



**Northern Superior Resources Inc.**

**Condensed Interim Financial Statements**

**(Unaudited - Expressed in Canadian dollars)**

**For the Three Months Ended March 31, 2020 and 2019**

## Northern Superior Resources Inc.

### Notice to Reader:

The accompanying unaudited condensed interim financial statements of Northern Superior Resources Inc. (the "Company") have been prepared by and are the responsibility of the management of the Company. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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**Statements of Financial Position**

<i>As at</i>	<i>Notes</i>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
		(\$)	(\$)
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents		753,118	429,159
Prepays and receivables	3	45,219	125,587
Marketable securities	4	1,600	2,000
		<b>799,937</b>	<b>556,746</b>
<i>Non-current assets</i>			
Exploration and evaluation assets	5	8,087,745	8,059,349
		<b>8,887,682</b>	<b>8,616,095</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Accounts payables and accrued liabilities	6	129,298	138,827
<b>Shareholders' Equity</b>			
Share Capital	7	65,043,804	64,525,038
Reserve - Stock options	7	5,797,049	5,797,049
Reserve - Warrants	7	5,005,493	5,005,493
Accumulated other comprehensive loss		(8,650)	(8,250)
Deficit		(67,079,312)	(66,842,062)
		<b>8,758,384</b>	<b>8,477,268</b>
		<b>8,887,682</b>	<b>8,616,095</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 12)

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 14, 2020

*"François Perron"*

Director

*"Andrew Farncomb"*

Director

*See accompanying notes to financial statements*

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**Statements of Loss and Comprehensive Loss**

	Notes	Three months ended March 31,	
		2020 (\$)	2019 (\$)
<b>Expenses</b>			
Consulting fees	8	21,808	21,914
Legal and accounting		21,954	20,845
Office expenses and salaries	8	139,743	135,190
Share-based payments	8	-	244,287
Shareholder information		41,566	57,769
Foreign exchange		(94)	37
Taxes		13,434	-
Loss before the undernoted		(238,411)	(480,040)
Interest income		1,161	6,730
Management fees	5	-	55,693
<b>Net loss for the period</b>		<b>(237,250)</b>	<b>(417,617)</b>
<b>Other comprehensive loss</b>			
<i>Items that will not be reclassified subsequently to loss</i>			
Change in value of marketable securities		(400)	-
<b>Total comprehensive loss</b>		<b>(237,650)</b>	<b>(417,617)</b>
<b>Basic and diluted loss per share</b>		<b>(0.01)</b>	<b>(0.01)</b>
		(#)	(#)
<b>Weighted-average number of common shares outstanding</b>		<b>40,104,602</b>	<b>35,126,689</b>

See accompanying notes to financial statements

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**Statements of Equity**

	Share Capital		Reserves				Equity
	Number of Shares (#)	Amount (\$)	Stock options (\$)	Warrants (\$)	Accumulated other comprehensive loss (\$)	Deficit (\$)	
<b>Balance, December 31, 2018</b>	<b>35,126,689</b>	<b>64,542,840</b>	<b>5,541,816</b>	<b>5,005,493</b>	<b>(7,250)</b>	<b>(66,041,081)</b>	<b>9,041,818</b>
Share issuance costs - cash	-	(17,802)	-	-	-	-	(17,802)
Share based payments	-	-	244,287	-	-	-	244,287
Net loss	-	-	-	-	-	(417,617)	(417,617)
<b>Balance, March 31, 2019</b>	<b>35,126,689</b>	<b>64,525,038</b>	<b>5,786,103</b>	<b>5,005,493</b>	<b>(7,250)</b>	<b>(66,458,698)</b>	<b>8,850,687</b>
Share based payments	-	-	10,946	-	-	-	10,946
Unrealized loss on marketable securities	-	-	-	-	(1,000)	-	(1,000)
Net loss	-	-	-	-	-	(383,364)	(383,364)
<b>Balance, December 31, 2019</b>	<b>35,126,689</b>	<b>64,525,038</b>	<b>5,797,049</b>	<b>5,005,493</b>	<b>(8,250)</b>	<b>(66,842,062)</b>	<b>8,477,268</b>
Shares issued for cash	6,242,858	437,000	-	-	-	-	437,000
Shares issued for debt	389,365	81,766	-	-	-	-	81,766
Unrealized loss on marketable securities	-	-	-	-	(400)	-	(400)
Net loss	-	-	-	-	-	(237,250)	(237,250)
<b>Balance, March 31, 2020</b>	<b>41,758,912</b>	<b>65,043,804</b>	<b>5,797,049</b>	<b>5,005,493</b>	<b>(8,650)</b>	<b>(67,079,312)</b>	<b>8,758,384</b>

