



# **NORSEMONT MINING INC.**

## **Condensed Consolidated Interim Financial Statements**

**For the three and six months ended June 30, 2023 and 2022**

(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 June 30, 2023 and December 31, 2022  
(Expressed in Canadian Dollars)

	Notes	June 30, 2023	December 31, 2022
		\$	\$
<b>Assets</b>			
Current assets			
Cash		8,490	24,507
Amounts receivable		12,285	9,875
Prepaid expenses and deposits	9	6,987	38,047
		27,762	72,429
Non-current assets			
Mineral properties	3	27,477,053	27,477,053
Property and equipment	4	32,500	51,100
Term deposit		28,750	28,750
		27,538,303	27,556,903
		27,566,065	27,629,332
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	5,9	2,525,812	2,004,340
Notes payable	6,9	445,000	240,000
Convertible debenture	7	1,050,000	1,007,654
Lease liability	15	34,100	47,800
		4,054,912	3,299,794
Non-current liabilities			
Lease liability	15	5,400	12,100
		4,060,312	3,311,894
<b>Shareholders' equity</b>			
Share capital	8	45,973,363	45,814,182
Share subscription	8	100,000	-
Reserves	8	1,628,936	1,686,874
Deficit		(24,196,545)	(23,183,618)
		23,505,754	24,317,438
		27,566,065	27,629,332
Nature of operations and going concern			
	1		
Commitments and contingencies			
	13		
Subsequent events			
	17		

The consolidated financial statements were approved by the Board of Directors on August 25, 2023 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 six months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	Notes	Three months ended June 30		Six months ended June 30	
		2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Consulting fees		30,000	37,500	60,000	95,000
Depreciation	4	9,300	9,300	18,600	18,600
Exploration costs	3	167,175	602,566	357,820	1,828,256
Investor communications		15,500	331,580	35,500	471,104
Office, rent and administration	9	5,919	20,832	17,029	59,118
Professional fees	9	37,299	32,457	68,841	69,182
Regulatory fees		14,418	14,614	22,699	22,856
Salaries and benefits	9	68,227	150,200	149,669	278,617
Share-based payments	8,9	116,531	258,792	210,020	670,877
Transfer agent fees		3,117	3,084	4,797	18,027
Travel and other expenses		186	11,187	1,605	13,216
Loss before other items		(467,672)	(1,472,112)	(946,580)	(3,544,853)
Finance costs	6,7,15	(44,014)	(31,638)	(107,747)	(34,638)
Foreign exchange gain (loss)		1,149	55,537	(11,690)	66,087
Interest income		-	705	648	1,482
<b>Net loss for the period</b>		<b>(510,537)</b>	<b>(1,447,508)</b>	<b>(1,065,369)</b>	<b>(3,511,922)</b>
<b>Other comprehensive loss for the period</b>					
<b>Items that may be subsequently reclassified to profit and loss:</b>					
Foreign exchange differences on translation of foreign operations		44,300	46,603	(49,336)	(32,468)
<b>Net loss and comprehensive loss for the period</b>		<b>(466,237)</b>	<b>(1,400,905)</b>	<b>(1,114,705)</b>	<b>(3,544,390)</b>
<b>Loss per share</b>					
Loss per common share – basic and diluted		(0.01)	(0.03)	(0.02)	(0.07)
Weighted average number of shares outstanding – basic and diluted		55,777,271	54,607,522	55,694,006	54,410,206

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 six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

