



Northern Superior Resources Inc.

Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the three months ended March 31, 2022 and 2021

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.

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)
Statements of Financial Position

<i>As at</i>	<i>Notes</i>	March 31, 2022	December 31, 2021
		(\$)	(\$)
Assets			
<i>Current assets</i>			
Cash and cash equivalents	3	9,735,930	11,959,293
Prepays and receivables		356,278	88,547
Marketable securities		3,400	3,600
		10,095,608	12,051,440
<i>Non-current assets</i>			
Exploration and evaluation assets	4	15,458,930	12,795,113
		25,554,538	24,846,553
Liabilities			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	5	1,169,815	293,501
Flow-through share premium liability	6	2,258,576	3,250,486
		3,428,391	3,543,987
Shareholders' Equity			
Share Capital	6	77,684,813	77,684,813
Reserves	6	12,838,377	12,772,592
Accumulated other comprehensive loss		(6,850)	(6,650)
Deficit		(68,390,193)	(69,148,189)
		22,126,147	21,302,566
		25,554,538	24,846,553

Commitments and contingencies – Note 10
Subsequent events – Note 11

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 27, 2022

“François Perron”
Director

“Andrew Farncomb”
Director

See accompanying notes to financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)
Statements of Loss and Comprehensive Loss

	Notes	Three months ended March 31,	
		2022 (\$)	2021 (\$)
Expenses			
Consulting fees	7	21,815	25,187
Legal and accounting		23,015	4,055
Office expenses and salaries	7	156,890	131,019
Share-based payments	7	11,874	-
Shareholder information		29,292	28,319
Foreign exchange		33	75
Loss before the undernoted		(242,919)	(188,655)
Interest income		9,005	7,934
Flow-through share premium recovery	6	991,910	184,494
Netincome (loss) for the period		757,996	3,773
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to loss</i>			
Change in value of marketable securities		(200)	2,000
Total comprehensive income (loss)		757,796	5,773
Basic and diluted income (loss) per share		0.01	0.00
		(#)	(#)
Weighted-average number of common shares outstanding		70,949,624	63,317,774

See accompanying notes to financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)
Statements of Changes in Equity

	Share Capital		Reserves				Accumulated other comprehensive loss (\$)	Deficit (\$)	Equity (\$)
	Number of Shares (#)	Amount (\$)	Stock options (\$)	Restricted share units (\$)	Warrants (\$)				
Balance, December 31, 2020	63,302,270	73,088,625	6,112,663	-	5,671,856	(4,850)	(67,842,058)	17,026,236	
Shares issued on exercise of stock options	170,000	98,042	(48,642)	-	-	-	-	49,400	
Unrealized loss on marketable securities	-	-	-	-	-	(2,000)	-	(2,000)	
Net income	-	-	-	-	-	-	3,773	3,773	
Balance, March 31, 2021	63,472,270	73,186,667	6,064,021	-	5,671,856	(6,850)	(67,838,285)	17,077,409	
Shares issued for cash	7,392,354	6,650,351	-	-	-	-	-	6,650,351	
Share issuance costs - cash	-	(198,262)	-	-	-	-	-	(198,262)	
Share issuance costs - warrants	-	(49,093)	-	-	49,093	-	-	-	
Flow-through share premium liability	-	(1,965,200)	-	-	-	-	-	(1,965,200)	
Share based payments	-	-	945,148	42,474	-	-	-	987,622	
Shares issued for exploration and evaluation	85,000	60,350	-	-	-	-	-	60,350	
Unrealized loss on marketable securities	-	-	-	-	-	200	-	200	
Net income	-	-	-	-	-	-	(1,309,904)	(1,309,904)	
Balance, December 31, 2021	70,949,624	77,684,813	7,009,169	42,474	5,720,949	(6,850)	(69,148,189)	21,302,566	
Share based payments	-	-	50,142	15,643	-	-	-	65,785	
Unrealized loss on marketable securities	-	-	-	-	-	(200)	-	(200)	
Net income	-	-	-	-	-	-	757,996	757,996	
Balance, March 31, 2022	70,949,624	77,684,813	7,059,311	58,117	5,720,949	(6,850)	(68,390,193)	22,126,147	

