



NEVADA SUNRISE GOLD CORPORATION

Condensed Interim Consolidated Financial Statements

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTE TO READER

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a note indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these interim financial statements.

NEVADA SUNRISE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and September 30, 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	June 30, 2020	September 30, 2019
ASSETS		
Current assets		
Cash	\$ 145,897	\$ 54,528
Marketable securities – Note 5	52,403	99,537
Receivables	7,818	16,697
Prepaid expenses and deposits	4,649	27,826
	<u>210,767</u>	<u>198,588</u>
Non-current assets		
Reclamation bonds and right of way – Note 8	112,661	109,346
Exploration and evaluation assets – Note 7	925,287	836,411
	<u>1,037,948</u>	<u>945,757</u>
Total assets	\$ 1,248,715	\$ 1,144,345
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities – Note 11	\$ 819,077	\$ 762,205
Due to related parties – Note 11	118,021	7,805
	<u>937,098</u>	<u>770,010</u>
Equity		
Share capital – Note 9	19,163,630	19,134,380
Contributed reserves – Note 9	3,422,612	3,422,612
Obligation to issue shares – Note 9	135,000	-
Accumulated other comprehensive income	822,582	811,964
Deficit	(23,232,207)	(22,994,621)
	<u>311,617</u>	<u>374,335</u>
Total liabilities and equity	\$ 1,248,715	\$ 1,144,345

Corporate Information – Note 1
Going Concern – Note 2
Commitments – Note 7
Subsequent Events – Note 13

Approved by the Directors on August 31, 2020:

“Warren Stanyer” Director
“Michael Sweatman” Director

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

NEVADA SUNRISE GOLD CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

For the three and nine months ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Expenses				
Accounting and audit – Note 11	\$ 10,412	\$ 12,550	\$ 31,144	\$ 35,550
Consulting fees	950	28,317	4,035	86,146
Depreciation	-	-	-	315
Directors' fees – Note 11	12,000	12,000	36,000	36,000
Exploration and evaluation costs – Note 7	42	32,131	3,400	291,478
Foreign exchange (gain) loss	(12)	1,740	1,916	3,793
Insurance	3,252	4,226	9,681	12,646
Legal – Note 11	2,662	118,726	15,956	402,529
Management fees – Note 11	16,800	16,800	50,400	57,400
Office expenses	11,035	13,253	25,483	41,316
Rent – Note 11	8,029	7,131	24,005	22,459
Shareholder communications	4,159	24,866	26,282	65,667
Share-based payments – Notes 9 and 11	-	-	-	121,700
Storage	189	(1,446)	648	2,394
Transfer agent and filing fees	6,704	6,768	15,290	19,080
Travel and entertainment	-	1,141	1,871	6,010
	(76,222)	(278,203)	(246,111)	(1,204,483)
Other items				
Management fee income	-	4,029	403	4,029
Loss on sale of marketable securities	(7,040)	(177,305)	(472,720)	(240,395)
Unrealized gain on marketable securities	59,519	171,464	480,842	119,838
	52,479	(1,812)	8,525	(116,528)
Loss for the period	(23,743)	(280,015)	(237,586)	(1,321,011)
Foreign currency translation adjustment	(9,996)	(6,631)	10,618	11,082
Comprehensive loss for the period	(33,739)	(286,646)	(226,968)	(1,309,929)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.03)
Weighted average number of shares outstanding – basic and diluted	54,879,847	48,794,133	53,306,038	48,194,866

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

NEVADA SUNRISE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended June 30, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	2020	2019
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	\$ (237,586)	\$ (1,321,011)
Items not involving cash:		
Depreciation	-	315
Amortization of right of way	-	141
Share-based payments	-	121,700
Loss on sale of marketable securities	472,720	240,395
Unrealized gain on marketable securities	(480,842)	(119,838)
Net changes in non-cash working capital balances:		
Receivables	8,879	(25,112)
Prepaid expenses and deposits	23,177	2,447
Accounts payable and accrued liabilities	56,872	237,325
Due to related parties	110,216	(7,083)
	<u>(46,564)</u>	<u>(870,721)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Reclamation bonds and right of way	-	4,837
Exploration and evaluation assets – exchanged for marketable securities	-	(6,744)
Exploration and evaluation assets – proceeds of consent shares sold	-	113,363
Exploration and evaluation assets – acquisition costs	(39,926)	(146,660)
	<u>(39,926)</u>	<u>(35,204)</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from sale of marketable securities	66,506	385,405
Share subscriptions received	135,000	9,000
Issuance of securities, net of costs	-	145,975
	<u>201,506</u>	<u>540,380</u>
Effect of foreign exchange on cash	<u>(23,647)</u>	<u>(3,687)</u>
Change in cash during the period	91,369	(369,232)
Cash, beginning of the period	<u>54,528</u>	<u>431,423</u>
Cash, end of the period	<u>\$ 145,897</u>	<u>\$ 62,191</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows – Note 10