Note	Share capital		Share subscription payable	Reserves				Total reserves	Deficit	Total
	Number	Amount		Share-based payment	Foreign exchange translation	Convertible debentures				
	#	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Balance, December 31, 2021</b>	<b>53,984,033</b>	<b>44,949,764</b>	<b>22,500</b>	<b>1,164,000</b>	<b>(113,621)</b>	<b>-</b>	<b>1,050,379</b>	<b>(17,855,998)</b>	<b>28,166,645</b>	
Shares issued for private placement	8	-	-	105,000	-	-	-	-	105,000	
Shares issued for exercise of warrants	8	80,000	60,000	(22,500)	-	-	-	-	37,500	
Shares issued for vested RSU	8	271,500	177,275	-	(177,275)	-	(177,275)	-	-	
Shares issued for settlement of debt	3, 8	284,772	213,579	-	-	-	-	-	213,579	
Equity component of convertible debenture	7	-	-	-	-	-	113,905	113,905	113,905	
Share-based payments	-	-	-	-	670,877	-	-	670,877	670,877	
Cancelled and expired options and warrants	-	-	-	-	(113,316)	-	(113,316)	113,316	-	
Net comprehensive loss	-	-	-	-	-	(32,468)	-	(32,468)	(3,544,390)	
<b>Balance, June 30, 2022</b>	<b>54,620,305</b>	<b>45,400,618</b>	<b>105,000</b>	<b>1,544,286</b>	<b>(146,089)</b>	<b>113,905</b>	<b>1,512,102</b>	<b>(21,254,604)</b>	<b>25,763,116</b>	
<b>Balance, December 31, 2022</b>	<b>55,548,055</b>	<b>45,814,182</b>	<b>-</b>	<b>1,817,294</b>	<b>(244,325)</b>	<b>113,905</b>	<b>1,686,874</b>	<b>(23,183,618)</b>	<b>24,317,438</b>	
Shares issued for private placement	-	(7,000)	100,000	-	-	-	-	-	93,000	
Shares issued for vested RSU	8	247,125	166,181	-	(166,181)	-	(166,181)	-	-	
Share-based payments	8	-	-	-	210,020	-	210,020	-	210,020	
Cancelled and expired options and warrants	-	-	-	-	(52,442)	-	(52,442)	52,442	-	
Net comprehensive loss	-	-	-	-	-	(49,335)	-	(49,335)	(1,114,704)	
<b>Balance, June 30, 2023</b>	<b>55,795,180</b>	<b>45,973,363</b>	<b>100,000</b>	<b>1,808,691</b>	<b>(293,660)</b>	<b>113,905</b>	<b>1,628,936</b>	<b>(24,196,545)</b>	<b>23,505,754</b>	

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 six months ended June 30, 2023 and 2022

(Expressed in Canadian Dollars)

	<b>Six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Operating activities:</b>		
Loss for the period	(1,065,369)	(3,511,922)
<i>Adjustment for non-cash items:</i>		
Finance costs	107,747	34,638
Depreciation	18,600	18,600
Foreign exchange	11,690	(66,087)
Share-based payments	210,020	670,877
<i>Changes in working capital items:</i>		
Prepaid expenses and deposits	31,060	(374,180)
Amounts receivable	(2,410)	(19,324)
Accounts payable and accrued liabilities	401,718	(385,711)
Cash used in operating activities	(286,944)	(3,633,109)
<b>Financing activities:</b>		
Proceeds from issuance of convertible debentures, net of issuance costs	-	1,044,285
Exercise of warrants	-	37,500
Proceeds from promissory notes	205,000	-
Share subscription received	93,000	151,100
Lease liability payments	(13,038)	(22,000)
Cash provided by financing activities	284,962	1,210,885
Decrease in cash	(1,982)	(2,422,224)
Effect of foreign exchange rate changes	(14,035)	(10,535)
Cash, beginning of the year	24,507	2,602,049
<b>Cash, end of the period</b>	<b>8,490</b>	<b>169,290</b>
<b>Non-cash financing activities:</b>		
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 six months ended June 30, 2023 and 2022  
(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’s exploration project is the Choquelimpie Gold and Silver Project (“Choquelimpie Project”) located in Northern Chile.