*See accompanying notes to financial statements*

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**Statements of Cash Flows**

	<u>Three months ended March 31,</u>	
	2020	2019
	(\$)	(\$)
<b>Operating Activities</b>		
Net loss for the period	(237,250)	(417,617)
Items not involving cash:		
Share based payments	-	244,287
Change in non-cash operating working capital items:		
Prepays and receivables	80,369	(139,062)
Accounts payables and accrued liabilities	75,699	60,025
Cash used in operating activities	<b>(81,182)</b>	<b>(252,368)</b>
<b>Investing Activities</b>		
Exploration and evaluation expenditures (net)	(31,859)	(20,401)
Option payment received	-	498
Cash used in investing activities	<b>(31,859)</b>	<b>(19,902)</b>
<b>Financing Activities</b>		
Proceeds from private placements	437,000	-
Share issuance costs	-	(17,802)
Cash provided by (used in) financing activities	<b>437,000</b>	<b>(17,802)</b>
Increase (decrease) in cash during the period	<b>323,959</b>	<b>(290,072)</b>
Cash, beginning of year	<b>429,159</b>	<b>2,268,508</b>
<b>Cash, end of period</b>	<b>753,118</b>	<b>1,978,436</b>

*See accompanying notes to financial statements*

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Northern Superior Resources Inc. (“Northern Superior” or the “Company”) is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of gold properties in Ontario and Québec. The head office, principal address and registered and records office of the Company is 1351C Kelly Lake Road, Unit 7, Sudbury, Ontario, Canada, P3E 5P5.

The Company presently has no proven or probable reserves and on the basis of information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenues from its operations to date and consequently is considered to be in the exploration stage. The amounts shown as exploration and evaluation assets represent deferred acquisition costs incurred to date, less amounts written off or written down, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the Company raising capital, the sale or entering into a joint venture of the Company’s exploration and evaluation assets, and/or the attainment of profitable operations.

At March 31, 2020, the Company has working capital (current assets less current liabilities) of \$670,639 (December 31, 2019: \$417,919), has incurred a loss for the period of \$237,250 (year ended December 31, 2019: \$800,981) and has an accumulated deficit of \$67,079,312 (December 31, 2019: \$66,842,062). These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the ensuing 12 months. The Company continues to incur operating losses and has limited financial resources and no source of operating cash flow available to enable it to conduct further exploration and development of its mineral properties (Note 12). The Company’s ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund its mineral properties through the issuance of capital stock or joint ventures, and to realize future profitable production or proceeds from the disposition of its mineral interests. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint venture arrangements. However, there is no assurance that the Company will be successful in these actions. These financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Except as noted below under Changes in Accounting Policies, these condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements of the Company for the year ended December 31, 2019. These condensed interim financial statements do not contain all disclosures required by International Financial Reporting Standards (“IFRS”) and accordingly should be read in conjunction with the 2019 annual financial statements and the notes thereto.

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Unless otherwise indicated, all dollar amounts in these condensed interim financial statements are in Canadian Dollars.