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

NEVADA SUNRISE GOLD CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

For the nine months ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Share Capital						
	Number of Shares	Amount	Contributed Reserves	Obligation to issue shares	Accumulated Other Comprehensive Income	Deficit	Total
Balance at September 30, 2019	52,844,133	\$ 19,134,380	\$ 3,422,612	\$ -	\$ 811,964	\$ (22,994,621)	\$ 374,335
Property acquisition costs – Notes 7 and 9	650,000	29,250	-	-	-	-	29,250
Share subscriptions received	-	-	-	135,000	-	-	135,000
Foreign currency translation adjustment	-	-	-	-	10,618	-	10,618
Loss for the period	-	-	-	-	-	(237,586)	(237,586)
Balance at June 30, 2020	53,494,133	\$ 19,163,630	\$ 3,422,612	\$ 135,000	\$ 822,582	\$ (23,232,207)	\$ 311,617
Balance at September 30, 2018	45,044,133	\$ 18,724,555	\$ 3,299,512	\$ -	\$ 796,768	\$ (21,189,528)	\$ 1,631,307
Private placements – Note 9	3,000,000	150,000	-	-	-	-	150,000
Less: share issue costs – Note 9	-	(4,025)	-	-	-	-	(4,025)
Property acquisition costs – Notes 7 and 9	750,000	64,500	-	-	-	-	64,500
Share-based payments – Note 9	-	-	121,700	-	-	-	121,700
Foreign currency translation adjustment	-	-	-	-	17,713	-	17,713
Loss for the period	-	-	-	-	-	(1,321,011)	(1,321,011)
Balance at June 30, 2019	48,794,133	\$ 18,935,030	\$ 3,421,212	\$ -	\$ 814,481	\$ (22,510,539)	\$ 660,184

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

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

1. CORPORATE INFORMATION

Nevada Sunrise Gold Corporation (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on April 3, 2007. On May 15, 2007, the Company acquired all of the issued and outstanding shares of Intor Resources Corporation (“Intor”) by way of a reverse takeover. Intor was incorporated under the laws of the State of Nevada, USA on September 7, 2004.

The Company’s principal business activity is the acquisition, exploration and evaluation of its mineral property assets located in the State of Nevada, USA. The Company’s common shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “NEV”.

The Company’s office is Suite 408 - 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

2. BASIS OF PREPARATION***Statement of Compliance***

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) IAS 34 “Interim Financial Reporting”.

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements for the years ended September 30, 2019 and 2018.

These condensed interim consolidated financial statements were authorized for issue on August 31, 2020 by the directors of the Company.

Going Concern

These condensed interim consolidated financial statements are prepared using IFRS applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Future operations are dependent on the Company’s ability to raise additional equity financing and the attainment of profitable operations.

The Company has a history of operating losses and at June 30, 2020, has an accumulated deficit of \$23,232,207. At June 30, 2020, the Company had a working capital deficiency of \$726,331. The Company will require equity or loan financing and/or the sale of its marketable securities or other assets in order to continue exploration of its exploration and evaluation assets and fund its administrative expenses.

These condensed interim consolidated 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 continue as a going concern. These conditions may cast significant doubt about the Company’s ability to continue as a going concern.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

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2. BASIS OF PREPARATION (cont'd...)

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

Principles of Consolidation

These consolidated financial statements incorporate the accounts of the Company and the following subsidiary:

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
Intor Resources Corporation	USA	100%	Exploration of mineral properties

The Company consolidates the subsidiary on the basis that it controls the subsidiary through its ability to govern its financial and operating policies. All intercompany balances and transactions have been eliminated on consolidation.

Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts are expressed in Canadian dollars unless otherwise specified.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited annual consolidated financial statements for the year ended September 30, 2019 and have been consistently followed in the preparation of these consolidated condensed interim financial statements.

Except as disclosed below, the Company has used the same accounting policies and methods of computation as in the audited annual consolidated financial statements for the year ended September 30, 2019.

New Standards and Interpretations Adopted

The following new standards were adopted by the Company for the year ended September 30, 2020:

- IFRS 16: Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting. Adoption of this standard did not have any impact on the Company's financial statements.
- IFRIC 23 - Uncertainty over Income Tax Treatments: New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019. The Company does not expect a significant impact on its financial statements from the adoption of this standard.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

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(Unaudited – Prepared by Management)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

There have been no material revisions to the nature and amount of changes in estimates of amounts and critical judgements in applying accounting policies reported in the audited annual financial statements for the year ended September 30, 2019.

