NEVADA SUNRISE GOLD CORPORATION

Condensed Interim Consolidated Financial Statements

June 30, 2021

(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, 2021 and September 30, 2020
(Expressed in Canadian Dollars)
(Prepared by Management)

	June 30, 2021 (Unaudited)	September 30, 2020
ASSETS		
Current assets		
Cash	$ 207,527	$ 1,175,334
Marketable securities – Note 5	118,399	5,301
Receivables – Note 4	8,365	10,069
Prepaid expenses and deposits – Note 11	26,026	11,553
	360,317	1,202,257
Non-current assets		
Reclamation bonds and right of way – Note 8	99,707	110,366
Exploration and evaluation assets – Note 7	875,876	1,138,084
	975,583	1,248,450
Total assets	$ 1,335,900	$ 2,450,707
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 624,402	$ 758,400
Due to related parties – Note 11	30,606	21,544
	655,008	779,944
Equity		
Share capital – Note 9	21,529,169	20,984,418
Obligation to issue shares – Note 9	18,793	-
Contributed reserves – Note 9	3,730,349	3,394,072
Accumulated other comprehensive income	753,961	812,908
Deficit	(25,351,380)	(23,520,635)
	680,892	1,670,763
Total liabilities and equity	$ 1,335,900	$ 2,450,707

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

Approved by the Directors on August 27, 2021:

"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, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended June 30, 2021	Three months ended June 30, 2020	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Expenses				
Accounting and audit	$ 17,334	$ 10,412	$ 42,539	$ 31,144
Consulting fees	28,411	950	38,140	4,035
Directors' fees – Note 11	12,000	12,000	40,000	36,000
Exploration and evaluation costs – Note 7	2,724	42	1,252,186	3,400
Foreign exchange (gain) loss	1,313	(12)	2,386	1,916
Insurance	3,312	3,252	10,621	9,681
Legal – Note 11	33,647	2,662	47,038	15,956
Management fees – Note 11	21,947	16,800	64,496	50,400
Office expenses	3,441	11,035	11,287	25,483
Property investigation costs	1,412	-	1,412	-
Rent – Note 11	4,412	8,218	22,024	24,653
Shareholder communications	21,783	4,159	46,433	26,282
Share-based payments – Notes 9 and 11	-	-	340,698	-
Transfer agent and filing fees	6,498	6,704	33,026	15,290
Travel and entertainment	-	-	-	1,871
	(158,234)	(76,222)	(1,952,286)	(246,111)
Other items				
Management fee income	-	-	-	403
Gain on sale of exploration and evaluation assets	-	-	68,401	-
Gain (loss) on marketable securities	40,304	52,479	53,140	8,122
	40,304	52,479	121,541	8,525
Loss for the period	(117,930)	(23,743)	(1,830,745)	(237,586)
Foreign currency translation adjustment	(9,996)	(9,996)	(58,947)	10,618
Comprehensive loss for the period	$ (127,926)	$ (33,739)	$ (1,889,692)	$ (226,968)
Basic and diluted loss per share	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.00)
Weighted average number of shares outstanding – basic and diluted	78,183,327	54,879,847	75,789,515	53,306,038

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, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	2021	2020
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss for the period	$ (1,830,745)	$ (237,586)
Items not involving cash:		
Share-based payments	340,698	-
Directors' fees to be settled in shares	18,793	-
(Gain) Loss on marketable securities	(53,140)	(8,122)
Gain on sale of exploration and evaluation assets	(68,401)	-
Net changes in non-cash working capital balances:		
Receivables	1,704	8,879
Prepaid expenses and deposits	(14,475)	23,177
Accounts payable and accrued liabilities	(86,355)	56,872
Due to related parties	9,062	110,216
	(1,682,859)	(46,564)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	82,542	66,506
Water right non-refundable payments received (Note 7d)	184,889	-
Exploration and evaluation assets – acquisition costs	(17,375)	(39,926)
Reclamation bond	2,870	-
	252,926	26,580
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from private placement	400,000	135,000
Share issuance costs paid in cash	(9,170)	-
Proceeds from exercise of options	17,000	-
Proceeds from exercise of warrants	72,500	-
	480,330	135,000
Effect of foreign exchange on cash	(18,204)	(23,647)
Change in cash during the period	(967,807)	91,369
Cash, beginning of the period	1,175,334	54,528
Cash, end of the period	$ 207,527	$ 145,897
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

