

NSJ GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended February 28, 2023

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF 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 condensed 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 condensed 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 condensed 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 February 28, 2023	As at November 30, 2022
		\$	\$
ASSETS			
Current			
Cash		434,613	503,242
GST Receivable		44,259	40,784
Due from related party	7	315	315
Prepaid expenses	5, 7	12,500	12,500
Total current assets		491,687	556,841
Exploration and evaluation asset	6	578,891	578,891
Total assets		\$1,070,578	\$1,135,732
LIABILITIES			
Current			
Accounts payable	7	34,813	27,177
Accrued liabilities		11,300	11,300
Total current liabilities		46,113	38,477
SHAREHOLDERS' EQUITY			
Share capital	8	2,069,250	2,069,250
Reserves	8	383,791	379,604
Deficit		(1,428,576)	(1,351,599)
Total shareholders' equity		1,024,465	1,097,255
Total liabilities and shareholders' equity		\$1,070,578	\$1,135,732

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors on April 26, 2023:

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

The accompanying notes are an integral part of the condensed 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 February 28, 2023	Three months ended February 28, 2022
		\$	\$
Operating expenses			
Management fees	7	52,500	45,000
Marketing and promotion		-	27,520
Office and miscellaneous	7	447	2,920
Professional fees		14,807	-
Stock-based compensation	7, 8	4,187	65,890
Transfer agent and filing fees		5,036	2,678
Total operating expenses		76,977	144,008
Net loss and comprehensive loss		\$(76,977)	\$(144,008)
Loss per share:			
Basic and diluted		\$(0.00)	\$(0.01)
Weighted average number of shares outstanding:			
Basic and diluted		23,459,000	23,309,000

The accompanying notes are an integral part of the condensed 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		Reserves	Deficit	Total
	Common shares	Amount			
Balance at November 30, 2021	23,309,000	\$2,059,500	\$342,458	\$(971,897)	\$1,430,061
Reserves (Note 8)	-	-	65,890	-	65,890
Net Loss	-	-	-	(144,008)	(144,008)
Balance at February 28, 2022	23,309,000	\$2,059,500	\$408,348	\$(1,115,905)	\$1,351,943

	Share capital		Reserves	Deficit	Total
	Common shares	Amount			
Balance at November 30, 2022	23,459,000	\$2,069,250	\$379,604	\$(1,351,599)	\$1,097,255
Reserves (Note 8)	-	-	4,187	-	4,187
Net Loss	-	-	-	(76,977)	(76,977)
Balance at February 28, 2023	23,459,000	\$2,069,250	\$383,791	\$(1,428,576)	\$1,024,465

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

NSJ GOLD CORP.
Condensed Interim Statements of Cash Flows
For the three months ended February 28, 2023 and 2022
(Unaudited - Expressed in Canadian dollars)

	2023	2022
	\$	\$
Operating activities		
Net loss for the period	(76,977)	(144,008)
Adjustments for:		
Share-based compensation	4,187	65,890
Changes in non-cash working capital		
GST receivable	(3,475)	(2,856)
Due from related party	-	12,447
Prepaid expenses	-	28,770
Accounts payable and accrued liability	7,636	34,424
Net cash flows used in operating activities	(68,629)	(5,333)
Increase (decrease) in cash	(68,629)	(5,333)
Cash, beginning of period	503,242	933,840
Cash, end of period	\$434,613	\$928,507
Cash paid for income taxes	\$-	\$-

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

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

(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 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 6) 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 condensed interim 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 \$76,977 during the three months ended February 28, 2023, and has an accumulated deficit as at February 28, 2023 of \$1,428,576. 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 three months ended February 28, 2023

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

2. BASIS OF PRESENTATION

a) Statement of compliance

These 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 condensed 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 financial statements for the year ended November 30, 2022.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on April 26, 2023.

b) Basis of measurement

These 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.

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 three months ended February 28, 2023**

(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 financial statements for the year ended November 30, 2022.

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:

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

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.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*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.

4. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

Certain other accounting pronouncements were issued but the Company anticipates that the application of these standards, amendments and interpretations in future periods will have no material impact on the results and financial position of the Company except for additional disclosures. The Company is assessing the impact of the new or revised IFRS standards on its financial position and financial performance.

5. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses are comprised of the following as at February 28, 2023:

	February 28, 2023	November 30, 2022
	\$	\$
Prepaid management fee (Note 7)	12,500	12,500
	\$12,500	\$12,500

6. 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 (paid) and pay annual claim maintenance fees totaling USD15,510. The Company is also obligated to complete an exploration development program totaling USD4,635,000 per the following schedule:

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

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

6. EXPLORATION AND EVALUATION ASSET (CONTINUED)

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

During the three months ended February 28, 2023 and 2022, the Company incurred \$Nil in exploration expenditures.