5. MARKETABLE SECURITIES

	June 30, 2020	September 30, 2019
Common shares of public companies:		
Fair value, opening	\$ 99,537	\$ 445,752
Acquisitions	11,250	462,151
Proceeds on sale	(66,506)	(425,196)
Dedicated Mining Technology – consent shares returned – Note 7	-	(151,383)
Realized loss on sale	(472,720)	(432,729)
Unrealized gain	480,842	200,942
	\$ 52,403	\$ 99,537

The Company has determined that it does not hold significant influence in any of its investments. The fair value is determined at each reporting date by reference to the closing price of these common shares which are publicly traded.

6. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and evaluation of mineral properties in Nevada, USA. All of the Company's non-current assets are located in the United States.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

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7. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation asset interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous historical title conveyance characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation assets the Company has committed to earn interests in are located in the State of Nevada, USA.

Schedule of Exploration and Evaluation Assets for the Nine months Ended June 30, 2020

	Golden Arrow	Water Right	Neptune/Aquarius	Lovelock/Treasure Box	Coronado	Gemini/Jackson	Atlantis	Total
Balance, September 30, 2019	\$ -	\$ 513,858	\$ -	\$ 73,910	\$ 170,847	\$ 77,796	\$ -	\$ 836,411
Option payments - cash	-	33,272	-	-	6,654	-	-	39,926
Option payments - shares	-	18,000	-	11,250	-	-	-	29,250
Option receipts - shares	-	-	-	(11,250)	-	-	-	(11,250)
Translation adjustment	-	17,548	-	2,242	8,800	2,360	-	30,950
Balance, June 30, 2020	\$ -	\$ 582,678	\$ -	\$ 76,152	\$ 186,301	\$ 80,156	\$ -	\$ 925,287

Schedule of Exploration and Evaluation Assets for the Year Ended September 30, 2019

	Golden Arrow	Water Right	Neptune/Aquarius	Lovelock/Treasure Box	Coronado	Gemini/Jackson	Atlantis	Total
Balance, September 30, 2018	\$ 350,000	\$ 512,448	\$ 123,957	\$ 156,809	\$ 36,286	\$ 48,449	\$ 35,244	\$ 1,263,193
Acquisition for receivable	-	-	-	-	-	21,751	-	21,751
Option payments - cash	-	99,530	-	-	46,447	-	-	145,977
Option payments - shares	-	31,500	-	-	29,000	-	-	60,500
Consent shares returned	-	(151,383)	-	-	-	-	-	(151,383)
Option receipts - shares	-	-	-	(86,407)	-	-	-	(86,407)
Sale proceeds - shares	(350,000)	-	-	-	-	-	-	(350,000)
Claim maintenance	-	-	-	-	31,258	6,369	-	37,627
Staking	-	-	-	-	26,962	-	-	26,962
Translation adjustment	-	21,763	3,985	3,508	894	1,227	1,026	32,403
Write-down of E&E assets	-	-	(127,942)	-	-	-	(36,270)	(164,212)
Balance, September 30, 2019	\$ -	\$ 513,858	\$ -	\$ 73,910	\$ 170,847	\$ 77,796	\$ -	\$ 836,411

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation costs for the nine months ended June 30, 2020 and 2019 were allocated as follows:

	2020	2019
Golden Arrow	\$ -	\$ 141
Coronado	350	285,352
Lovelock/Treasure Box	-	525
Gemini	-	35
Neptune	2,159	-
Water Right	891	5,425
	\$ 3,400	\$ 291,478

(a) Kinsley Mountain

The Company and New Placer Dome Gold Corp. (“New Placer Dome”), formerly Liberty Gold Corp. (“Liberty”) hold joint venture interests in Kinsley Gold LLC, which holds a mining lease agreement relating to the Kinsley Mountain property. The mining lease agreement has a 3% net smelter royalty on production. The mining lease agreement runs through June 2020, however, Kinsley Gold LLC has the right to terminate the lease upon thirty days written notice or to extend the lease beyond 2020 provided it continues to make the required advance minimum royalty payments (the “Royalty Payments”) (see below). Per the terms of the mining lease agreement, Kinsley Gold LLC has an obligation to expend a minimum per calendar year of US\$500,000 (the “Minimum Expenditures” (which includes the Royalty Payments) (2019 – obligation met) in exploration, development and mining activities on the Kinsley Mountain property.

The Royalty Payments included within the “Minimum Expenditures” are as follows for the years ending September 30:

- 2019: \$170,000
- 2020 and thereafter: \$220,000

New Placer Dome is the operator of the joint venture activities undertaken by Kinsley Gold LLC.

In June 2020, Liberty entered into an option agreement with New Placer Dome Gold Corp. whereby New Placer Dome has acquired Liberty's 79.99% interest in Kinsley Gold LLC.

On July 29, 2020, the Company was informed by its joint venture partner, New Placer Dome, that a drilling program of up to 20,000 metres had commenced at the Kinsley Mountain gold project, located near Wendover, NV. The Company holds a 20.01% interest in Kinsley Mountain, with New Placer Dome Gold Corp., as operator, holding a 79.99% interest.