**3. PREPAIDS AND RECEIVABLES**

	<u>March 31,</u> <u>2020</u> <u>(\$)</u>	<u>December 31,</u> <u>2019</u> <u>(\$)</u>
Sales tax receivable	26,109	98,077
Prepaid and advances	19,110	27,510
Total Current Prepaids and Receivables	<u>45,219</u>	<u>125,587</u>

The fair value of receivables approximates their carrying value. None of the amounts included in receivables at March 31, 2020 are past due.

**4. MARKETABLE SECURITIES**

At March 31, 2020 and December 31, 2019, the Company held the following marketable securities:

	<u>March 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Shares</u> <u>(#)</u>	<u>Cost</u> <u>(\$)</u>	<u>Fair Value</u> <u>(\$)</u>	<u>Shares</u> <u>(#)</u>	<u>Cost</u> <u>(\$)</u>	<u>Fair Value</u> <u>(\$)</u>
Bold Ventures Inc. <sup>(1)</sup>	<u>40,000</u>	<u>10,250</u>	<u>1,600</u>	<u>200,000</u>	<u>10,250</u>	<u>2,000</u>

<sup>(1)</sup> Effective February 4, 2020, Bold Ventures Inc. ("Bold") consolidated its shares, as to 1 new share of Bold for 5 old shares of Bold.

During the period ended March 31, 2020, the Company recorded an unrealized loss of \$400 (year ended December 31, 2019: \$1,000) related to the change in fair value of the marketable securities in other comprehensive loss.

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**5. EXPLORATION AND EVALUATION ASSETS**

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2019	1,937,506	4,062,717	1,826,147	232,978	8,059,349
Acquisition, assessment and maintenance	20,221	495	13,518	123	34,357
Analytical	-	-	4,653	-	4,653
Geology	5,999	8,076	12,366	-	26,441
Project administration	5,280	-	3,302	582	9,164
Refundable tax credits and adjustments	-	(27,731)	(9,244)	(9,244)	(46,219)
Net change	31,500	(19,161)	24,595	(8,539)	28,396
Balance, March 31, 2020	1,969,006	4,043,556	1,850,742	224,439	8,087,745

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2018	2,014,207	4,097,221	784,651	230,030	7,126,110
Acquisition, assessment and maintenance	99,218	3,077	7,978	2,844	113,117
Analytical	116,435	620	180,799	104	297,958
Geophysics	-	-	252,113	-	252,113
Geology	84,893	15,560	58,252	-	158,705
Drilling	1,621,613	(21,156)	539,953	-	2,140,410
Project administration	1,638	-	2,401	-	4,039
Refundable tax credits and adjustments	-	(32,605)	-	-	(32,605)
Recovery from option agreement	(498)	-	-	-	(498)
Recovery from JV partner	(2,000,000)	-	-	-	(2,000,000)
Net change	(76,701)	(34,504)	1,041,496	2,948	933,239
Balance, December 31, 2019	1,937,506	4,062,717	1,826,147	232,978	8,059,349

a) **Ti-pa-haa-kaa-ning (“TPK”) property**

The Company owns a 100% interest in the TPK property, subject to a 2% Net Smelter Royalty (“NSR”) of which the Company has the right to purchase back 0.5% for \$1.0 million, and, on certain claims, a 2% NSR on all commodities and a 2% NSR on diamonds only in favour of Vale S.A.

On November 26, 2018, the Company entered into agreement with Yamana Gold Inc. (“Yamana”), pursuant to which Yamana had the option to earn up to a 75% interest in the TPK property (the “Yamana Agreement”). Yamana had the option to earn an initial interest of 70% in consideration for making staged payments totalling \$1,000,000 (\$150,000 received prior to December 31, 2019) and incurring minimum exploration expenditures totalling \$10,000,000 in stages (\$2,000,000 incurred prior to December 31, 2019). On November 25, 2019, Yamana advised the Company it was terminating the Yamana Agreement.

b) **Croteau Est project**

Croteau Est property: The Company holds a 100% interest in the Croteau Est property, subject to a 1.0% NSR on any commercial production, of which Company has the right to buy back 0.5% for \$1.5 million.