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, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital						
	Number of Shares	Amount	Obligation to Issue Shares	Contributed Reserves	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	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	$ 135,000	$ 3,422,612	$ 822,582	$ (23,232,207)	$ 311,617
Balance at September 30, 2020	72,858,327	$ 20,984,418	$ -	$ 3,394,072	$ 812,908	$ (23,520,635)	$ 1,670,763
Private placement	4,000,000	400,000	-	-	-	-	400,000
Less: share issuance costs	-	(20,749)	-	11,579	-	-	(9,170)
Exercise of warrants	725,000	72,500	-	-	-	-	72,500
Exercise of options	100,000	33,000	-	(16,000)	-	-	17,000
Property acquisition costs	500,000	60,000	-	-	-	-	60,000
Directors' fees to be settled in shares	-	-	18,793	-	-	-	18,793
Share-based payments	-	-	-	340,698	-	-	340,698
Foreign currency translation adjustment	-	-	-	-	(58,947)	-	(58,947)
Loss for the period	-	-	-	-	-	(1,830,745)	(1,830,745)
Balance at June 30, 2021	78,183,327	$ 21,529,169	$ 18,793	$ 3,730,349	$ 753,961	$ (25,351,380)	$ 680,892

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

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.

COVID-19
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 rapidly 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.

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 Interpretations as issued by the International Financial Reporting Interpretations Committee ("IFRIC").

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, 2020 and 2019.

These condensed interim consolidated financial statements were authorized for issuance on August 27, 2021 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, 2021, has an accumulated deficit of $25,351,380 and working capital deficit of $294,691. The Company will require equity or loan financing and/or the sale of its assets in order to continue exploration of its exploration and evaluation assets and fund its administrative expenses. See Note 7d.

2. BASIS OF PREPARATION (cont'd…)

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.

Principles of Consolidation

These condensed interim 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 condensed interim 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.

Critical Accounting Judgments, Estimates and Assumptions

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the condensed interim financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In preparing these condensed interim financial statements, the significant estimates and critical judgements were the same as those stated in Note 2 to the audited financial statements as at and for the year ended September 30, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended September 30, 2020 and have been consistently followed in the preparation of these condensed interim consolidated financial statements with the exception noted below:

Exploration and Evaluation Assets
Non-refundable payments in the form of cash and/or common shares received, and reimbursements of historical acquisition costs, from a binding letter of intent for the sale of a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the period the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests that may exist, the accumulated property costs are derecognized, with any gain or loss included in profit or loss in the period the transaction takes place.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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, 2021 and September 30, 2020:

	Level 1	Level 2	Level 3
June 30, 2021:			
Cash	$ 207,527	$ -	$ -
Marketable securities	$ 118,399	$ -	$ -
September 30, 2020:			
Cash	$ 1,175,334	$ -	$ -
Marketable securities	$ 5,301	$ -	$ -

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

Credit risk

The Company's cash is held with financial institutions deemed to be credit worthy. The Company's receivables consist of goods and services tax receivable from the Government of Canada and exploration expenses incurred on behalf of third parties.