Kinsley Gold LLC – Dilution of Joint Venture Interest

Liberty recommended a 2019 exploration budget for Kinsley Gold LLC of US\$590,287. The Company's proportionate share was \$US123,606. In early 2020, the Company elected to have its interest in the Kinsley Gold LLC joint venture be diluted pursuant to the terms of the Kinsley Mountain joint venture agreement. The Company did not pay the 2019 cash call amount of US\$123,606 and consequently, its interest in the Kinsley Gold LLC joint venture was reduced from 20.94% to 20.10%. The Company received an additional 2019 cash call of \$US12,360 for an allowable overspend, and consequently, had its interest further diluted to 20.01%.

The presumption that the Company has significant influence by holding 20% or more of the voting power through the joint venture is overcome due to limitations in policy making processes and decisions.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)***(b) Jackson Wash***

On December 17, 2015, the Company entered into an option agreement to purchase a 100% interest in the Jackson Wash lithium property located in the Jackson Valley, Esmeralda County, Nevada.

For the option to purchase a 100% interest in the property, the Company agreed to issue 500,000 common shares of the Company to the optionor as follows:

Date of Payment	Common Shares
December 17, 2015	100,000 common shares (issued at a fair value of \$19,000)
December 17, 2016	150,000 common shares (32,887 common shares of Advantage issued in lieu to the optionor by Advantage)
December 17, 2017	250,000 common shares (issued at a fair value of \$43,750)

The optionor could elect to receive common shares of either the Company, or Advantage, at its discretion. As the obligations are the responsibility of Advantage, the Company was reimbursed by Advantage for any common shares issued by the Company to the optionor.

The Jackson Wash property is subject to a 3% GOR.

(c) Gemini

The Company owns a 100% interest in a group of mineral claims known as the Gemini lithium property (“Gemini”). These claims were acquired by way of staking. Gemini is located in the Lida Valley, Esmeralda County, Nevada.

On September 21, 2016, the Company entered into a Definitive Joint Venture Agreement with Kore Mining Ltd. (formerly Eureka Resources Inc.) (“Kore”) to sell a 50% participating interest in the Gemini project. Kore was related by virtue of common directors. Both parties’ interests are 50% each. The joint venture is not conducted through a separate entity. Kore is the operator of the project.

Kore earned a 50% participating interest in Gemini by reimbursing the Company for 50% of the Gemini acquisition and evaluation costs. In addition, Kore issued the Company 50,000 common shares with a fair value of \$39,500. Kore completed a 10:1 share consolidation on October 30, 2018 which is reflected in the above share total.

On August 15, 2019, Kore sold its 50% interest in the Gemini property back to the Company in exchange for the cancellation of \$21,751 owed by Kore to the Company for property maintenance fees and exploration expenses incurred on Gemini.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

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(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)***(d) Water Right******Option of Clayton Valley Water Right:***

On March 16, 2016, the Company signed a definitive water right purchase agreement for the option to purchase a 100% interest in water right Permit 44411 in the Clayton Valley, Nevada. The pre-existing water right allows for 1,770 acre/feet of water use for mining and milling per year. In consideration for the option to purchase the water right, the Company agreed to pay the vendors a combination of cash, common shares, and share purchase warrants as follows:

Date of Payment	Cash	Common Shares	Share Purchase Warrants
March 30, 2016	US\$125,000 (paid) ⁽¹⁾	200,000 (issued with a fair value of \$36,000) ⁽¹⁾	2,250,000 (issued) ⁽¹⁾
December 21, 2016	US\$150,000 (paid) ⁽²⁾	250,000 (issued with a fair value or \$67,500) ⁽²⁾	n/a
December 21, 2017	US\$175,000 ⁽³⁾	300,000 (issued with a fair value or \$45,000) ⁽³⁾	n/a
December 21, 2018	US\$200,000 ⁽⁴⁾	350,000 (issued with a fair value or \$31,500) ⁽⁴⁾	n/a
December 21, 2019	US\$300,000 ⁽⁴⁾	400,000 (issued with a fair value of \$18,000)	n/a
December 21, 2020	US\$350,000 ⁽⁴⁾	500,000	n/a
Total	US\$1,300,000	2,000,000	2,250,000

On November 29, 2016, the Nevada Division of Water Resources (“NDWR”) issued a ruling of forfeiture against the Company’s water right, citing lack of beneficial use for a period of five years. The Company filed an appeal.

Pursuant to amending agreements dated January 6, 2017 and December 13, 2017, the Company would receive the following if the water right remained forfeited:

- (1) US\$125,000, 200,000 common shares and 2,250,000 share purchase warrants were refundable to the Company if the water right remained forfeited.
- (2) US\$75,000 of the cash payment and 250,000 common shares were refundable to the Company if the water right remained forfeited.
- (3) The Company made a cash payment of US\$87,500 and issued 300,000 common shares, both of which were refundable to the Company if the water right remained forfeited.
- (4) On October 31, 2018, the Company signed a letter of intent to further amend the water right purchase agreement. The letter of intent amended the terms for the payment of the remaining cash payments due on the purchase price. Therefore, the Company was not required to make the US\$200,000 payment due on December 21, 2018.