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 June 30, 2023, the Company had working capital deficit of \$4,027,150 (December 31, 2022 - \$3,227,365) and accumulated deficit of \$24,196,546 (2022 - \$23,183,618). The Company’s convertible debentures in the amount of \$1,050,000 matured during the three months ended June 30, 2023 and has remained unpaid. 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 consolidated statement of financial position. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## 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, 2022.

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 six months ended June 30, 2023 and 2022  
(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 periods ended June 30, 2023 and 2022. 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 six months ended June 30, 2023 and 2022  
(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.

### **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 June 30, 2023, 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**

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 June 30, 2023, all shares were released from escrow. During year ended December 31, 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 (at a fair value of \$213,579) (Note 8).

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 3. Mineral Properties (continued)

#### (c) Exploration Costs

During the three and six months ended June 30, 2023, the Company incurred exploration costs related to the Choquelimpie Project in Chile, as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Consulting fees	10,097	57,019	27,154	179,343
Field operating costs	28,103	30,839	54,241	108,150
Field/camp maintenance	-	5,024	-	13,286
Geo assays and materials	-	2,785	-	341,166
Mining property and water rights	20,263	22,740	40,173	126,254
Office and administration	8,782	100,041	32,598	205,077
Salaries	99,930	366,192	203,654	785,782
Travel expenses	-	17,926	-	69,198
	<b>167,175</b>	<b>602,566</b>	<b>357,820</b>	<b>1,828,256</b>

### 4. Property and Equipment

	Right-of-use asset	Equipment	Total
	\$	\$	\$
<b>Cost</b>			
Balance, December 31, 2022 and June 30, 2023	111,300	10,022	121,322
<b>Accumulated depreciation</b>			
Balance, December 31, 2021	23,000	10,022	33,022
Depreciation	37,200	-	37,200
Balance, December 31, 2022	60,200	10,022	70,222
Depreciation	18,600	-	18,600
Balance, June 30, 2023	78,800	10,022	88,822
<b>Net book value</b>			
June 30, 2023	32,500	-	32,500
December 31, 2022	51,100	-	51,100

The Right-of-use asset ("ROU") is depreciated using a straight-line method over the lease term of the underlying asset (3 years).

## NORSEMONT MINING INC.

### Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

#### 5. Accounts Payable and Accrued Liabilities

	June 30, 2023	December 31, 2022
	\$	\$
Accounts payable	360,755	242,650
Accounts payable – Chile	1,441,928	1,256,050
Accrued liabilities	30,325	58,500
Accrued liabilities due to related parties (Note 9)	571,465	391,465
Interest payable (Note 6, 7)	108,955	46,855
Payroll liabilities	12,384	8,820
	2,525,812	2,004,340

#### 6. Notes Payable

During the year ended December 31, 2022, the Company issued promissory notes in the aggregate principal amount of \$240,000. The promissory notes bear interest of 12% to 24% per annum and payable on-demand together with the principal amount after one year from the effective date of the notes.

During the three and six months ended June 30, 2023, the Company issued promissory notes in the aggregate amount of \$Nil and \$205,000, respectively. The notes bear interest of 24% per annum and payable on-demand together with the principal amount after one year from the effective date of the promissory notes.

The Company recognized interest expense of \$23,580 and \$45,955 on the notes (Note 5) during the three and six months ended June 30, 2023 (2022: \$nil), respectively. \$341,000 of the promissory notes are issued to a related party (Note 9(d)).

#### 7. Convertible Debenture

	\$
Balance, December 31, 2021	-
Issued	1,050,000
Equity portion	(114,529)
Transaction costs	(5,091)
Accretion	77,274
Balance, December 31, 2022	1,007,654
Accretion	42,346
Balance, June 30, 2023	1,050,000

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

---

### 7. Convertible Debenture (continued)

In April 2022, the Company completed a non-brokered private placement of 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. Included in the principal amount is \$750,000 from a related party (Note 9).

The Debentures are compound financial instruments which were classified separately as financial liability and equity. At initial recognition, the present 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 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 June 30, 2023, included in accounts payable and accrued liabilities was accrued interest on the debentures of \$63,000 (2022: \$42,000). (Note 5).

