PURSUIT GOLD CORP.

Financial Statements

For the three and six months ended May 31, 2022 and 2021

Expressed in Canadian Dollars

Notice of No Auditor Review of Condensed Interim Financial Statements

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 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.

PURSUIT GOLD CORP.

Statements of Financial Position
(Expressed in Canadian Dollars)

		May 31, 2022		November 30, 2021
ASSETS				
Current Assets				
Cash	$	112,077	$	265,701
GST Receivable		6,654		5,884
Prepaid expenses		11,133		-
Total current assets		129,864		271,585
Non-current assets				
Exploration and evaluation assets (Note 4)		115,828		100,925
Total non-current assets		115,828		100,925
Total assets	$	245,692	$	372,510
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Notes 3 and 6)	$	14,219	$	53,404
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		467,400		467,400
Contributed surplus		26,328		-
Deficit		(262,255)		(148,294)
		231,473		319,106
	$	245,692	$	372,510

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

These financial statements were approved for issue by the Audit Committee of the Board of Directors on July 22, 2022 and are signed on its behalf by:

Approved by *"Kostantinos Sakarellos"*, Director *"Richard Rosner"*, Director

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

PURSUIT GOLD CORP.

Statements of Net Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
EXPENSES				
Consulting fees (Note 6)	$ 7,500	$ 7,625	$ 15,000	$ 15,125
General and administrative	250	-	1,529	43
Insurance	2,227	-	2,227	-
Professional fees	36,518	6,946	45,136	13,328
Share-based payments	-	-	26,328	-
Transfer Agent and Filing fees	6,321	-	23,741	1,000
NET LOSS AND COMPREHENSIVE LOSS	(52,816)	(14,571)	(113,961)	(29,496)
NET LOSS PER SHARE, BASIC AND DILUTED	$ (0.00)	$ 0.00)	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING	15,654,000	14,101,500	15,654,000	14,101,269

PURSUIT GOLD CORP.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital		Special Warrants	Contributed Surplus		Deficit		Total Equity
Balance, November 30, 2020	14,100,000	$	312,000	$	-	-	$	(15,308)	$	296,692
Issuance of common shares (Note 5)	15,000		1,500		-	-		-		1,500
Issue of special warrants for cash (Note 5)	-		-		103,800	-		-		103,800
Net loss	-		-			-		(29,497)		(29,497)
Balance, May 31, 2021	14,115,000	$	313,500	$	103,800	-	$	(44,805)	$	372,495
Balance, November 30, 2021	15,654,000	$	467,400	$	-	-	$	(148,294)	$	319,106
Share-based payments	-		-		-	26,328		-		26,328
Net loss	-		-		-	-		(113,961)		(113,961)
Balance, May 31, 2022	15,654,000	$	467,400	$	-	26,328	$	(262,255)	$	231,473

PURSUIT GOLD CORP.

Statements of Cash Flows
(Expressed in Canadian Dollars)

	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
CASH (USED IN) PROVIDED BY		
OPERATING ACTIVITIES		
Net loss	$ (113,961)	$ (29,497)
Items not affecting cash		
Share-based payments	26,328	-
	(87,633)	(29,497)
Changes in non-cash working capital accounts:		
Receivables	(770)	(4,652)
Prepaid expenses	(11,133)	-
Accounts payable and accrued liabilities	(39,185)	(7,700)
	(138,721)	(41,849)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(14,903)	(58,000)
FINANCING ACTIVITIES		
Subscriptions receivable	-	115,000
Offering memorandum proceeds		103,800
	-	218,800
NET CHANGE IN CASH	(153,624)	118,951
CASH, BEGINNING OF PERIOD	265,701	194,358
CASH, END OF PERIOD	$ 112,077	$ 313,309

Supplemental cash flow information:

Issuance of shares for settlement of finders' fees	$ -	1,500

1. Nature of Operations and Going Concern

Pursuit Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 15, 2020. The head office of the Company is located at Suite 250-999 Seymour Street, Vancouver, British Columbia V6B 0M5 and the registered and records office of the Company is located at Suite 1170-1040 West Georgia Street, Vancouver, British Columbia V6B 0M5. On January 26, 2022, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol trading symbol PUGS.

The Company is engaged in the acquisition, exploration and development of resource properties. On December 28, 2020, the Company signed an option agreement to acquire a property (Note 5). Prior to this, the Company's activities had been limited to its formation and the raising of equity capital.