Under the terms of the letter of intent the Company was required to pay US\$20,000 on signing (paid). In addition, the Company is required to pay US\$5,000 per month thereafter (paid through February 2020). All the amounts are to be applied to the remaining purchase price. This arrangement will continue until August 2020 at which time the amounts due under the original agreement will become payable. The Company is currently in negotiations with the vendor of the water right regarding additional amendments to the option agreement.

NEVADA SUNRISE GOLD CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

In August 2019, the NDWR issued an order formally dismissing the forfeiture proceedings against the water right. The dismissal followed a negotiated settlement agreement with Albemarle Corp. (“Albemarle”) wherein Albemarle withdrew its motion to forfeit the water right in exchange for the Company’s agreement not to drill any wells within certain areas of the Clayton Valley that might impact Albemarle’s lithium brine mining operations in the Clayton Valley.

Consent Agreement:

On August 31, 2016, the Company signed a consent agreement with Advantage Lithium Corp (“Advantage”) and the vendors of the water right, Dedicated Mining Technology Inc. (“Dedicated Mining”), whereby the vendors consented to assign the terms of the original water right option agreement to Advantage for consideration as follows:

Description	Cash	Common shares
August 31, 2016	\$31,250 (paid)	-
Transfer of Advantage Lithium Corp., common shares by the Company	-	258,932 (transferred with a fair value of \$142,413 during the year ended September 30, 2016)

These Advantage shares were agreed to be returned to the Company when the water right was forfeited and were to be held by the Company in escrow, pending a ruling with respect to the forfeiture.

On October 31, 2018, Dedicated Mining agreed to release the 258,932 Advantage shares from escrow to be sold to fund ongoing legal costs related to the defence of the water right. To date, the Company received 194,199 shares and has sold 194,000 shares for proceeds of \$113,363 which were paid to the Company’s U.S. legal counsel.

As at June 30, 2020, the Company has not received the remaining 64,733 Advantage shares from Dedicated Mining.

(e) Lovelock/Treasure Box

On December 22, 2017, the Company signed a definitive agreement to acquire a 100% interest in the Lovelock cobalt property located in Churchill County, Nevada. On December 22, 2018, the Company paid the vendor US\$5,000 to extend the first payment date from December 22, 2018 to March 22, 2019. The US\$5,000 was repaid to the Company by way of Global Energy Metals Corp. (“GEMC”) shares.

To earn the 100% interest, the Company is required to pay cash payments and common share payments over three years from the date of signing of the definitive agreement, subject to a 2% net smelter returns royalty (“NSR”) as follows:

- US\$15,000 (paid) and 200,000 common shares (issued at a fair value of \$31,000);
- March 22, 2019: US\$20,000 (paid by GEMC) and 200,000 common shares (issued at a fair value of \$19,000 and repaid to the Company by way of GEMC shares);
- December 22, 2019: US\$25,000 (GEMC paid US\$5,000 for a 90-day extension) and 250,000 common shares (issued at a fair value of \$11,250 and repaid to the Company by way of GEMC shares);
- December 22, 2020: US\$30,000 and 300,000 common shares.

The Company has the right to accelerate the cash payments to the vendor at its discretion. On or before the 10th anniversary of the execution of the agreement, the Company shall have the right to purchase 50% of the NSR for US\$1,500,000.

The Company has the right to purchase a 100% interest in the Treasure Box copper property under its area of interest agreement with the vendor of the Lovelock cobalt property.

On January 15, 2019, the Company signed a mining option agreement with GEMC for GEMC to acquire an 85% interest in the Lovelock cobalt property and the Treasure Box copper property. The agreement allows for GEMC to acquire the interest subject to the Company first acquiring the interest pursuant to the underlying agreement with the vendor.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)

In order to exercise the option, GEMC is required to complete the following:

- Issue to the Company of such number of common shares in the capital of GEMC as is equal to US\$200,000 at a deemed price per share equal to the greater of: (a) \$0.15; and (b) the volume weighted average of the closing price of GEMC's shares for the 20 trading days immediately prior to the execution of the agreement. GEMC issued the Company 1,728,133 common shares with a fair value of \$86,407 on February 5, 2019.
- Assume all future cash payments to the vendor payable as scheduled above.
- Reimburse the Company for the issue by the Company of its common shares to the vendor with common shares of GEMC, payable as scheduled below:
 - March 22, 2019: such number of GEMC shares as is equal in value to 200,000 shares of the Company on the day prior to their issuance (issued);
 - March 22, 2019: such number of GEMC shares as is equal in value to US\$5,000 to reimburse the Company for the extension payment made by the Company to the vendor on December 22, 2018 (issued).
 - December 22, 2019: such number of GEMC shares as is equal in value to 250,000 shares of the Company on the day prior to their issuance (issued); and
 - December 22, 2020: such number of GEMC shares as is equal in value to 300,000 shares of the Company on the day prior to their issuance.
- GEMC must also incur exploration expenditures totaling US\$1,000,000 by the third anniversary of the agreement.