Waconichi property: The Company owns a 100% interest in the Waconichi property, subject to a 1% NSR royalty on a majority of the Waconichi claims. The 1% NSR royalty covers all except 7

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claims (comprising approximately 287 hectares) which were already subject to a prior 2% NSR royalty in favor of the prospector who originally staked the claims. The Company has the right to repurchase one half of the 1% NSR royalty (reducing it to a 0.5% NSR royalty) at any time for \$1.0 million. Similarly, the Company has the right to repurchase half of the 2% NSR royalty (reducing it to a 1% NSR royalty) at any time, for \$1.0 million. In either case, should the Company exercise its buy-back right, it will then have a right of first refusal with respect to the remaining NSR royalty.

c) **Lac Surprise property**

The Company owns a 100% interest in the Lac Surprise property.

d) **Wapistan property**

The Company owns a 100% interest in the Wapistan property.

e) **Metson Lake, Rapson Bay and Thorne Lake properties (collectively, the “Properties”)**

The Properties are owned 100% by the Company.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2020	December 31, 2019
	(\$)	(\$)
Trade payables	52,098	32,620
Amounts due to related parties	45,172	81,821
Accrued liabilities - general	32,028	24,386
	<u>129,298</u>	<u>138,827</u>

The fair value of accounts payable and accrued liabilities approximate their carrying amount. Trade payables relate mainly to the acquisition of materials, supplies and services. These payables do not accrue interest.

**7. SHARE CAPITAL**

a) **Authorized**

Share consolidation

On January 3, 2019, the Company received regulatory approval to consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. Regulatory approval having been received, the common shares of the Company commenced trading on the TSX Venture Exchange (“TSX-V” or the “Exchange”) on a post-consolidated basis on January 7, 2019. There was no change to the Company’s trading symbol on the TSX-V or the OTCQB. All information relating to earnings/loss per share, issued and outstanding common shares, share options and warrants, and per share amounts in these financial statements have been adjusted retrospectively to reflect the share consolidation.

At March 31, 2020, the authorized capital stock of the Company is comprised of an unlimited number of common shares without par value. (Note 12)

b) **Common shares**

Period Ended March 31, 2020

- On January 20, 2020, the Company closed a non-brokered private placement (“Offering”) for gross proceeds of \$437,000, pursuant to which the Company issued 6,242,858 units (“Unit”) at

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\$0.07 per Unit, to a Director of the Company. Each Unit consisted of one common share of the Company and one non-transferable share purchase warrant (“Warrant”), with each Warrant allowing for the purchase of one additional common share of the Company at \$0.10 per share until January 21, 2023. The warrants were issued for value of \$Nil.

- On March 23, 2020, the Company issued, in the aggregate, 389,365 common shares to certain current and former Directors in satisfaction of unpaid Directors’ Fees totalling \$81,766. The shares were issued at a deemed price of \$0.21 per share.

Year Ended December 31, 2019

The Company issued no common shares.

**c) Stock Options**

The Company has a stock option plan (the “Plan”) administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant. The terms of all options cannot exceed ten years and the minimum exercise price cannot be less than the closing price of the Company’s common shares on the TSX-V on the last trading day preceding the grant of the option. All of the outstanding options of the Company were issued with an expiry date of 5 years from the date of issue. Except as may be prescribed by the Exchange, the Board of Directors determines the vesting terms of the options. Share-based payments reserve is included in shareholders’ equity and consists of the estimated fair value of stock options.

