allocation of the gross proceeds.

As at September 30, 2022, included in accounts payable and accrued liabilities was accrued interest on the debentures of \$26,250. (Note 5).

8. Share Capital and Reserves

(a) Authorized

An unlimited number of common shares without par value.

(b) Issued share capital

As at September 30, 2022 and December 31, 2021, there were 55,500,430 and 53,984,033 issued and outstanding common shares, respectively.

Nine months ended September 30, 2022:

- 850,000 units were issued at \$0.40 per unit for gross proceeds of \$340,000 as part of a private placement financing. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one-half of the share of the Company at a price of \$0.75 up to two years from the date of the warrant agreement. A total of \$4,200 broker fees were paid as share issuance cost.
- 30,000 shares were issued pursuant to shares subscription payable from warrants exercised in the year ended December 31, 2021.
- 50,000 shares were issued pursuant to warrants exercise for gross proceeds of \$37,500 (Note 7c).
- 284,772 shares were issued pursuant to a settlement of debt (Note 3b) with a fair value of \$213,579.
- 301,625 shares were issued pursuant to vested restricted share units with a fair value of \$206,969 (Note 8e).

Year ended December 31, 2021:

- A total of 2,123,959 common shares were issued pursuant to warrant exercises for gross proceeds of \$1,516,552.
- As at December 31, 2021, a total 30,000 shares were issuable from warrants exercises. These shares were issued subsequent to year-end.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

(c) Warrants

The continuity of share purchase warrants issued and outstanding is as follows:

	Warrants #	Weighted Average Exercise Price \$
Balance, December 31, 2020	11,021,292	1.39
Exercised	(2,123,959)	0.71
Balance December 31, 2021	8,897,333	1.54
Issued	425,000	0.75
Exercised	(80,000)	0.75
Expired	(8,817,333)	1.40
Balance September 30, 2022	425,000	0.75
Weighted average remaining contractual life		1.97 years

(d) Stock options

On July 3, 2020, the Company adopted an Omnibus Equity Incentive Plan ("Plan"). The purpose of this Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Company and its subsidiaries. As well, such Directors, Employees and Consultants may be granted awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such Directors, Employees and Consultants to acquire common shares of the Company as long-term investments and proprietary interests in the Company.

The continuity of stock options issued and outstanding is as follows:

	Options Outstanding #	Weighted Average Exercise Price \$
Balance, December 31, 2020	3,320,000	1.31
Granted	3,175,000	0.75
Forfeited or cancelled	(2,410,000)	1.69
Balance, December 31, 2021	4,085,000	0.65
Granted	300,000	0.74
Expired or cancelled	(85,000)	0.53
Balance, September 30, 2022	4,300,000	0.66
Weighted average remaining contractual life		3.53 years

The weighted average fair value of options granted during the three and nine months ended September 30, 2022 was \$nil and \$0.74 (2021 – \$0.42 and \$0.41) per option.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

(d) Stock options (continued)

Vested and non-vested stock options outstanding at September 30, 2022 are as follows:

Exercise Price	Options Outstanding	Expiry Date	Vested Options Exercisable	Non vested Options
\$	#		#	
0.40	40,000	April 27, 2023	40,000	-
0.305	300,000	July 2, 2024	300,000	-
0.18	305,000	October 30, 2025	305,000	-
0.28	50,000	November 2, 2026	50,000	-
0.49	75,000	May 5, 2025	75,000	-
0.54	100,000	May 13, 2025	100,000	-
0.74	135,000	February 23, 2026	135,000	-
0.70	200,000	February 23, 2026	150,000	50,000
0.56	100,000	March 5, 2026	75,000	25,000
0.60	1,190,000	April 20, 2026	743,750	446,250
0.60	350,000	April 21, 2026	218,750	131,250
0.63	85,000	May 3, 2026	53,125	31,875
0.74	200,000	October 20, 2026	141,250	58,750
1.05	870,000	November 19, 2026	331,875	538,125
0.74	200,000	January 31, 2027	125,000	75,000
0.75	100,000	May 4, 2027	12,500	87,500
	4,300,000		2,856,250	1,443,750

The Company recorded share-based payments of \$138,366 and \$613,742 for the three and nine months ended September 30, 2022 (2021 - \$254,300 and \$1,075,668), respectively, for all stock options granted and/or vested during the period.