On April 3, 2020, the Company, GEMC and the vendor of the Lovelock and Treasure Box properties entered into an agreement to amend the terms of the GEMC option agreement on the properties and the underlying definitive agreement on the Lovelock property (the "Amended Agreement"). The Amended Agreement is subject to regulatory approval.

Upon the satisfactory completion of certain closing conditions, the Amended Agreement provides that GEMC will purchase an 85% interest in the Lovelock and Treasure Box properties, with the Company retaining a 15% interest, subject to a 2% NSR in favour of the vendor as provided for in the underlying definitive agreement between the vendor and the Company. A joint venture between GEMC and the Company will be formed to further explore and develop the Lovelock and Treasure Box properties.

In consideration for the Amended Agreement, GEMC shall on closing:

- Pay to the vendor the sum of US\$35,000;
- Issue to the vendor 1,000,000 common shares of GEMC (after giving effect to the 1 for 10 share consolidation announced by GEMC on March 10, 2020);
- Issue to the Company 750,000 common shares of GEMC (after giving effect to the 1 for 10 share consolidation announced by GEMC on March 10, 2020).

GEMC will not be required to incur the US\$1,000,000 of exploration expenditures contemplated in the original option agreement.

The GEMC shares issued under the Amended Agreement will be subject to voluntary escrow provisions in addition to applicable statutory and regulatory hold periods.

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7. EXPLORATION AND EVALUATION ASSETS (cont'd...)**(f) Coronado**

On May 18, 2018, the Company signed a 90-day pre-option agreement on the Coronado copper property located in the Tobin Sonoma Range of Pershing County, Nevada. The Company paid US\$7,500 to the vendor for this exclusive due diligence period.

On September 25, 2018, the Company entered into a definitive option agreement to acquire a 100% interest in the Coronado copper property in consideration for cash and share payments, and minimum exploration expenditures as described below:

Payment Due Dates	Cash Payments	Share Payments	Minimum Exploration Expenditures
Upon TSXV acceptance of the definitive agreement	US\$30,000 (paid)	200,000 (issued)	US\$50,000 (incurred)
On or before September 25, 2019	US\$35,000	300,000 (issued)	US\$100,000 (incurred)
On or before September 25, 2020	US\$40,000	400,000	US\$150,000
On or before September 25, 2021	US\$50,000	500,000	US\$300,000
On or before September 25, 2022	US\$1,250,000	600,000	US\$500,000
Total	US\$1,405,000	2,000,000	US\$1,100,000

The Company has the right to accelerate the timing of cash and share payments to the vendor at its discretion. If minimum exploration expenditures, which include property maintenance costs, are exceeded in any year the excess expenditures will be credited to a succeeding year. For the purposes of an anniversary common shares payment, the value of such payment by the Company to the vendors shall be calculated at a minimum price of \$0.15 per common share, and if the closing price of the Company's common shares on the TSXV on the business day prior to any anniversary date when a common shares payment is due and payable is less than \$0.15, the monetary difference between \$0.15 and the closing share price of the Company shall be paid to the vendors in cash. On the 4th Anniversary payment due date, if the spot cash price of copper as quoted on the London Metal Exchange exceeds \$4.00 per pound, the payment due of US\$1,250,000 will be increased to US\$1,500,000.

The vendor shall retain a 2% net smelter returns royalty, half of which can be purchased by the Company at any time for US\$1,500,000, less any advance royalty payments made by the Company. An advance royalty payment of US\$500,000 would be payable to the vendors upon completion of a feasibility study.

On October 24, 2018, the option agreement was accepted for filing by the TSX Venture Exchange. The Company paid the vendors US\$30,000 and issued the vendors 200,000 common shares with a fair value of \$14,000.

On September 25, 2019, the Company issued the vendors 300,000 common shares with a fair value of \$15,000.

On September 25, 2019, the Company paid the vendors US\$5,000 to extend the due date of the US\$35,000 option payment to December 25, 2019.

On December 14, 2019, the Company paid the vendors US\$5,000 to extend the due date of the US\$35,000 option payment to February 24, 2020.

As at the date of these consolidated financial statements, the Company has not paid the deferred option payment due on February 24, 2020 and has not received a notice of default from the vendor.

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8. RECLAMATION BONDS AND RIGHT OF WAY

At June 30, 2020 and September 30, 2019, the Company has posted reclamation bonds on its mineral properties with the Nevada Bureau of Land Management as a guarantee of exploration site restoration. In addition, the Company has prepaid a right of way for the Golden Arrow property.