Going Concern

These financial statements have been prepared on the basis that the Company will continue as a going concern. The proposed business of the Company involves a high degree of risk and there is no assurance that the Company will identify an appropriate business for acquisition or investment, and even if so identified and warranted, it may not be able to finance such an acquisition or investment. Additional funds will be required to enable the Company to pursue such an initiative and the Company may be unable to obtain such financing on terms which are satisfactory to it, particularly in the current economic environment. Furthermore, there is no assurance that the business will be profitable. Those factors raise significant doubt as to the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continued in existence. Such adjustments could be material.

2. Basis of Preparation and Significant Accounting Policies

The financial statements were authorized for issuance on July 22, 2022 by the directors of the Company.

(a) Statement of Compliance with International Financial Reporting Standards

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim statements, including IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2021 which have been prepared according to IFRS as issued by the IASB.

(b) Use of Estimates and Judgments

The preparation of the Company's financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues 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 estimate is revised and in any future periods affected.

Areas requiring a significant degree of estimation and judgment include fair value measurements for financial instruments, the recoverability of exploration and evaluation assets, share-based payments, the recoverability and measurement of deferred tax assets and liabilities and assessment of the Company's ability to continue as a going concern.

(Expressed in Canadian Dollars)

3. Accounts Payable and Accrued Liabilities

The accounts payable for the Company are as follows:

		May 31, 2022		November 30, 2021
Accounts payable	$	14,219	$	32,904
Accrued liabilities		-		20,500
	$	14,219	$	53,404

4. Exploration and Evaluation Assets

On December 28, 2020 the Company entered into an option agreement (amended October 11, 2021, collectively the "Agreement"), with Rainy Mountain Royalty Corp. ("Rainy"), pursuant to which, the Company has been granted an option (the "Option") to acquire the right to earn an undivided and up to 90% interest in Rainy's mineral claims located in the Porcupine Mining Division in Ontario, Canada (the "Property"), subject to a 2% net smelter return ("NSR") royalty on commercial production from certain of the mineral claims.

Pursuant to the terms of the Agreement, and in order to earn a 51% undivided interest in the Property ("Option 1"), the Company must make the following payments:

- make cash payment of $30,000 upon execution of the Agreement; (completed);
- make cash payment of $25,000 by September 15, 2021; (paid)
- make cash payment of $25,000 by September 15, 2022;
- incur expenditures of $200,000 on the Property by September 30, 2022, of which $100,000 is a firm commitment;
- incur expenditures of $350,000 on the Property by September 30, 2023.

The Company will have 90 days after making the above payments to notify Rainy that it intends to proceed to increase the Company's undivided interest as detailed below. Failing to do so will result in the Company and Rainy forming a joint venture.

In order to maintain the Option in good standing and increase the Company's undivided interest to 80% ("Option 2"), the Company must make the following payments:

- make payment of $50,000 by September 15, 2023;
- make cash payment of $50,000 by September 30, 2024;
- incur expenditures of $400,000 on the Property by September 30, 2023; and
- Incur expenditures of $500,000 on the Property by September 30, 2024.

The Company will also grant Rainy a 1.5% NSR after the Company earns the 80% interest. The Company may reduce the NSR royalty to 0.5% by making a payment of $1,000,000.

Upon the Company having exercised Option 2, the Company has 90 days in which to notify Rainy that it intends to proceed to exercise Option 3, failing which the Company and Rainy will proceed to form a joint venture. If the Company completes a "Bankable Feasibility Study" on the Property, the Company will have deemed to have exercised Option 3 and earn a 90% interest in the Property, subject to the above mentioned NSR.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

The Company had the following expenditures as of May 31, 2022:

		May 31, 2022		November 30, 2021
Cost of acquiring the right of interest in mineral claims	$	55,000	$	55,000
Geological consulting		1,800		-
Finders fee (note 5)		3,000		3,000
Line cutting		42,925		42,925
Surveys		13,103		-
	$	115,828	$	100,925

5. Share Capital

a. Authorized

The Company has authorized an unlimited number of common shares with no par value.

Pursuant to an escrow agreement, 1,709,500 common shares will be held in escrow. 10% of these shares were released from escrow on the listing date ("Initial Release") and an additional 15% will be released every 6 months over a 36 month period following the Initial Release. The escrow shares may not be transferred, assigned or otherwise dealt without the consent of the securities regulatory authorities.

b. Issued share capital

During the period ended May 31, 2022, the Company did not issue any common shares.

During the year ended November 30, 2021, the Company issued 1,554,000 common shares as follows:

- On September 29, 2021, 1,039,000 Special Warrants (note 5(e)) were deemed to have been exercised, resulting in the issuance of 1,039,000 common shares, and 519,500 share purchase warrants with an exercise price of $0.20, expiring May 29, 2023.

- The Company issued 15,000 common shares, valued at $1,500 for finder fees (Note 4).