The fair values of the stock options granted during the nine months ended September 30, 2022 and 2021 were estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2022	2021
Risk free interest rate	2.01%	0.88%
Dividend yield	0.00%	0.00%
Stock price volatility	74%	90.79%
Expected life	5 years	5 years

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

8. Share Capital and Reserves (Continued)

(e) Restricted share units

RSUs granted to directors, officers, and consultants vest over a period of 2 years. The continuity of RSUs issued and outstanding is as follows:

	RSUs Outstanding #	Weighted Average Fair value \$
Balance, December 31, 2020	-	-
Granted	711,000	0.75
Balance, December 31, 2021	711,000	0.75
Granted	75,000	0.72
Released	(301,625)	0.67
Balance, September 30, 2022	484,375	0.79

The total share-based payments related to RSUs granted and/or vested for three and nine months ended September 30, 2022 were \$69,087 and \$264,588 (2021 - \$46,580 and \$105,817) respectively.

(f) Reserves

Share based payments reserve represent the fair value of stock options or warrants until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. In addition, upon expiry or forfeiture, the fair value of such vested stock options or warrants is reclassified from the reserve to the retained earnings/(deficit) for presentational purposes. Foreign exchange translation reserve represents the accumulated foreign exchange differences from the translation of the financial information of the Company's subsidiaries to the presentation currency of the consolidated financial statements.

(g) Share subscription payable

Share subscriptions consist of shares to be issued for warrant exercise or private placements that were not closed at the end of the period.

9. Related Party Balances and Transactions

(a) Related party transactions

The Company incurred the following transactions with officers, directors and companies having directors or officers in common:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
Office, rent and administration (1)	15,221	6,264	\$ 53,033	\$ 60,986

(1) Shared office, rent and administration expense is paid to a company with common directors and officers.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

9. Related Party Balances and Transactions (Continued)

(b) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and consist of its Directors, CEO and CFO. During the three and nine months ended September 30, 2022 and 2021, following amounts of the key management compensation were incurred:

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
CEO salary	60,000	60,600	180,000	187,800
Professional fees (1)	30,000	30,000	90,000	111,000
Share-based payments	124,629	221,961	530,340	589,171
	214,629	312,561	800,340	887,971

(1) Professional fees paid to a company controlled by the CFO of the Company for accounting and corporate secretarial services provided.

(c) Related party balances

The following related party amounts are included in prepaid expenses and deposits and accounts payable and accrued liabilities:

	September 30, 2022	December 31, 2021
	\$	\$
<i>Included in prepaid expenses and deposits:</i>		
Company having directors and officers in common	14,957	14,716
<i>Included in accounts payable and accrued expenses (Note 5):</i>		
Companies having directors and officers in common	(10,351)	-
Amounts owing to the CFO and CEO of the Company	301,465	39,498

(d) Loan to related party

As at September 30, 2022, the Company had a loan receivable outstanding from a company that has common directors and officers of \$23,500 (2021 – \$23,500). The loan is unsecured, due on demand and bears interest rate of 12% per annum. As at September 30, 2022, accrued interest on this loan was \$7,608 (December 31, 2021 – \$5,493), which is included in amounts receivable on the consolidated statements of financial position.

10. Fair Value of Financial Instruments

The Company's financial instruments include cash, amounts receivable, loan receivable, accounts payable and convertible debentures. The carrying values of these financial instruments approximate their fair values due to the short-term maturity of the instruments.

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

10. Fair Value of Financial Instruments (Continued)

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

During the nine months ended September 30, 2022 and 2021, there were no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy. Cash was recorded using Level 1 input.

11. Risk Management

(a) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash, and amount receivable. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company reduces its credit risk by maintaining its bank accounts at large financial institutions. The amount receivable was due from a related party and from the Canada Revenue Agency (GST receivable). Credit risk associated with receivable was considered low.

(b) Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at September 30, 2022, the Company had cash of \$123,876 to settle current liabilities of \$2,725,031. Liquidity risk is assessed as high.

(c) Currency risk

Currency risk is the risk that fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange rate risk mainly due to its exploration activities in Chile. The Company manages its risk by using large accredited financial institutions to process its foreign currency transactions ensuring market rate of foreign exchange.

	Canadian dollar value of US dollar balances		Canadian dollar value of Chilean peso balances	
	September 30, 2022	December 31, 2022	September 30, 2022	December 31, 2022
Cash and equivalents	\$ 10	\$ 511,199	\$ 61,047	\$ 317,799
Accounts payable and accrued liabilities	(61,682)	-	(1,051,042)	(1,215,593)
Amount owing on mineral properties	-	(633,900)	-	-
	113,425	(122,701)	(989,995)	(897,794)

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

11. Risk Management (continued)

(c) Currency risk (continued)

Based on the above net exposures as at September 30, 2022, a 10.0% appreciation in the US dollar would result in a \$6,167 change in the Company's other comprehensive income (December 31, 2021 - \$12,270). A 10% appreciation in the Chilean peso would result in a \$6,105 change in the Company's income before income taxes (2021 - \$89,780).