At March 31, 2020, the Company had stock options, with a total weighted average remaining contractual life of 2.93 years (December 31, 2019: 3.17 years) outstanding as follows:

Grant date	Expiry date	Number (#)	Exercise price (\$)
November 5, 2015	November 5, 2020	95,000	0.500
August 1, 2016	August 1, 2021	50,000	1.000
November 21, 2016	November 21, 2021	105,000	0.500
April 23, 2017	April 23, 2022	660,000	0.650
November 30, 2017	November 30, 2022	355,000	0.500
March 29, 2019	March 29, 2024	1,030,000	0.220
		<b>2,295,000</b>	<b>0.428</b>

A summary of the changes in the Company’s stock options follows:

	Number of options (#)	Weighted average exercise price (\$)
<b>Outstanding, December 31, 2018</b>	<b>1,545,000</b>	<b>0.595</b>
Granted	1,130,000	0.220
Expired	(130,000)	0.500
<b>Outstanding, December 31, 2019</b>	<b>2,545,000</b>	<b>0.433</b>
Expired	(250,000)	0.478
<b>Outstanding, March 31, 2020</b>	<b>2,295,000</b>	<b>0.428</b>

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*During the year ended December 31, 2019*

- (i) On March 29, 2019, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 1,130,000 shares at \$0.22 per share until March 29, 2024. The total amount of share-based payments expense of \$244,287 was recognized during the year ended December 31, 2019.
- (ii) During the year ended December 31, 2019 the Company recorded \$10,946 in respect of the vesting of options granted in prior years.

The fair value for stock options issued during the year was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	1.75
Expected stock price volatility (%)	211
Expected dividend yield (%)	0
Expected life (years)	5

**d) Share Based Payments**

Share based payments recognized in the period are expensed as consulting fees, directors' fees or management and office expense, as appropriate. The following table summarizes the share based payments expense on the vesting of stock option for the periods ended March 31, 2020 and 2019:

	<b>March 31, 2020</b>	March 31, 2019
	<b>(\$)</b>	(\$)
Management and office	-	244,287
	-	244,287

**e) Warrants**

In connection with the Offering, the Company issued warrants allowing for the purchase of up to, in the aggregate, 6,242,858 common shares at \$0.10 per share until January 21, 2023. Using the residual method, the warrants were valued at \$Nil.

At March 31, 2020, the Company had warrants with a total weighted average remaining contractual life of 2.81 years outstanding as follows:

Issue date	Expiry date	Number	Exercise price
		(#)	(\$)
January 20, 2020	January 21, 2023	6,242,858	0.100
		<b>6,242,858</b>	<b>0.100</b>

A summary of the changes in the Company's warrants follows:

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	Number of warrants (#)	Weighted average exercise price (\$)
<b>December 31, 2018</b>	<b>9,558,574</b>	<b>0.686</b>
Expired	(9,558,574)	0.686
<b>December 31, 2019</b>	<b>-</b>	<b>-</b>
Issued	6,242,858	0.100
<b>March 31, 2020</b>	<b>6,242,858</b>	<b>0.100</b>

*Year ended December 31, 2019*

Warrants allowing for the acquisition of up to, in the aggregate, 9,558,574 shares expired, as to 5,820,000 shares at \$0.75 per share on March 2, 2019, 1,981,000 shares at \$0.75 per share on March 6, 2019 and 1,757,574 shares at \$0.40 per share on December 28, 2019.

**8. RELATED PARTY TRANSACTIONS**

The Company has arrangements pursuant to which parties related to the Company by way of directorship or officership provide certain services, either directly or through companies owned or controlled by the officers and directors. Transactions were in the normal course of operations and all of the costs recorded are based on fair value. The Company's related party expenses for the periods ended March 31, 2020 and 2019 are as follows:

	March 31, 2020 (\$)	March 31, 2019 (\$)
Management fees	21,000 <sup>(1)</sup>	21,000
Directors' fees	13,750 <sup>(2)</sup>	27,500 <sup>(4)</sup>
Salaries and wages	56,250 <sup>(3)</sup>	56,250
Share based payments	-	11,890
	<b>91,000</b>	<b>116,640</b>

(1) At March 31, 2020, a total of \$3,000 was owed in respect of Management fees incurred in the period ended March 31, 2020.

(2) At March 31, 2020, a total of \$13,750 was owed to Directors in respect of Directors' fees incurred in the period ended March 31, 2020.