See accompanying notes to financial statements

Northern Superior Resources Inc.
Condensed Interim Financial Statements
(Unaudited - Expressed in Canadian dollars)
Statements of Cash Flows

	Three months ended March 31,	
	2022	2021
	(\$)	(\$)
Operating Activities		
Net loss for the year	757,996	3,773
Items not involving cash:		
Flow-through shares premium recovery	(991,910)	(184,494)
Share based payments	11,874	-
Change in non-cash operating working capital items:		
Prepays and receivables	(267,731)	46,393
Accounts payables and accrued liabilities	(34,118)	(151,580)
Cash used in operating activities	(523,889)	(285,908)
Investing Activities		
Exploration and evaluation expenditures (net)	(1,699,474)	(170,261)
Cash used in investing activities	(1,699,474)	(170,261)
Financing Activities		
Proceeds from exercise of stock options	-	49,400
Cash provided by financing activities	-	49,400
Increase in cash during the period	(2,223,363)	(406,769)
Cash and cash equivalents, beginning of period	11,959,293	9,730,459
Cash and cash equivalents, end of period	9,735,930	9,323,690

See accompanying notes to financial statements

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

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 and principal address 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.

The outbreak of the coronavirus (COVID-19) global pandemic has adversely affected workforces, economies, and financial markets globally. Since March 2020, governmental measures have been implemented and amended in Canada and the rest of the world in response to the pandemic. The Company continues to operate its business and adheres to Canadian Federal and Provincial emergency measures as those are developed. COVID-19 and the various measures, which could include government mandated temporary closures of borders, restrictions on travel, or local community mandated travel restrictions, could impact the Company’s ability to conduct its exploration programs in a timely manner. The Company continues to adapt to these changing circumstances and to evaluate the best way to move its exploration activities forward during current conditions and when emergency measures are lifted.

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, 2021. 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 2021 annual financial statements and the notes thereto.

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

These condensed interim financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on May 27, 2022.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

3. CASH AND CASH EQUIVALENTS

During the years ended December 31, 2021, the Company issued flow-through shares for total gross proceeds of \$13,504,001. As of March 31, 2022, the Company has \$6,677,085 (December 31, 2021: \$9,232,398) included in cash and cash equivalents remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

4. EXPLORATION AND EVALUATION ASSETS

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2021	2,151,076	4,504,440	5,914,439	225,158	12,795,113
Acquisition, assessment and maintenance	6,307	244	15,830	-	22,381
Analytical	-	18,130	65,961	-	84,091
Geophysics	-	-	39,739	-	39,739
Geology	-	13,493	140,918	102,178	256,589
Drilling	-	675,361	1,528,366	-	2,203,727
Project administration	-	11,631	46,825	-	58,456
Refundable tax credits and adjustments	-	(583)	(583)	-	(1,166)
Net change	6,307	718,276	1,837,056	102,178	2,663,817
Balance, March 31, 2022	2,157,383	5,222,716	7,751,495	327,336	15,458,930

	Ontario	Quebec			Total (\$)
	Ti-pa-haa- kaa-ning (\$)	Croteau Est (\$)	Lac Surprise (\$)	Wapistan (\$)	
Balance, December 31, 2020	2,070,142	4,057,367	2,903,306	224,439	9,255,254
Acquisition, assessment and maintenance	50,830	7,850	85,784	52	144,516
Analytical	-	30,349	490,100	-	520,449
Camp	14,685	-	-	-	14,685
Geophysics	-	-	119,305	-	119,305
Geology	6,605	35,056	247,033	667	289,361
Drilling	-	339,371	1,925,148	-	2,264,519
Project administration	8,814	34,447	144,062	-	187,323
Refundable tax credits and adjustments	-	-	(299)	-	(299)
Net change	80,934	447,073	3,011,133	719	3,539,859
Balance, December 31, 2021	2,151,076	4,504,440	5,914,439	225,158	12,795,113