Management believes that credit risk concentration with respect to receivables is nominal. The composition of receivables as at June 30, 2021 and September 30, 2020 is as follows:

	June 30, 2021	September 30, 2020
Goods and services tax receivable	$ 3,235	$ 4,245
Due from Global Energy Metals Corp.	5,130	5,824
	$ 8,365	$ 10,069

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2021, the Company had cash of $207,527 to settle current liabilities of $655,008. Management intends to obtain additional equity or loan financing and/or dispose of its marketable securities or other assets in order to meet its current liabilities as they become due. See going concern discussion in Note 2 and Note 7(d).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances which are not subject to significant risks in fluctuating interest rates. The Company's policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in US dollars.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings, or ability to obtain equity financing, due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Sensitivity Analysis

The Company through its subsidiary operates in the United States and is exposed to exchange risk from changes in the US dollar. At June 30, 2021, a 10% fluctuation in the US dollar against the Canadian dollar would affect comprehensive loss by approximately $70,000.

At June 30, 2021, a 10% fluctuation in the fair value of the Company's marketable securities would affect comprehensive loss by approximately $12,000.

5. MARKETABLE SECURITIES

		June 30, 2021		September 30, 2020
Common shares of public companies:				
Fair value, opening	$	5,301	$	99,537
Acquisitions (Note 7(e))		142,500		11,250
Proceeds on sale		(82,542)		(66,505)
Gain on marketable securities		53,140		(38,981)
	$	118,399	$	5,301

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES (cont'd…)

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. During the nine months ended June 30, 2021, the Company sold marketable securities for $82,542 and realized a gain of $18,008 from the sale.

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.

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, 2021

	Water Right	Lovelock/ Treasure Box	Coronado	Gemini/ Jackson	Total
Balance, September 30, 2020	$ 570,357	$ 74,599	$ 408,188	$ 84,940	$ 1,138,084
Option payments - shares	60,000	-	-	-	60,000
Option receipts - shares	-	(74,099)	-	-	(74,099)
Non-refundable LOI payments received	(184,889)	-	-	-	(184,889)
Claim maintenance	-	-	-	17,375	17,375
Translation adjustment	(44,522)	(500)	(29,575)	(5,998)	(80,595)
Balance, June 30, 2021	$ 400,946	$ -	$ 378,613	$ 96,317	$ 875,876

Schedule of Exploration and Evaluation Assets for the Year Ended September 30, 2020

	Water Right	Lovelock/ Treasure Box	Coronado	Gemini/ Jackson	Total
Balance, September 30, 2019	$ 513,858	$ 73,910	$ 170,847	$ 77,796	$ 836,411
Option payments - cash	33,627	-	107,606	-	141,233
Option payments - shares	18,000	11,250	98,000	-	127,250
Option receipts - shares	-	(11,250)	-	-	(11,250)
Claim maintenance	-	-	31,684	6,460	38,144
Translation adjustment	4,872	689	51	684	6,296
Balance, September 30, 2020	$ 570,357	$ 74,599	$ 408,188	$ 84,940	$ 1,138,084

(Expressed in Canadian Dollars)

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

Exploration and evaluation costs for the nine months ended June 30, 2021 and 2020 were allocated as follows:

		June 30, 2021		June 30, 2020
Kinsley Mountain	$	956,545	$	-
Coronado		275,390		350
Jackson Wash		20,251		-
Neptune		-		2,159
Water Right		-		891
	$	1,252,186	$	3,400

(a) Kinsley Mountain

The Company has a 20.01% (2020 – 20.01%) interest 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)) (2020 – 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 *(obligation met)*
- 2020 and thereafter: $220,000

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 and consequently, its interest in the Kinsley Gold LLC joint venture was reduced from 20.94% to 20.01%.

The Company elected to participate in the 2020 exploration program. As at June 30, 2021, the Company paid a total of US$736,341 (CAD$956,545) as part of the Company's proportionate share of the 2020 cash call. Subsequent to June 30, 2021, the Company paid its proportionate share of the 2021 Royalty Payments.

(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 over 3 years (issued).

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

(Expressed in Canadian Dollars)

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

(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.

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.

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.

