

NSJ GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS

Six months ended May 31, 2021

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under 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 the financial statements have not been reviewed by an auditor.

The accompanying unaudited 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 interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

NSJ GOLD CORP.**Condensed Interim Statements of Financial Position**

(Unaudited - Expressed in Canadian dollars)

	Note	As at May 31, 2021	As at November 30, 2020
			\$
ASSETS			
Current			
Cash and cash equivalents		1,331,120	654,492
Receivables		13,655	650
Prepaid expenses and deposits	4	14,977	1,500
Total current assets		1,359,752	656,642
Exploration and evaluation asset	5, 6	372,496	89,869
Total assets		1,732,248	746,511
LIABILITIES			
Current			
Accounts payable	6	7,668	867
Accrued liabilities	6	15,000	3,150
Total current liabilities		22,668	4,017
SHAREHOLDERS' EQUITY			
Share capital	7	2,059,500	774,200
Deficit		(349,920)	(31,706)
Total shareholders' equity		1,709,580	742,494
Total liabilities and shareholders' equity		1,732,248	746,511

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on June 18, 2021:

<i>"Jag Sandhu"</i>	<i>"Rodney Stevens"</i>
Director	Director

The accompanying notes are an integral part of the interim financial statements

NSJ GOLD CORP.**Condensed Interim Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended May 31, 2021	Six months ended May 31, 2021	Period from May 22, 2020 (inception) to May 31, 2020
		\$	\$	\$
Operating expenses				
Consulting Fees	6, 7	114,572	162,072	-
Foreign exchange loss (gain)		501	(1,466)	-
Office and Miscellaneous		22,703	36,644	-
Professional fees	6	45,067	71,760	-
Travel Expenses		-	224	-
Marketing Fees	6	49,880	50,480	-
Total operating expenses		232,723	319,714	-
Other Expenses (Income)				
Gain on Debt Settlement	7	(1,500)	(1,500)	-
Net Loss		231,223	318,214	-
Loss per share:				
Basic and diluted		\$(0.01)	\$(0.02)	\$-
Weighted average number of shares outstanding:				
Basic and diluted		23,198,341	18,775,475	4,000,000

The accompanying notes are an integral part of the interim financial statements

NSJ GOLD CORP.**Condensed Interim Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian Dollars, except number of shares)

	Share capital		Deficit	Total
	Common shares	Amount		
Balance at May 22, 2020 (Incorporation)	-	\$-	\$-	\$-
Founder shares (Note 7)	4,000,000	20,000	-	20,000
Net Loss	-	-	-	-
Balance at May 31, 2020	4,000,000	20,000	-	20,000
Private placement (Note 7)	10,000,000	210,000	-	210,000
Special warrants (Note 7)	-	544,200	-	544,200
Net Loss	-	-	(31,706)	(31,706)
Balance at November 30, 2020	14,000,000	774,200	(31,706)	742,494
Special warrants (Note 7)	9,104,000	1,229,000	-	1,229,000
Shares issued for services (Notes 6, 7)	105,000	37,800	-	37,800
Shares issued for debt settlement (Notes 6, 7)	100,000	18,500	-	18,500
Net Loss	-	-	(318,214)	(318,214)
Balance at May 31, 2021	23,309,000	\$2,059,500	\$(349,920)	\$1,709,580

The accompanying notes are an integral part of the financial statements

NSJ GOLD CORP.**Condensed Interim Statements of Cash Flows****For the six months ended May 31, 2021 and the period from May 22, 2020 (inception) to May 31, 2020****(Unaudited - Expressed in Canadian dollars)**