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

The Company owns a 100% interest in the TPK Property. Although claims associated with the Annex area of the property are free of any Net Smelter Royalties (“NSR”), some claims associated with the New Growth and Big Dam areas of the property are subject to a 2% NSR, of which the Company has the right to purchase back 0.5% for \$1.0 million. Additionally, certain claims within the Big Dam area are subject to a 2% NSR on diamonds only in favour of Vale S.A.

b) **Croteau Est property**

The Company owns a 100% interest in the Croteau Est Property. The Croteau Est property is comprised of claims blocks governed by two separate agreements. As the claims blocks under the agreements are contiguous, they have been aggregated, for geological and exploration reporting purposes, into the Croteau Est property.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

Pursuant to agreement #1: The Company holds a 100% interest in this claim block, 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.

Pursuant to agreement #2: The Company owns a 100% interest in this claim block, subject to a 1% NSR royalty on the majority of the claims. The 1% NSR royalty covers all except 7 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% owns a 100% interest in the Lac Surprise Property. The Lac Surprise property is comprised of two claims blocks. As the claims blocks are contiguous, they have been aggregated, for geological and exploration reporting purposes, into the Lac Surprise property.

Pursuant to staking: The Company owns a 100% interest in the staked claims block.

Pursuant to agreement: On September 14, 2021, the Company entered into an agreement (the "Agreement") with Kintavar Exploration Inc. ("Kintavar") to acquire 100% of the Gaspard Nord mineral property, in consideration for 85,000 common shares of the Company, the granting of a 2% NSR on the property, 1% of which can be bought back for \$1,000,000, and a right of first refusal on any proposed transfer of the NSR royalty to a third party. Pursuant to the terms of the Agreement, the Company issued 85,000 common shares of the Company to Kintavar, valued at \$60,350, prior to December 31, 2021.

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.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022	December 31, 2021
	(\$)	(\$)
Trade payables	1,099,391	206,742
Amounts due to related parties	34,844	14,868
Accrued liabilities - general	35,580	71,891
	<u>1,169,815</u>	<u>293,501</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.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL

a) Authorized

At March 31, 2022, the authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

b) Common shares

Three months ended March 31, 2022

- There were no common shares issued during the three months ended March 31, 2022.
- In connection with flow-through expenditures incurred during the three months ended March 31, 2022, \$991,910 of flow-through premium was recognized in the Statements of Loss and Comprehensive Loss (three months ended March 31, 2021: \$184,494).

Year ended December 31, 2021

- The Company closed the following private placements (“Private Placements”):
 - a. On December 2, 2021, the Company closed a non-brokered private placement (“Private Placement #1”) for gross proceeds of \$3,321,417, pursuant to which the Company issued 3,690,463 flow-through shares (“Québec FT Shares”) at \$0.90 per FT Share. The issuance of the Québec FT Shares resulted in a flow-through premium liability of \$1,033,330.
 - b. On December 2, 2021, the Company closed a non-brokered private placement (“Private Placement #2”) for total gross proceeds of \$1,963,584, pursuant to which the Company issued 1,664,054 charity flow-through common shares of the Company (“Québec Charity FT Shares”) at \$1.18 per Québec Charity FT Share. The issuance of the Québec Charity FT Shares resulted in a flow-through premium liability of \$931,870.
 - c. On December 2, 2021, the Company closed a non-brokered private placement (“Private Placement #3”) for gross proceeds of \$1,365,350, pursuant to which the Company issued 2,037,837 shares (“Shares”) at \$0.67 per Share.