(d) Water Right

<u>Option of Clayton Valley Water Right:</u>

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. 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)	200,000 (issued with a fair value of $36,000)	2,250,000 (issued) (1)
December 21, 2016	US$150,000 (paid)	250,000 (issued with a fair value or $67,500)	n/a
December 21, 2017	US$175,000 (paid US$87,500)	300,000 (issued with a fair value or $45,000)	n/a
December 21, 2018	US$200,000 (1)	350,000 (issued with a fair value or $31,500)	n/a
December 21, 2019	US$300,000 (1)	400,000 (issued with a fair value of $18,000) (Note 9)	n/a
December 21, 2020	US$350,000 (1)	500,000 (issued with a fair value of $60,000) (Note 9)	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.

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.

(1) 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.

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

*(d) **Water Right*** (cont'd...)

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 up to February 2020). All the amounts are to be applied to the remaining purchase price. This arrangement was until August 2020 at which time the amounts due under the original agreement became payable. As at the date of the issuance of these condensed interim consolidated financial statements, no notice of default has been served to the Company.

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 Dedicated Mining consented to assign the terms of the original water right option agreement to Advantage for cash payment of $31,250 and the transfer of 258,932 Advantage shares with a fair value of $142,413.

Due to Dedicated Mining Technology Inc.

At September 30, 2018, marketable securities included the 258,932 common shares of Advantage valued at $181,252 that were originally transferred to the vendor of the water right, Dedicated Mining, as a part of the above consent agreement. 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. A corresponding liability of $181,252 was set up to Dedicated Mining.

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 has received 194,199 shares and has sold 194,000 shares for proceeds of $113,363 which were paid to the Company's legal counsel. As at December 31, 2020, the Company has not received the remaining 64,733 Advantage shares, which shares were exchanged for 9,192 shares of Orocobre Limited from Dedicated Mining.

Letter of Intent for Sale of Water Right

On May 7, 2021 the Company, through its wholly-owned subsidiary Intor Resources Corporation, entered into a binding letter of intent ("LOI") with Cypress Development Corp. ("Cypress") for the sale of its Clayton Valley water right (Permit 44411). Under the terms of the LOI, Cypress has the obligation to pay the Company total consideration of US$3,000,000 as follows:

- US$25,000 non-refundable payment payable upon execution *(received)*;
- US$125,000 non-refundable payment upon completion of a 45 day due diligence period and the execution between the parties of a definitive purchase agreement *(received)*;
- US$2,000,000 in cash upon closing; and
- US$850,000 in common shares of Cypress upon closing. The Cypress shares shall be valued based on the volume weighted average price of the Cypress shares for the ten (10) trading days for the period ending two (2) days before the closing date.

Closing of the sale of Permit 44411 to Cypress is subject to the Nevada Division of Water Resources issuing a final and non-appealable approval and granting the Company's application for an extension of time to place Permit 44411 to beneficial use. Subsequent to June 30, 2021, the Company filed the application for Extension of Time on July 29, 2021.

Net proceeds received by the Company from the sale upon closing are to be used to retire certain liabilities owing to the Company's US counsel (US$462,953 or CAD$573,830 as of June 30, 2021) including those incurred during the water rights litigation from 2016 to 2019, payment of the balance owing to the underlying vendor of the water rights of approximately US$800,000 or CAD$991,600, and for general working capital purposes.

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

*(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 (paid by GEMC) and 250,000 common shares (Note 9) (issued at a fair value of $11,250 and repaid to the Company by way of GEMC shares);
- December 22, 2020: US$30,000 (paid by GEMC) and 300,000 common shares (issued by GEMC with GEMC shares as per the April 3, 2020 Amended Agreement below).

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 (subsequently revised per the April 3, 2020 Amended Agreement below such that GEMC can purchase 50% of the NSR rather than the Company).

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.

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 (issued by GEMC with GEMC shares).
- GEMC must also incur exploration expenditures totaling US$1,000,000 by the third anniversary of the agreement.