	Note	2021	2020
		\$	\$
Operating activities			
Net loss for the period		(318,214)	-
Adjustments for:			
Share-based payments	6, 7	37,800	
Gain on Debt Settlement	7	(1,500)	
Changes in non-cash working capital			
Receivables		(13,005)	-
Prepaid expenses and deposits		(13,477)	-
Accounts payable and accrued liability		18,651	-
Net cash flows used in operating activities		(289,745)	-
Investing activities			
Exploration and evaluation asset	5	(282,627)	-
Net cash flows used in investing activities		(282,627)	-
Financing activities			
Common shares issued	7	-	20,000
Shares for debt	6, 7	20,000	-
Special Warrants	7	1,229,000	-
Net cash flows provided by financing activities		1,249,000	20,000
Increase in cash and cash equivalents		676,628	20,000
Cash and cash equivalents, beginning of year		654,492	-
Cash and cash equivalents, end of year		\$1,331,120	20,000

Non-cash transaction during the periods ended May 31, 2021 and 2020 include:

- a) The fair value of \$37,800 (2020 - \$nil) allocated to shares issued for services

The accompanying notes are an integral part of the financial statements

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

NSJ Gold Corp. (the “Company”) is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the *Business Corporations Act* of British Columbia on May 22, 2020. On March 8, 2021, the Company listed its shares on the Canadian Securities Exchange (“CSE”) and trades under the symbol NSJ. The address of the Company's registered and records office and principal place of business is Suite 101, 17565 58 Avenue, Surrey, British Columbia, V3S 4E3 Canada.

The Company’s primary business is the acquisition and exploration of mineral properties. The Company’s exploration and evaluation asset (Note 5) does not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These financial statements (the “financial statements”) have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of \$318,214 during the quarter ended May 31, 2021 and has an accumulated deficit as at May 31, 2021 of \$349,920. Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company’s project exploration activities, cash flows and liquidity. Various restrictions on gatherings, work and access to remote communities near the Company’s project may also impact the Company’s ability to perform exploration activities at the project.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

2. BASIS OF PRESENTATION**a) Statement of compliance**

These interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the period ended November 30, 2020.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on June 18, 2021.

b) Basis of measurement

These interim financial statements have been prepared on a historical cost basis, except for those financial instruments which have been classified and measured at fair value. In addition, with the exception of cash flow information, these financial statements have been prepared using the accrual method of accounting.

All amounts in these financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

c) Functional and presentation currency

The Company considers the primary and secondary indicators as part of its decision-making process. The financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in notes 2 and 3 to the Company's audited annual financial statements for the period ended November 30, 2020.

IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. A summary of significant judgments and key sources of estimation uncertainty is below.

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Environmental rehabilitation obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs are capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Share-based compensation

The fair value of stock options issued are subject to the limitations of the Black-Scholes Option Pricing Model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes Option Pricing Model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Critical accounting judgements

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

4. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses are comprised of the following as at May 31, 2021:

	May 31, 2021	November 30, 2020
	\$	\$
Prepaid deposits	14,977	1,500
	14,977	1,500

5. EXPLORATION AND EVALUATION ASSET

The Company entered into an option agreement dated August 14, 2020, as amended November 25, 2020 (the “Option Agreement”) to acquire a 100% interest in certain claims comprising the Golden Hills Project (the “Golden Hills Property”) located in Arizona, USA. Pursuant to the Option Agreement, to exercise the option the Company is required to pay a total of USD299,000 over a five year period with the first payment of USD24,000 due on or before March 28, 2021 and pay annual claim maintenance fees totalling USD15,510. The Company is also obligated to complete an exploration development program totalling USD4,635,000 per the following schedule:

- USD85,000 on or before the first anniversary date of the agreement
- USD150,000 on or before the second anniversary date of the agreement
- USD400,000 on or before the third anniversary date of the agreement
- USD1,000,000 on or before the fourth anniversary date of the agreement
- USD3,000,000 on or before the fifth anniversary date of the agreement

The Golden Hills Property is subject to a 3% Net Smelter Return as payable to the Vendor.

During the period ended May 31, 2021, the Company incurred a total of \$282,627 (\$89,869 for the period ended November 30, 2020) in exploration expenditures.