	June 30, 2020	September 30, 2019
Golden Arrow – right of way	\$ 2,930	\$ 4,232
Golden Arrow	4,360	2,844
Coronado – Note 7(f)	22,069	19,064
Roulette	25,794	8,873
Neptune	19,305	21,419
Jackson Wash – Note 7(b)	9,142	18,737
Gemini – Note 7(c)	9,419	9,142
Aquarius	19,642	25,035
	<hr/> \$ 112,661	<hr/> \$ 109,346

9. SHARE CAPITAL AND CONTRIBUTED RESERVES

a) Authorized:

Unlimited common shares without par value

b) Issued:

During the Nine months Ended June 30, 2020:Property Option Payments

The Company issued 650,000 common shares for property acquisition costs as follows:

- 400,000 common shares with a fair value of \$18,000 for the Water Right.
- 250,000 common shares with a fair value of \$11,250 for the Lovelock property. This was repaid to the Company by way of GEMC common shares.

Included in obligation to issue shares is \$135,000 in share subscriptions received for a private placement. The private placement was closed the shares were issued on August 19, 2020 (Note 13).

During the Year Ended September 30, 2019:Private Placements

- On October 29, 2018, the Company issued 3,000,000 private placement units at \$0.05 per unit for gross proceeds of \$150,000. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at \$0.10 until October 29, 2020. The Company paid finder's fees of \$4,025.

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)

- On July 25, 2019, the Company issued 3,750,000 private placement units at \$0.05 per unit for gross proceeds of \$187,500. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at \$0.10 until July 25, 2021. The Company paid finder's fees of \$1,750 and issued 35,000 finder's warrants entitling the holders to purchase one common share for each warrant held at \$0.06 per share until July 25, 2021. The finder's warrants had a fair value of \$1,400.

Property Option Payments

The Company issued 1,050,000 common shares for property acquisition costs as follows:

- 200,000 common shares with a fair value of \$14,000 for the Coronado property.
- 350,000 common shares with a fair value of \$31,500 for the Water Right.
- 200,000 common shares with a fair value of \$19,000 for the Lovelock property. This was repaid to the Company by way of GEMC common shares.
- 300,000 common shares with a fair value of \$15,000 for the Coronado property.

c) Finder's Warrants:

At June 30, 2020, there were 35,000 finder's warrants outstanding entitling the holders to purchase one common share for each warrant held at \$0.06 per share until July 25, 2021.

The fair value of the 35,000 finder's warrants issued during the year ended September 30, 2019 was \$1,400. The fair value of the finder's warrants was calculated using the Black-Scholes Option Pricing Model using the weighted average assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the warrant.

	2019
Risk-free interest rate	1.58%
Expected life of warrants	2 years
Annualized volatility	106%
Dividend rate	0%
Weighted average fair value per warrant	\$0.04

Finder's warrant transactions and the number of finder's warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at September 30, 2018	47,375	\$ 0.17
Warrants issued	35,000	0.06
Warrants expired	(47,375)	0.17
Balance at September 30, 2019 and June 30, 2020	35,000	\$ 0.06

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance at September 30, 2018	13,478,131	\$	0.34
Warrants issued – private placements	6,750,000		0.10
Warrants expired	(6,015,916)		0.36
Balance at September 30, 2019	14,212,215		0.22
Warrants expired	(2,107,082)		0.55
Balance at June 30, 2020	12,105,133	\$	0.17

At June 30, 2020, there were 12,105,133 warrants outstanding and exercisable entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants	Exercise Price	Expiry Date
2,450,000	\$0.25	June 16, 2021
2,220,133	\$0.25	July 5, 2021
685,000	\$0.25	July 17, 2021
3,000,000	\$0.10	October 29, 2020
3,750,000	\$0.10	July 25, 2021

e) Options

The Company has a stock option plan whereby it may grant options to employees, directors, officers, consultants and certain other service providers. The maximum number of options that may be granted under the plan is 10% of the issued and outstanding common shares. Options are exercisable for a maximum of 10 years. The exercise price of the options is set in accordance with the policies of the TSX-V. Stock options are subject to vesting requirements as determined by the Company's Board of Directors.

The fair value of 1,690,000 stock options granted during the year ended September 30, 2019 was \$121,700. The fair value of stock options was calculated using the Black-Scholes Option Pricing Model using the weighted average assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the option.

	2019
Risk-free interest rate	1.85%
Expected life of options	5 years
Annualized volatility	102%
Dividend rate	0%
Weighted average fair value per option	\$0.07

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9. SHARE CAPITAL AND CONTRIBUTED RESERVES (cont'd...)