In connection with the Private Placements, the Company paid finders’ fees of \$147,503 and issued warrants (“Finders’ Warrants”) allowing for the purchase of up to, in the aggregate, 254,627 shares of the Company at \$0.90 per share until June 2, 2023.

The Private Placements are summarized as follows:

	Québec Charitable			NFT	Total
	Québec FT	FT	FT		
Announcement Date	October 18, 2021	October 18, 2021	October 18, 2021		
Closing Date	December 2, 2021	December 2, 2021	December 2, 2021		
Gross Proceeds	\$3,321,417	\$1,963,584	\$1,365,350		\$6,650,351
FT Shares Issued ⁽¹⁾	3,690,463	1,664,054	-		5,354,517
NFT Shares Issued ⁽²⁾	-	-	2,037,837		2,037,837
Finders' Fees					
Cash	\$40,000	\$47,503	60,000		\$147,503
Finders' Warrants	120,000	45,075	89,552		254,627
Exercise Prices	\$0.90	\$0.90	\$0.90		
Expiry Date	June 2, 2023	June 2, 2023	June 2, 2023		

⁽¹⁾ FT denotes flow-through

⁽²⁾ NFT denotes non-flow-through

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

- The Company issued a total of 170,000 shares on the exercise of stock options, for total gross proceeds of \$49,400.
- The Company issued, in connection with the acquisition of the Gaspard Nord claims, 85,000 common shares valued at \$60,350 (Note 6).
- In connection with flow-through expenditures incurred during the year ended December 31, 2021, \$431,194 of flow-through premium was recognized in the Statements of Loss and Comprehensive Loss (2020: \$452,575).

c) Stock Options

The Company has a stock option plan (the “SO 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 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.

Three months ended March 31, 2022

In respect of the vested portion of prior grants, a share-based payments expense of \$7,416 was recognized in the Statements of Loss and Comprehensive Loss (three months ended March 31, 2021: \$Nil), and share-based payments of \$42,726 (three months ended March 31, 2021: \$Nil) were capitalized to exploration and evaluation assets during the three months ended March 31, 2022 in respect of the vested portion of prior grants.

At March 31, 2022, the Company had stock options outstanding as follows:

Grant date	Expiry date	Number	Exercisable	Exercise price	Average Life
		(#)	(#)	(\$)	(years)
April 23, 2017	April 23, 2022	510,000	510,000	0.650	0.07
November 30, 2017	November 30, 2022	285,000	285,000	0.500	0.67
March 29, 2019	March 29, 2024	530,000	530,000	0.220	2.00
June 16, 2020	June 16, 2025	1,350,000	1,350,000	0.340	3.22
December 9, 2021	April 22, 2026	400,000	400,000	0.690	4.07
December 9, 2021	June 28, 2026	100,000	100,000	0.690	4.25
December 9, 2021	December 9, 2026	1,490,000	990,000	0.690	4.70
		4,665,000	4,165,000	0.519	3.15

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

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	Number of options (#)	Weighted average exercise price (\$)
Outstanding, December 31, 2020	3,000,000	0.401
Exercised	(170,000)	0.291
Expired	(155,000)	0.100
Granted	1,990,000	0.690
Outstanding, December 31, 2021 and March 31, 2022	4,665,000	0.519

Year ended December 31, 2021

During the year ended December 31, 2021, the Company granted incentive stock options allowing for the acquisition of up to, in the aggregate, 400,000 common shares at \$0.69 per share until April 22, 2026, 100,000 common shares at \$0.69 per share until June 28, 2026 and 1,490,000 common shares at \$0.69 per share until December 9, 2026. The share-based payments expense of \$845,234 was recognized in the Statements of Loss and Comprehensive Loss and share-based payments of \$99,914 were capitalized to exploration and evaluation assets during the year ended December 31, 2021 in respect of the vested portion of these grants. The fair value for stock options granted during the period was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	1.31 to 1.33
Expected stock price volatility (%)	132 to 147
Expected dividend yield (%)	Nil
Expected life (years)	4.25 to 5.0