### 8. Share Capital and Reserves

#### (a) Authorized

An unlimited number of common shares without par value.

#### (b) Issued share capital

As at June 30, 2023, there were 55,795,180 (2022 - 55,548,055) issued and outstanding common shares.

Period ended June 30, 2023:

- The Company issued 247,125 shares pursuant to vested restricted share units with a fair value of \$166,181 (Note 8e).
- The Company received \$100,000 pursuant to an ongoing private placement of \$0.27 per unit. Each unit comprises of one common share and one-half transferrable common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.45 per warrant and will expire 24 months of the closing date of the private placement financing. The Company incurred \$7,000 of broker fee on this transaction.

Year ended December 31, 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 half transferrable warrant. Each warrant entitles the holder to acquire one share of the Company at a price of \$0.75 up to two years from the date of the warrant agreement. No value was allocated to the warrants. A total of \$4,200 broker fees were paid as share issuance cost.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 8. Share Capital and Reserves (Continued)

- 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
- 284,772 shares were issued pursuant to a settlement of debt (Note 3b) with a fair value of \$213,579.
- 349,250 shares were issued pursuant to vested restricted share units with a fair value of \$255,039 (Note 8e).
- As at December 31, 2022, there were 8,600,000 shares in escrow pursuant to the acquisition of Tavros (Note 3).

#### (c) Warrants

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

	Warrants	Weighted Average Exercise Price
	#	\$
Balance December 31, 2021	8,897,333	1.54
Issued	425,000	0.75
Exercised	(80,000)	0.75
Expired	(8,817,333)	1.55
Balance December 31, 2022 and June 30, 2023	425,000	0.75
Weighted average remaining contractual life		1.22 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.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 8. Share Capital and Reserves (Continued)

The continuity of stock options outstanding is as follows:

	Options Outstanding #	Weighted Average Exercise Price \$
Balance, December 31, 2021	4,085,000	0.65
Granted	300,000	0.74
Expired or cancelled	(85,000)	0.53
Balance, December 31, 2022	4,300,000	0.66
Granted	1,450,000	0.26
Expired or cancelled	(1,345,000)	0.93
Balance, June 30, 2023	4,405,000	0.44
Weighted average remaining contractual life		3.33 years

The weighted average fair value of options granted during the three and six months ended June 30, 2023 was \$0.13 (2022 – \$0.45) per option.

Vested and non-vested stock options outstanding at June 30, 2023 are as follows:

Exercise Price \$	Options Outstanding #	Expiry Date	Vested Options Exercisable #	Non vested Options
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	-
0.70	200,000	February 23, 2026	200,000	-
0.56	100,000	March 5, 2026	100,000	-
0.60	1,190,000	April 20, 2026	1,190,000	-
0.60	350,000	April 21, 2026	350,000	-
0.63	85,000	May 3, 2026	85,000	-
0.74	200,000	October 20, 2026	175,000	25,000
0.31	300,000	April 20, 2028	-	300,000
0.25	1,150,000*	June 14, 2028	-	1,150,000
	4,405,000		2,930,000	1,475,000

\* Included in this grant are replacement options for the options that were previously cancelled. The Company recognized an incremental fair value expense of \$42,970 in the three and six months ended June 30, 2023 on such replacement options, which is included in the share-based payments amount below.