(Expressed in Canadian Dollars)

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

(e) Lovelock/Treasure Box (cont'd...)

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 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. GEMC will make the cash and common share payments payable on or before December 22, 2020 upon closing to the vendor instead of the Company (paid and issued). A joint venture between GEMC and the Company will be formed to further explore and develop the Lovelock and Treasure Box properties. Upon closing of the Amended Agreement, GEMC will issue 750,000 GEMC shares to the Company.

The Amended Agreement closed on October 6, 2020, and the Company received 750,000 GEMC shares valued at $142,500 (Note 5).

(f) Coronado

On September 25, 2018, the Company entered into a definitive option agreement to acquire a 100% interest in the Coronado copper property located in the Tobin Sonoma Range of Pershing County, Nevada 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 on October 24, 2018	US$30,000 (paid)	200,000 (issued with a fair value of $14,000)	US$50,000 (incurred)
On or before September 25, 2019(1)(2)	US$35,000 (paid)	300,000 (issued with a fair value of $15,000)	US$100,000 (incurred)
On or before September 25, 2020	US$40,000 (paid)	400,000 (issued with a fair value of $98,000 - Note 9)	US$150,000 (incurred)
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

(1) 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.

(2) 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.

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 TSX-V 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

(Expressed in Canadian Dollars)

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

(f) Coronado (Cont'd…)

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.

8. RECLAMATION BONDS AND RIGHT OF WAY

At June 30, 2021 and September 30, 2020, 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, 2021	September 30, 2020
Golden Arrow – right of way	$ 3,962	$ 4,271
Golden Arrow	-	2,870
Coronado – Note 7(f)	17,847	19,242
Roulette	8,307	8,956
Neptune	20,053	21,619
Jackson Wash – Note 7(b)	17,541	18,913
Gemini – Note 7(c)	8,559	9,227
Aquarius	23,438	25,268
	$ 99,707	$ 110,366

Golden Arrow Reclamation Bond and Right of Way

The Company sold the Golden Arrow property to Emgold Mining Corporation ("Emgold") in 2018, but had posted a reclamation bond of US$2,148 on the property. During the nine months ended June 30, 2021, the Company received the refund of the Golden Arrow bond.

The Company was granted a 10 year right of way to access the Golden Arrow property. The Company paid US$4,262 to prepay the right of way for the entire 10-year term which began July 2016 and carries through to June 2025. The Company amortized the right of way on a straight-line basis over its ten-year term, expensed as exploration and evaluation costs. The Company expects to be reimbursed by Emgold for the remaining term of the right of way.

9. SHARE CAPITAL AND CONTRIBUTED RESERVES

a) Authorized:

Unlimited common shares without par value.

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

b) Issued:

During the Nine Months Ended June 30, 2021:

Private placements

- On February 12, 2021, the Company issued 2,922,000 private placement units at $0.10 per unit for gross proceeds of $292,200. Each unit contained one common share and one-half of one common share purchase warrant entitling the holder to purchase an additional common share at $0.16 until February 12, 2023. The Company paid finders' fees of $9,170 and issued 91,700 finders' warrants entitling the holders to purchase one common share for each warrant held at $0.16 until February 12, 2023. The finders' warrants had a fair value of $11,579.

- On February 26, 2021, the Company issued 1,078,000 private placement units at $0.10 per unit for gross proceeds of $107,800. Each unit contained one common share and one-half of one common share purchase warrant entitling the holder to purchase an additional common share at $0.16 until February 26, 2023.

Property Option Payments

- On December 21, 2020, the Company issued 500,000 common shares with a fair value of $60,000 for the Water Right (Note 7(d)).

Exercise of Warrants and Options

- The Company issued 725,000 common shares at $0.10 per share pursuant to the exercise of warrants for proceeds of $72,500.
- The Company issued 100,000 common shares at $0.17 per share pursuant to the exercise of options for proceeds of $17,000. As a result, the fair value of the options of $16,000 was reallocated to share capital.