	November 30, 2020	Net change	May 31, 2021
	\$	\$	\$
Acquisition costs	-	30,403	30,403
Exploration costs			
Field expenses	2,825	16,614	19,439
Geological consulting	84,143	34,835	118,978
Geophysical	2,901	47,317	50,218
Drilling	-	153,458	153,458
Total exploration costs	89,869	252,224	342,093
Total	89,869	282,627	372,496

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

6. RELATED PARTY TRANSACTIONS

During the six month period ended May 31, 2021, the Company incurred:

- \$60,000 (2020 - \$Nil), of which \$10,000 (2020 - \$Nil) was recognized in accrued liabilities, in Consulting fees to a company controlled by the CEO of the Company;
- \$17,500 (2020 - \$Nil) in Consulting fees and \$15,000 (2020 - \$Nil) in Marketing fees to a company controlled by a relative of the CEO;
- \$40,000 (2020 - \$Nil), of which \$5,000 (2020 - \$Nil) was recognized in accrued liabilities, in Professional fees to a company which the CFO of the Company is a partner of;
- \$28,571 (2020 - \$Nil) in Consulting fees to a company controlled by a director of the Company of which \$20,000 was settled through the issuance of 100,000 common shares. Additionally the Company issued 105,000 shares at a deemed price of \$0.36 per share for services rendered by a director which was recorded in Consulting fees;
- USD18,870 (CAD 23,021) (2020 - \$Nil) in Geological Consulting fees to the Vice President of Exploration which was capitalized to exploration and evaluation asset.

During the six month period ended May 31, 2021 the Company granted:

- 750,000 options (2020 - Nil) to officers and directors of the Company
- 200,000 options (2020 - Nil) to a company controlled by a relative of the CEO
- 150,000 options (2020 - Nil) to the Vice President of Exploration

All options granted vest over a one year period with 25% of the options vesting every 3 months. None of the options granted to related parties have vested during the period and therefore no share based compensation was recognized during the six month period ended May 31, 2021.

Amounts due to related parties are unsecured and non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at May 31, 2021 are included in accounts payable:

	May 31, 2021	November 30, 2020
	\$	\$
Due to directors and officers of the Company	2,467	867

7. SHARE CAPITAL

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

Share transactions

During the six months ended May 31, 2021, the Company issued the following:

- a) On February 25, 2021 the Company received notice of receipt for its long form prospectus from the British Columbia Securities Commission. As such on February 26, 2021 all outstanding Special Warrants were exercised and the Company issued 9,104,000 common shares to the special warrant holders for no additional consideration.
- b) On March 15, 2021 the Company issued 105,000 at a price of \$0.36 per share for services rendered by a director of the Company.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

7. SHARE CAPITAL (continued)**Share transactions (continued)**

- c) On May 26, 2021 the Company issued 100,000 shares to settle \$20,000 due to a director of the Company (Note 6). The fair value of the shares on the date of issuance was \$18,500 and the Company recorded a gain of \$1,500.

During the period ended November 30, 2020, the Company issued the following:

- a) Upon incorporation the Company issued 4,000,000 common shares at \$0.005 per share for gross proceeds of \$20,000.
- b) On August 21, 2020 the Company closed its \$0.021 unit offering issuing 10,000,000 units for gross proceeds of \$210,000. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional share at an exercise price of \$0.20 per share on or before August 22, 2025. The warrants were valued at \$0, using the residual value method.

Special Warrants

During the six months ended May 31, 2021, the Company issued the following:

- a) On January 18, 2021 the Company issued 1,937,000 special warrants (the “Special Warrants”). Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.40 per share for a period of 18 months
- b) On January 20, 2021 the Company issued 4,446,000 special warrants (the “Special Warrants”). Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.40 per share for a period of 18 months

The Company raised a total of \$1,229,000 (net of finder’s fees totaling \$47,600) through the issuance of 6,383,000 Special Warrants.