(d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at September 30, 2022, the Company did not have any financial instruments subject to significant interest rate risk.

12. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares or debt or sell assets to settle liabilities.

The Company's historical sources of capital have consisted of the sale of equity securities. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to externally imposed capital requirements and there were no changes in the Company's management of capital during the nine months ended September 30, 2022.

13. Commitments and Contingencies

As at September 30, 2022, the Company has the following commitments:

	Within 1 year	Within 2 years	Within 3 years	Within more than 3 years	Total
Accounts payable and accruals (Note 5)	\$ 1,606,073	\$ -	\$ -	\$ -	\$ 1,606,073
Lease liability (Note 15) – undiscounted	11,093	27,300	3,400	-	41,793
	1,617,166	27,300	3,400	-	1,647,866

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

14. Segment Information

Operating segments are those operations whose operating results are reviewed by the chief operating decision-maker (the individual or individuals performing the duties of the Chief Executive Officer) to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds, or are deemed significant by management. In order to determine if operating segments shall be aggregated, management reviews various factors, including economic characteristics, nature of their products, production process, regulatory environment, geographical location and managerial structure. Given the size and current stage of its development, no aggregation of segments was made.

The Company operates in the mining industry and has 2 main mining properties. The Company did not generate revenue and/or production costs in the nine months ended Septe 30, 2022 and 2021. As at September 30, 2022, the Company's mining properties are located in Canada (Burge Lake Project) and Chile (Choquelimpie). Other reportable segment consists of head office/corporate functions and Burge Lake Project, as it was fully impaired in 2021.

The following tables summarize segment information of the Company:

	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Choquelimpie		Total	Choquelimpie		Total
	Project	Other		Project	Other	
Depreciation	9,300	-	9,300	-	-	-
Exploration cost	530,638	56,103	586,741	2,041,984	-	2,041,984
Share-based payments	-	207,453	207,453	-	300,880	300,880
Loss before other items	530,638	551,469	1,082,107	2,041,984	619,116	2,661,100
Interest income	-	705	705	-	705	705
Net loss for the period	530,638	668,054	1,198,692	2,041,984	615,158	2,657,142

	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Choquelimpie		Total	Choquelimpie		Total
	Project	Other		Project	Other	
Depreciation	27,900	-	27,900	-	2,950	2,950
Exploration cost	2,319,638	95,359	2,414,997	3,623,114	24,228	3,647,342
Share-based payments	-	878,330	878,300	-	1,181,485	1,181,485
Loss before other items	2,319,638	2,307,322	4,626,960	3,623,114	2,228,412	5,851,526
Interest income	-	2,187	2,187	-	2,115	2,115
Net loss for the period	2,319,638	2,390,976	4,710,614	3,623,114	2,202,043	5,825,157

	September 30, 2022			December 31, 2021		
	Choquelimpie		Total	Choquelimpie		Total
	Project	Other		Project	Other	
Mineral property	27,477,053	-	27,477,053	27,477,053	-	27,477,053
Total assets	27,598,509	178,893	27,777,402	28,311,048	2,008,575	30,319,623
Total liabilities	1,078,776	1,677,755	2,756,531	1,943,193	209,785	2,152,978

NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2022 and 2021
(Expressed in Canadian Dollars)

15. Lease Liability

The Company entered into a lease agreement to rent a truck for use at its camp at Choquelimpie in Chile. During November 2021, the Company leased a second truck for use at its camp at Choquelimpie. The lease agreements are for the non-cancellable term of 36 months and average total monthly payments of \$3,780. The Company used a 13% incremental borrowing rate to derive its lease liability.

The Company applied an exemption in accordance with IFRS16 with regards to short-term leases. The annual expense is summarized below.

Amounts recognized in statement of financial position are as follows:

	Trucks lease
	\$
Lease liability, January 1, 2021	-
Additions (Note 4)	111,300
Accretion	8,000
Payment	(25,600)
Lease liability, December 31, 2021	93,700
Accretion	8,100
Payment	(32,900)
Lease liability, September 30, 2022	68,950
Lease liability short term	46,800
Lease liability long term	22,100

Amounts recognized in statement of comprehensive loss for the three and nine months ended September 30, 2022 are as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Depreciation expense on ROU (Note 4)	9,300	-	27,900	-
Accretion expense on lease liability	2,400	-	8,100	-
Short term lease expenses	53,987	70,230	-	-
	65,687	70,230	36,000	-