The Company recorded share-based payments of \$97,227 and 156,513 for the three and six months ended June 30, 2023 (2022 - \$182,758 and \$475,376), respectively, for all stock options granted and/or vested during the period.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 8. Share Capital and Reserves (Continued)

The fair values of the stock options granted during the six months ended June 30, 2023 and 2022 were estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2023	2022
Risk free interest rate	3.60%	2.01%
Dividend yield	0.00%	0.00%
Stock price volatility	80%	74%
Expected life	5 years	5 years

#### (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 Price \$
Balance, December 31, 2021	711,000	0.75
Granted	75,000	0.72
Vested and released	(349,250)	0.73
Balance, December 31, 2022	436,750	0.75
Granted	35,000	0.31
Vested and released	(247,125)	0.67
Balance, June 30, 2023	224,625	0.78

The total share-based payments related to RSUs granted and/or vested for three and six months ended June 30, 2023 was \$19,304 and \$53,507 (2022 - \$76,034 and \$195,501), 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 warrant 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. Convertible debenture reserve represent the equity components of convertible debentures. Upon conversion, the equity component is reclassified from reserve to the retained earnings/(deficit) for presentation purpose.

#### (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.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 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 June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Office, rent and administration (1)	(3,529)	16,021	6,917	37,812

(1) Shared office, rent and administration expenses and recoveries are paid to and from companies with common directors and officers.

#### (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 three and six months ended June 30, 2023 and 2022, following amounts of the key management compensation were incurred:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
			\$	\$
CEO salary	60,000	60,000	120,000	120,000
Professional fees (1)	30,000	30,000	60,000	60,000
Share-based payments	86,737	154,787	141,787	405,711
	176,737	244,787	321,787	585,711

(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, accounts payable and accrued liabilities, notes payable, and convertible debt.

	June 30, 2023	December 31, 2022
	\$	\$
<i>Included in prepaid expenses and deposits:</i>		
Company having directors and officers in common	1,989	15,320
<i>Included in accounts payable and accrued expenses (Note 5):</i>		
Companies having directors and officers in common	(28,220)	(4,332)
Amounts owing to the CFO and CEO of the Company	571,465	391,465
<i>Included in notes payable (note 6)</i>		
Companies having directors and officers in common	(341,000)	(137,154)
<i>Included in convertible debt (Note 7):</i>		
Companies having directors and officers in common	(795,000)	(780,000)



## **NORSEMONT MINING INC.**

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

---

### **9. Related Party Balances and Transactions (Continued)**

(d) Notes payable to a related party

As at June 30, 2023, the Company has an aggregate notes payable outstanding of \$341,000 from a company that has common directors and officers (2022: \$136,000). The notes are unsecured with a one-year term and bears interest rate of 24% per annum. Accrued interest on the notes was \$36,014 (2022 – \$2,308), which is included in accounts payable and accrued liabilities on the consolidated statements of financial position (Note 6).

(e) Loan receivable to a related party

During the year ended December 31, 2022, the Company has written-off a loan from a related party with principal amount of \$23,500 and interest of \$8,313.

### **10. Fair Value of Financial Instruments**

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

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 period ended June 30, 2023 and 2022, 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, amount receivable and loan 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 June 30, 2023, the Company had cash of \$8,490 to settle current liabilities of \$4,054,912. Liquidity risk is assessed as high.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 11. Risk Management (Continued)

#### (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	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	\$	\$	\$	\$
Cash and equivalents	9	9	2,294	13,471
Accounts payable and accrued liabilities	(119,128)	(119,225)	(1,505,029)	(1,315,100)
Amount owing on mineral properties	-	-	-	-
	(119,119)	(119,216)	(1,502,735)	(1,301,629)

Based on the above net exposures as at June 30, 2023, a 10% appreciation in the US dollar would result in a \$11,912 change in the Company's other comprehensive income for the period then ended (December 31, 2022 - \$11,922). A 10% appreciation in the Chilean peso would result in a \$229 change in the Company's income before income taxes (December 31, 2022 - \$1,348).

#### (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. The Company's notes payable and convertible debt have fixed interest rates. As at June 30, 2023, 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 period ended June 30, 2023.