Obligation to issue shares

- The Company paid additional directors' fees of $24,000 to its directors in March 2021. As at June 30, 2021, the tax withholdings of $5,207 were paid in cash to the Canada Revenue Agency and the remaining $18,793 was recorded as an obligation to issue shares as the directors agreed to settle the remaining portion in common shares of the Company. Subsequent to June 30, 2021, 221,099 common shares were issued to settle the $18,793 owing (Note 13).

During the Year Ended September 30, 2020:

Private Placements

- On July 10, 2020, the Company issued 7,000,000 private placement units at $0.03 per unit for gross proceeds of $210,000. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.05 until July 10, 2022.
- On August 19, 2020, the Company issued 6,000,000 private placement units at $0.10 per unit for gross proceeds of $600,000. Each unit contained one common share and one half of a warrant entitling the holder to purchase an additional common share at $0.16 until August 19, 2022.

(Expressed in Canadian Dollars)

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

- On September 16, 2020, the Company issued 3,499,999 private placement units at $0.18 per unit for gross proceeds of $630,000. Each unit contained one common share and one-half warrant entitling the holder to purchase an additional common share at $0.30 until September 16, 2022. The Company paid finder's fees of $16,919 and issued 98,116 finder's warrants entitling the holders to purchase one common share for each warrant held at $0.30 per share until September 16, 2022. The finder's warrants had a fair value of $14,910.

Property Option Payments

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

- 400,000 common shares with a fair value of $18,000 for the Water Right -Note 7(d);
- 250,000 common shares with a fair value of $11,250 for the Lovelock property (repaid to the Company by way of GEMC common shares) – Note 7(e); and
- 400,000 common shares with a fair value of $98,000 for the Coronado property – Note 7(f).

Debt Settlement

On July 31, 2020, the Company issued 529,195 shares with a fair value of $71,441 to settle liabilities owing to related parties of $64,946.

Exercise of Warrants and Options

- The Company issued 35,000 common shares at $0.06 per share pursuant to the exercise of finder's warrants for proceeds of $2,100. As a result, the fair value of the warrants of $1,400 was reallocated to share capital.
- The Company issued 1,650,000 common shares at various prices pursuant to the exercise of warrants for proceeds of $165,000.
- The Company issued 250,000 common shares at various prices pursuant to the exercise of options for proceeds of $32,625. As a result, the fair value of the options of $42,050 was reallocated to share capital.

c) Finder's Warrants:

At June 30, 2021, there were 189,816 finders' warrants outstanding entitling the holders to purchase one common share for each warrant. 91,700 finders' warrants have an exercise price of $0.16 per share until February 12, 2023 and were initially recorded with a fair value of $11,579 and 98,116 finders' warrants have an exercise price of $0.30 per share until September 16, 2022 and were initially recorded with a fair value of $14,910.

The fair values of the finders' warrants were 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.

	2021	2020
Risk-free interest rate	0.19%	0.26%
Expected life of warrants	2 years	2 years
Annualized volatility	157%	157%
Dividend rate	0%	0%
Weighted average fair value per warrant	$0.13	$0.15

(Expressed in Canadian Dollars)

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

c) Finder's Warrants (cont't…)

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, 2019	35,000	$	0.06
Warrants issued	98,116		0.30
Warrants exercised	(35,000)		0.06
Balance at September 30, 2020	98,116	$	0.30
Warrants issued	91,700		0.16
Balance at June 30, 2021	189,816	$	0.23

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, 2019	14,212,215	$	0.22
Warrants exercised	(1,650,000)		0.10
Warrants issued – private placements	11,750,001		0.12
Warrants expired	(2,107,082)		0.55
Balance at September 30, 2020	22,205,134	$	0.14
Warrants exercised	(725,000)		0.10
Warrants issued – private placements	2,000,000		0.16
Warrants expired	(4,450,000)		0.18
Balance at June 30, 2021	19,030,134	$	0.14