During the period ended November 30, 2020, the Company issued the following:

- a) On November 30, 2020 the Company issued 2,721,000 special warrants (the “Special Warrants”). Each Special Warrant entitles the holder to acquire, without payment of any consideration in addition to that paid for the Special Warrant, one previously unissued unit in the capital of the Company. Each unit is comprised of one common share in the capital of the Company and one-half of one common share purchase warrant where each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.40 per share for a period of 18 months

The Company raised a total of \$544,200 through the issuance of 2,721,000 Special Warrants

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

7. SHARE CAPITAL (continued)**Special Warrants (continued)**

The Special Warrants may be exercised by the Subscriber, in whole or in part, at any time following the closing of the offering. Any unexercised Special Warrants will be deemed to be exercised on that day which is the earlier of:

- the first (1st) business day following the day on which a receipt for a (final) prospectus has been issued to the Company by or on behalf of the securities regulatory; and
- the tenth (10th) anniversary of the date of the Special Warrant certificate.

On February 25, 2021 the Company received notice of receipt for its long form prospectus from the British Columbia Securities Commission. As such, on February 26, 2021 all outstanding Special Warrants were exercised and the Company issued 9,104,000 common shares to the special warrant holders.

Warrants

During the six months ended May 31, 2021 the Company issued the following:

- a) In conjunction with the exercise of the Special Warrants on February 26, 2021, the Company issued 4,552,000 warrants. Each whole warrant entitles the holder to purchase one additional common share at an exercise price of \$0.40 per share for a period of 18 months. The value of the warrants issued was deemed to be \$nil based on the residual valuation method applied.

During the period ended November 30, 2020, the Company issued the following:

- a) In conjunction with the unit offering that closed on August 21, 2020 the Company granted 5,000,000 warrants. Each warrant entitles the holder to purchase one additional share at an exercise price of \$0.20 per share on or before August 22, 2025.

Below is a summary of warrant activity during the six months ended May 31, 2021:

	Amount Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding May 22, 2020 (Incorporation)	-	\$-	-
Issued	5,000,000	\$0.20	5 years
Balance at November 30, 2020	5,000,000	\$0.20	5 years
Issued	4,552,000	\$0.40	1.5 years
Balance at May 31, 2021	9,552,000	\$0.3	2.8 years

Options

During the six months ended May 31, 2021, the Company granted 1,690,000 stock options exercisable at a price of \$0.20 with a 5-year life, and 150,000 stock options exercisable at a price of \$0.30 with a 5-year life. The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of the options granted. The Company utilized the following assumptions: average volatility - 122%, average risk-free

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

7. SHARE CAPITAL (continued)**Options (continued)**

rate – 0.78% and a five-year term. Accordingly, the estimate grant date fair value of the options was \$318,645. All options granted vest over a period of 1 year with 25% of the options vesting every 3 months. During the six month period ended May 31, 2021 the Company recorded \$Nil in share-based compensation in relation to these grants.

A summary of the Company's stock option activity is as follows:

	Number Outstanding	Weighted Average Exercise Price
	#	\$
Outstanding at May 31, 2020 and November 30, 2020	-	-
Issued	1,840,000	0.17
Outstanding at May 31, 2021	1,840,000	0.17

A summary of the Company's stock options outstanding and exercisable at May 31, 2021 is presented below:

Expiry Date	Options Outstanding	Options Exercisable	Exercise Price	Remaining Years
	#	#	\$	
March 8, 2026	1,690,000	-	0.20	4.77
March 22, 2026	150,000	-	0.30	4.81
	1,840,000	-	0.17	4.77

Escrow Shares

Under the escrow agreement dated January 27, 2021, 10% of the escrowed common shares were to be released from escrow on the date of listing on the CSE. Subsequent to listing (March 8, 2021), an additional 15% are to be released every six months over a thirty-six month period. As at May 31, 2021, a total of 12,600,000 shares were held in escrow (November 30, 2020 - Nil).

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables, and accounts. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at May 31, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's primary exposure to credit risk is its cash of \$1,331,120 at May 31, 2021. With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at May 31, 2021, the Company had current liabilities totaling \$22,668 and cash and cash equivalents of \$1,331,120 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2021**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

9. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any external covenants.