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 13. Commitments and Contingencies

As at June 30, 2023, the Company has the following commitments:

	Within 1 year	Within 2 years	Within 3 years	Total
	\$	\$	\$	\$
Accounts payable and accruals (Note 5)	2,525,811	-	-	2,525,811
Notes payable (Note 6)	445,000	-	-	445,000
Convertible debentures (note 7) - undiscounted	1,050,000	-	-	1,050,000
Lease liability (Note 15) – undiscounted	34,100	8,509	-	42,609
	4,054,911	8,509	-	4,063,420

### 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 in Chile. The Company did not generate revenue and/or production costs in the three and six months ended June 30, 2023, and 2022. As at June 30, 2023 and December 31, 2022, the Company's mining properties are located in 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 ending June 30, 2023			Three months June 30, 2022		
	Choquelimpie Project	Other	Total	Choquelimpie Project	Other	Total
Depreciation	9,300	-	9,300	9,300	-	9,300
Exploration cost	164,851	2,324	167,175	597,566	5,000	602,566
Share-based payments	-	116,531	116,531	-	258,792	258,792
Loss before other items	164,851	302,821	467,672	597,566	874,546	1,472,112
Interest income	-	-	-	-	705	705
Net loss for the period	164,851	345,686	510,537	589,566	857,942	1,447,508

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 14. Segment Information (continued)

	Six months ended June 30, 2023			Six months ended June 30, 2022		
	Choquelimpie		Total	Choquelimpie		Total
	Project	Other		Project	Other	
Depreciation	18,600	-	18,600	-	2,950	2,950
Exploration cost	355,496	2,324	357,820	1,788,999	39,257	1,828,256
Share-based payments	-	210,020	210,020	-	670,877	670,877
Loss before other items	355,496	591,084	946,580	1,788,999	1,755,854	3,544,853
Interest income	-	648	648	-	1,482	1,482
Net loss for the period	355,496	709,873	1,065,369	1,788,999	1,722,923	3,511,922

	June 30, 2023			December 31, 2022		
	Choquelimpie		Total	Choquelimpie		Total
	Project	Other		Project	Other	
Mineral property	27,477,053	-	27,477,053	27,477,053	-	27,477,053
Total assets	27,511,856	54,209	27,566,065	27,541,633	87,699	27,629,332
Total liabilities	1,470,767	2,589,545	4,060,312	1,315,950	1,995,944	3,311,894

### 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, December 31, 2021	<b>93,700</b>
Accretion	10,200
Payment	(44,000)
Lease liability, December 31, 2022	<b>59,900</b>
Accretion	3,300
Payment	(23,700)
Lease liability, June 30, 2023	<b>39,500</b>
Lease liability short term	34,100
Lease liability long term	5,400

## NORSEMONT MINING INC.

Notes to the Condensed Consolidated Interim Financial Statements

Three and six months ended June 30, 2023 and 2022  
(Expressed in Canadian Dollars)

### 15. Lease Liability (continued)

Amounts recognized in statement of comprehensive loss for the three and six months ended June 30, 2023 are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Depreciation expense on ROU (Note 4)	9,300	9,300	18,600	18,600
Accretion expense on lease liability	600	2,700	3,300	5,700
Short term lease expenses	41,400	58,055	99,455	144,664
	<b>51,300</b>	<b>70,055</b>	<b>121,355</b>	<b>168,964</b>

### 17. Subsequent events

The Company closed the first tranche of the non-brokered private placement financing of 3,125,000 units at a price of \$0.20 per unit for gross proceeds of \$625,000. Each unit consists of one common share and one half transferrable warrant. Each warrant entitles the holder to acquire one share of the Company at a price of \$0.30 up to two years from the date of the warrant agreement.

Company has entered into a debt settlement and subscription agreement to settle \$106,000 in debt through the issuance of 530,000 Units. Each unit consists of one common share and one half transferrable warrant. Each warrant entitles the holder to acquire one share of the Company at a price of \$0.30 up to two years from the date of the warrant agreement.

Company has granted Restricted Stock Units to acquire 150,000 common shares in the capital of the Company to a director of the Company. The RSUs vest quarterly for a period of two years from the date of grant.