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance at September 30, 2018	3,812,500	\$ 0.30
Options granted	1,690,000	0.10
Options cancelled	(250,000)	0.28
Options expired	(1,217,500)	0.36
Balance at September 30, 2019	4,035,000	0.19
Options expired	(200,000)	0.50
Balance at June 30, 2020	3,835,000	\$ 0.18

At June 30, 2020, there were 3,835,000 options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Shares	Exercise Price	Expiry Date
100,000	\$0.17	September 10, 2020
380,000	\$0.22	November 23, 2020
100,000	\$0.185	February 8, 2021
615,000	\$0.37	September 6, 2021
950,000	\$0.18	January 25, 2023
1,015,000	\$0.105	October 31, 2023
675,000	\$0.09	March 26, 2024

At June 30, 2020, the stock options had a weighted average remaining life of 2.43 years.

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10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. During the nine months ended June 30, 2020 and 2019, the following non-cash transactions were excluded from the statements of cash flows:

	2020	2019
Fair value of common shares issued for exploration and evaluation assets	\$ 29,250	\$ 45,500
Fair value of marketable securities received to reimburse option payments made for exploration and evaluation assets	\$ 11,250	-
Non-cash adjustment of market value of marketable securities received on consent shares returned by Dedicated Mining Technology Inc.	\$ -	\$ 38,020
Fair value of marketable securities received on option of Lovelock/Treasure Box	\$ -	\$ 86,407
Fair value of marketable securities received on sale of Golden Arrow	\$ -	\$ 350,000
Fair value of common shares issued for exploration and evaluation assets later settled for marketable securities	\$ -	\$ 19,000

11. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of its Chief Executive Officer, Chief Financial Officer and Corporate Secretary and Board of Directors.

Remuneration attributed to key management personnel or companies controlled by key management personnel during the nine months ended June 30, 2020 and 2019 is summarized as follows:

	2020	2019
Accounting fees	\$ 28,000	\$ 34,500
Directors' fees	36,000	36,000
Management fees	50,400	57,400
Share-based payments	-	91,000
	\$ 114,400	\$ 218,900

The Company incurred the following charges by a law firm in which a director of the Company is a partner and by another public company with a director in common with the Company during the nine months ended June 30, 2020 and 2019:

	2020	2019
Legal	\$ 5,624	\$ 10,870
Rent	24,005	22,459
	\$ 29,629	\$ 33,329

At June 30, 2020, prepaid expenses and deposits includes \$Nil (September 30, 2019 - \$5,000) paid to a company with a director in common with the Company as a rent deposit.

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11. RELATED PARTY TRANSACTIONS (cont'd...)

At June 30, 2020, due to related parties includes \$118,021 (September 30, 2019 - \$7,805) due to directors of the Company, to companies with officers in common with the Company and to a law firm in which a director of the Company is a partner, for fees and expenses.

12. BASIS OF FAIR VALUE

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's receivables, accounts payable and accrued liabilities, and due to related parties approximate their carrying values because of the short-term nature of these instruments. The fair values of reclamation bonds and right of way also approximate their carrying values.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at June 30, 2020 and September 30, 2019:

	Level 1	Level 2	Level 3
June 30, 2020:			
Cash	\$ 145,897	\$ -	\$ -
Marketable securities	\$ 52,403	\$ -	\$ -
September 30, 2019:			
Cash	\$ 54,528	\$ -	\$ -
Marketable securities	\$ 99,537	\$ -	\$ -

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13. SUBSEQUENT EVENTS

Subsequent to the Financial Statement date of June 30, 2020, the following events occurred.

1. On July 10, 2020, the Company closed a private placement of \$210,000 consisting of 7,000,000 units at a price of \$0.03 per unit, each unit consisting of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one common share of the Company at a price of \$0.05 with an expiry date of July 22, 2022.
2. On July 29, 2020, the Company settled \$66,149 in outstanding debt by issuing 529,195 common shares at a deemed price of \$0.125 per common share. These debt settlement shares were issued to directors and officers of the Company
3. On August 19, 2020, the Company closed a private placement for proceeds of \$600,000, consisting of 6,000,000 units at a price of \$0.10 per unit, with each unit consisting of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of \$0.16 for a period of two years following the closing date of the private placement.
4. Warrants were exercised as follows:
 - a. On each of July 31, August 4, and August 11, 2020, 100,000 warrants were exercised resulting in the issuance of a total of 300,000 common shares at \$0.10 per share for total proceeds of \$30,000.
 - b. On August 13, 2020, 400,000 warrants were exercised resulting in the issuance of a 400,000 common shares at \$0.10 per share for proceeds of \$40,000.
5. Stock options were exercised as follows:
 - a. On August 4, 2020, 75,000 options were exercised resulting in the issuance of 75,000 common shares at \$0.105 per share and a further 75,000 options were exercised resulting in the issuance of 75,000 common shares at \$0.09 per share for total proceeds of \$14,625.
 - b. On August 27, 2020, 100,000 options were exercised resulting in the issuance of 100,000 common shares at \$0.18 per share for proceeds of \$18,000.