For the three months ended February 28, 2023:

	November 30, 2022	Additions	February 28, 2023
	\$	\$	\$
Acquisition costs	142,274	-	142,274
Exploration costs			
Field expenses	19,571	-	19,571
Geological consulting	144,173	-	144,173
Geophysical	102,821	-	102,821
Drilling	171,052	-	171,052
Total exploration costs	436,617	-	436,617
Total	\$578,891	-	\$578,891

For the three months ended February 28, 2022:

	November 30, 2021	Additions	February 28, 2022
	\$	\$	\$
Acquisition costs	49,163	-	49,163
Exploration costs			
Field expenses	19,532	-	19,532
Geological consulting	136,410	-	136,410
Geophysical	102,821	-	102,821
Drilling	171,052	-	171,052
Total exploration costs	429,815	-	429,815
Total	\$478,978	-	\$478,978

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the three months ended February 28, 2023 and 2022, the Company incurred the following transactions with key management personnel:

- \$37,500 (2022 - \$30,000) in management fees to a company controlled by the CEO and recognized \$12,500 (2022 - \$Nil) in prepaid expenses;
- \$15,000 (2022 - \$15,000) in management fees to a company which the CFO of the Company is a partner of; and
- \$Nil (2022 - \$5,800) in rent expense (recorded in office expense) to the CEO of the Company for office space.

During the three months ended February 28, 2023 the Company recognized \$4,187 (2022 - \$30,352) for the vesting of options granted to related parties.

As at February 28, 2023 and November 30, 2022, the Company had the following balances with related parties:

	February 28, 2023	November 30, 2022
	\$	\$
Due from a related party	315	315
Prepaid management fees (Note 5)	12,500	12,500
Due to related parties, included in accounts payable	14,800	22,675

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.

8. SHARE CAPITAL

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

Share transactions

During the three months ended February 28, 2023, the Company did not issue any shares.

During the year ended November 30, 2022, the Company issued the following:

- a) On November 7, 2022, the Company issued 150,000 common shares at a price of \$0.065 per share in connection to its property option payment (Note 6).

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

8. SHARE CAPITAL (CONTINUED)**Warrants**

During the three months ended February 28, 2023, and the year ended November 30, 2022, there were no additional issuance of warrants.

Below is a summary of warrant activity during the three months ended February 28, 2023:

	Amount	Weighted average exercise price
Outstanding at November 30, 2021	9,552,000	\$0.30
Expired	(4,552,000)	0.40
Outstanding at November 30, 2022 and February 28, 2023	5,000,000	\$0.20

Below is a summary of warrants outstanding as at February 28, 2023:

Number of warrants outstanding	Exercise price	Expiry date	Remaining life (years)
5,000,000	\$0.20	August 22, 2025	2.48

Options

During the three months ended February 28, 2023, the Company recognized \$4,187 (2022 - \$65,890) in stock-based compensation for the vesting of options granted in a prior year.

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

	Number outstanding	Weighted average exercise price
	#	\$
Outstanding at November 30, 2021	2,040,000	\$0.21
Granted	200,000	0.05
Cancelled	(150,000)	0.20
Outstanding at November 30, 2022	2,090,000	\$0.20
Cancelled	(450,000)	0.22
Outstanding at February 28, 2023	1,640,000	\$0.19

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

8. SHARE CAPITAL (CONTINUED)**Options (continued)**

A summary of the Company's stock options outstanding and exercisable at February 28, 2023 is presented below:

Expiry Date	Options Outstanding #	Options Exercisable #	Exercise Price \$	Remaining Life (Years)
March 8, 2026	1,290,000	1,290,000	0.20	3.02
March 19, 2026	150,000	150,000	0.30	3.06
November 7, 2027	200,000	200,000	0.05	4.69
	1,640,000	1,640,000	\$0.19	3.23

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 February 28, 2023, a total of 6,255,000 shares and 2,227,500 warrants were held in escrow (November 30, 2022 – 6,255,000 shares and 2,227,500 warrants).

9. 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, due from related parties, and accounts payable. The carrying values of these financial instruments approximate their respective fair values due to the short term of these instruments.

NSJ GOLD CORP.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2023**

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

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

As at February 28, 2023, 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 \$434,613 as at February 28, 2023. 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 February 28, 2023, the Company had current liabilities totaling \$46,113 and cash of \$434,613 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.

10. 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.