(3) At March 31, 2020, a total of \$11,250 was owed in respect of Salaries and Wages incurred in the period ended March 31, 2020.

(4) At March 31, 2019, a total of \$68,750 was owed to Directors in respect of Directors' fees incurred during the period ended March 31, 2019 and prior periods.

**9. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT**

**Management of Capital risk**

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, equity reserves.

The Company's capital at March 31, 2020 and December 31, 2019 follows:

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	March 31, 2020	December 31, 2019
	(\$)	(\$)
Share Capital	65,043,804	64,525,038
Reserves	10,793,892	10,794,292
Deficit	(67,079,312)	(66,842,062)
	<u>8,758,384</u>	<u>8,477,268</u>

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and will need to raise additional amounts. 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 period ended March 31, 2020. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

**Management of Financial Risks**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

**i. Credit Risk**

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. The Company has no significant concentration of credit risk arising from operations. The Company's surplus cash at March 31, 2020 and December 31, 2019, is invested in liquid low risk accounts in A rated Canadian Banks. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote. The Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

**ii. Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2020, the Company had cash and cash equivalents of \$753,118 (December 31, 2019: \$429,159) to settle trade payables and accrued liabilities totaling \$129,298 (December 31, 2019: \$138,827). (Note 1 and Note 12)

**iii. Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. A 1% change in short term rates

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would change the interest income and net loss of the Company, assuming that all other variables remained constant, by approximately \$7,531 at March 31, 2020.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency or commodity risk arising from financial instruments.

#### **10. SEGMENTED INFORMATION**

The Company conducts its business as a single operating segment being the mineral exploration business in Canada. All exploration properties and equipment are situated in Canada.

#### **11. COMMITMENTS AND CONTINGENCIES**

At March 31, 2020, the Company has the following commitments in respect of its office lease:

	<b>&lt; 1 year</b>	<b>2-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
<b>Lease</b>	45,633	60,844	-	<b>106,477</b>

#### **12. SUBSEQUENT EVENTS**

- a) Since March 2020, several governmental measures have been implemented in Canada and the rest of the world in response to the coronavirus (COVID-19) pandemic. While the impact of COVID-19 and these measures are expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020. The Company continues to operate its business, and in response to Federal and Provincial emergency measures, has requested its employees and consultants work remotely wherever possible. These government measures, which could include government mandated closures of the Company or its contractors, could impact the Company's ability to conduct its exploration programs in a timely manner, and the Company is evaluating the best way to move its exploration activities forward when the emergency measures are lifted.
- b) On April 3, 2020, the Company closed a non-brokered private placement ("Private Placement") for total gross proceeds of \$3,924,000. The Private Placement comprised charity flow-through common shares of the Company ("Ontario Charity FT Shares") at \$0.3625 per Ontario Charity FT Share, and common shares of the Company ("Shares") priced at \$0.25 per Share. Pursuant to the closing of the Private Placement, the Company issued 8,880,000 Ontario Charity FT Shares for gross proceeds of \$3,219,000 and 2,820,000 Shares for gross proceeds of \$705,000.
- c) On May 4, 2020, the Company announced a non-brokered private placement (the "Offering") to raise minimum gross proceeds of \$1,215,000. The private placement will consist of a minimum of 2,250,000 charity flow-through shares (the "Québec Charity FT Shares") priced at \$0.54 per Québec Charity FT Share. The Company may elect to increase the size of the Offering by issuing additional Québec Charity FT Shares and/or charity flow-through shares ("Phase II Ontario Charity FT Shares") at \$0.435 per Phase II Ontario Charity FT Share.

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- d) On May 6, 2020, the Company announced an increase to the Offering such that the minimum gross proceeds has risen to \$2,000,000 (the “Increased Offering”). The Increased Offering will consist of a minimum of 2,962,963 Québec Charity FT Shares for gross proceeds of \$1,600,000 and 919,540 Phase II Ontario Charity FT Shares for gross proceeds of \$400,000.