- The Company issued 500,000 common shares upon the exercise of warrants with an exercise price of $0.10 for total proceeds of $50,000.

c. Stock Options

The Company has a share purchase option plan under which directors, officers, employees and consultants of the Company are eligible to receive share purchase options. The aggregate number of shares available to be issued upon the exercise of all share purchase options granted under the plan shall not exceed 10% of the issued and outstanding shares of the Company. The plan limits the maximum number of share purchase options issuable in any one 12-month period to any one optionee to 5% of the total common shares outstanding. The Board of Directors shall determine the terms and provisions of the options at the time of grant. The exercise price of each share purchase option shall not be less than the market price of the common shares on the date of the grant less the discount permitted by the Exchange. The maximum term of share purchase options shall not exceed 5 years, or such other term as permitted by the Exchange.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measures of the fair value of the Company's share purchase options.

(Expressed in Canadian Dollars)

5. Share Capital (continued)

c. Stock Options (continued)

A summary of the Company's stock options and the changes for the period/year ended are as follows:

	Number of Options	Weighted average exercise price
As at November 30, 2021	-	$ -
Granted	500,000	0.10
As at May 31, 2022	500,000	$ 0.10

During the period ended May 31, 2022, the Company granted 500,000 stock options to officers and directors of the Company. The weighted average grant-date fair value of the stock options granted during the period is $0.05.

A summary of the Company's stock options as at May 31, 2022 is as follows:

Number Outstanding	Exercise Price	Expiry Date
500,000	$ 0.10	January 27, 2024

The weighted average fair value of the stock options granted was determined by using the Black-Scholes option pricing model with the following assumptions:

	May 31, 2022	November 30, 2021
Risk-free interest rate	1.27%	-
Estimated volatility	100%	-
Expected life	2 years	-
Expected dividend yield	0.00%	-

Volatility was estimated based on the historical volatility of similar companies.

d. Warrants

The following table summarizes information about the warrants at May 31, 2022 and November 30, 2021, and the changes for the year/period then ended:

	May 31, 2022		November 30, 2021	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of period/year	5,350,000	$ 0.10	5,350,000	$ 0.10
Granted	519,500	0.20	519,500	0.20
Exercised	(500,000)	0.10	(500,000)	0.10
Outstanding, end of period/year	5,369,500	$ 0.11	5,369,500	$ 0.11

(Expressed in Canadian Dollars)

5. Share Capital (continued)

d. Warrants (continued)

The Company's warrants are exercisable only for common shares. The following is a summary of warrants outstanding and exercisable at May 31, 2022:

Number of Warrants	Exercise Price	Expiry Date
4,850,000	$0.10	November 30, 2023
519,500	$0.20	May 29, 2023
5,369,500		

e. Special Warrants

On May 29, 2021, the Company completed a financing of 1,039,000 units (the "Units") at a price of $0.10 for total proceeds of $103,900. Each unit consists of one special warrant (the "Special Warrants") and one-half of one transferable share purchase warrant ("Warrant"). Each Special Warrant entitles the holder to acquire one common share of the Company for no additional consideration. All unexercised Special Warrants will be deemed to be exercised on the earlier of: (a) the date that is four months and a day following the closing date, and (b) the third business day after a receipt is issued for a final prospectus by the securities regulatory authorities in each of the Provinces of Canada where the Units are sold. See note 5(b).

6. Related Party Transactions

During the period ended May 31, 2022, the Company incurred consulting and accounting fees in the amount of $20,000 (May 31, 2021: $15,000) to an officer of the Company. Included in accounts payable and accrued liabilities is $5,250 (2021: $2,625) due to an officer of the Company.

During the period ended May 31, 2022, the Company incurred share-based payments of $26,328 (May 31, 2021 – $Nil) to officers and directors of the Company.

7. Management of Capital

The Company's capital structure consists of cash and share capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to acquire a business or asset. 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 to sustain future development of the business.

In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to external capital requirements. There were no changes in the Company's approach to capital management during the year.

8. Financial Instruments

(a) Categories of Financial Instruments and Fair Value Measurements

As at May 31, 2022, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

9. Financial Instruments (continued)

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

a. Management of Financial Risks

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash. The Company manages its credit risk relating to cash through the use of a major financial institution which has a high credit quality as determined by rating agencies. The Company assessed credit risk as low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meets its administrative overheads and to settle amounts payable to its creditors. The Company has been successful in raising equity financing; however, there is no assurance that it will be able to do so in the future. The Company maintained sufficient cash balances to meet its short-term obligations but cannot guarantee to meet the payment terms of the agreement for its exploration and evaluation assets (Note 4) at May 31, 2022. The Company assessed liquidity risk as high.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.