At June 30, 2021, there were 19,030,134 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
2,220,133	$0.25	July 5, 2023*
685,000	$0.25	July 17, 2023**
2,375,000	$0.10	July 25, 2021
7,000,000	$0.05	July 10, 2022
3,000,000	$0.16	August 19, 2022
1,750,001	$0.30	September 16, 2022
1,461,000	$0.16	February 12, 2023
539,000	$0.16	February 26, 2023

* On June 28, 2021, the expiry date of the warrants was extended from July 5, 2021 to July 5, 2023.
** On June 28, 2021, the expiry date of the warrants was extended from July 17, 2021 to July 17, 2023.

(Expressed in Canadian Dollars)

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

(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.

During the nine months ended June 30, 2021, the Company granted 2,500,000 stock options with a fair value of $288,312 on March 3, 2021 and granted 600,000 stock options with a fair value of $52,386 on March 9, 2021. The fair values of stock options were 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.

	2021
Risk-free interest rate	0.83 – 0.87%
Expected life of options	5 years
Annualized volatility	140-141%
Dividend rate	0%
Weighted average fair value per option	$0.09 – 0.12

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, 2019	4,035,000	$	0.19
Options exercised	(250,000)		0.13
Options expired	(250,000)		0.47
Balance at September 30, 2020	3,535,000	$	0.18
Options exercised	(100,000)		0.17
Options granted	3,100,000		0.13
Options expired / cancelled	(500,000)		0.21
Balance at March 31, 2021	6,035,000	$	0.15

At June 30, 2021, there were 6,035,000 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
565,000	$0.37	September 6, 2021
850,000	$0.18	January 25, 2023
920,000	$0.105	October 31, 2023
600,000	$0.09	March 26, 2024 ***
2,500,000	$0.125	March 3, 2026
600,000	$0.125	March 9, 2026

***125,000 stock options exercised subsequent to June 30, 2021 (Note 13).

(Expressed in Canadian Dollars)

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, 2021 and 2020, the following non-cash transactions were excluded from the statements of cash flows:

		2021		2020
Fair value of finders' warrants issued as share issue costs	$	11,579		-
Re-classification on exercise of options to share capital from contributed reserves	$	16,000		-
Fair value of common shares issued for exploration and evaluation assets	$	60,000	$	29,250
Fair value of marketable securities received to reimburse option payments made for exploration and evaluation assets	$	-	$	11,250

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, 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, 2021 and 2020 is summarized as follows:

		2021		2020
Accounting fees	$	-	$	28,000
Directors' fees		40,000		36,000
Management fees		63,426		50,400
Share-based payments		236,414		-
	$	339,840	$	114,400

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, 2021 and 2020:

		2021		2020
Legal	$	5,909	$	5,624
Rent		24,930		24,005
	$	30,839	$	29,629

At June 30, 2021, prepaid expenses and deposits include $5,000 (September 30, 2020 - $5,000) paid to a company with a director in common with the Company as a rent deposit.

At June 30, 2021, due to related parties includes $30,606 (September 30, 2020 - $21,544) due to directors and officers 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. Amounts due from/to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

12. CAPITAL MANAGEMENT

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, exploration and development of exploration and evaluation assets. 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 the management of capital, the Company includes components of equity as capital.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings or the sale of assets to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital, intends to continue to receive cash and shares pursuant to option agreements (Note 7), sell assets (Note 7), and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended June 30, 2021. The Company is not currently subject to externally imposed capital requirements.

13. SUBSEQUENT EVENTS

a) Subsequent to June 30, 2021, the Company issued:

- 221,099 common shares to the Company's directors to settle the $18,793 owing for past directors' fees (Note 9).
- 125,000 common shares for 125,000 stock options exercised for total proceeds of $11,250.

b) Subsequent to June 30, 2021**,** 2,375,000 warrants with an exercise price of $0.10 expired.