At December 31, 2021, the Company had stock options, with a total weighted average remaining contractual life of 3.39 years (December 31, 2020: 3.25 years) outstanding as follows:

Grant date	Expiry date	Number (#)	Exercisable (#)	Exercise price (\$)	Average Life (years)
April 23, 2017	April 23, 2022	510,000	510,000	0.650	0.31
November 30, 2017	November 30, 2022	285,000	285,000	0.500	0.92
March 29, 2019	March 29, 2024	530,000	530,000	0.220	2.25
June 16, 2020	June 16, 2025	1,350,000	1,350,000	0.340	3.46
December 9, 2021	April 22, 2026	400,000	400,000	0.690	4.31
December 9, 2021	June 28, 2026	100,000	100,000	0.690	4.50
December 9, 2021	December 9, 2026	1,490,000	990,000	0.690	4.95
		4,665,000	4,165,000	0.519	3.39

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

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	Number of options (#)	Weighted average exercise price (\$)
Outstanding, December 31, 2019	2,545,000	0.433
Granted	1,450,000	0.340
Exercised	(530,000)	0.368
Expired	(465,000)	0.428
Outstanding, December 31, 2020	3,000,000	0.401
Exercised	(170,000)	0.291
Expired	(155,000)	0.100
Granted	1,990,000	0.690
Outstanding, December 31, 2021	4,665,000	0.519

d) Restricted Share Units (“RSU”)

On August 29, 2021, the Company received regulatory approval for the Restricted Share Unit Plan (“RSU Plan”) approved by the shareholders at the Company’s Annual General Meeting on June 24, 2021. The RSU Plan permits the Company to grant awards of RSUs. Pursuant to the terms of the RSU Plan, the RSUs will be redeemed, upon vesting, within 30 days of the applicable redemption date, for:

- (i) the number of common shares equal to the numbers of RSUs vested on the redemption date;
 - (ii) a cash amount equal to the number of common shares multiplied by the fair market value of the common shares on the redemption date; or
 - (iii) a combination of (i) and (ii)
- as determined by the Company.

The redemption date in respect of any RSU is the date provided for in the agreement granting the RSUs or if no date is set, the third anniversary of the grant date, unless otherwise provided for in the RSU Plan. The Company has the discretion to stipulate the length of time for vesting and to determine various performance objectives based on certain business criteria as a pre-condition to an RSU vesting.

The maximum number of common shares available for issuance upon the vesting of RSUs under the RSU Plan is fixed at 300,000 common shares, and in combination with all security-based compensation arrangements of the Company (including the SO Plan), cannot exceed 10% of the issued and outstanding common shares. Vested RSU Awards are not available for re-grant under the RSU Plan.

Three months ended March 31, 2022

In respect of the vested portion of prior grants, a share-based payments expense of \$4,458 was recognized in the Statements of Loss and Comprehensive Loss (three months ended March 31, 2021: \$Nil), and share-based payments of \$11,186 were capitalized to exploration and evaluation assets (three months ended March 31, 2021: \$Nil) during the three months ended March 31, 2022 in respect of the vested portion of prior grants.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

At March 31, 2022, the Company had RSUs outstanding as follows:

Issue date	Vesting date	Number (#)	Weighted Average Life (years)
April 22, 2021	April 22, 2022	24,450	0.06
April 22, 2021	April 22, 2023	24,450	1.06
July 17, 2021	July 17, 2024	50,000	2.30
		98,900	1.44

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

	Number of RSUs (#)
Outstanding, December 31, 2020	-
Granted	98,900
Outstanding, December 31, 2021 and March 31, 2022	98,900

Year ended December 31, 2021

During the year ended December 31, 2021, the Company granted RSUs allowing for the acquisition of up to, in the aggregate, 98,900 common shares. The share-based payments expense of \$8,916 was recognized in the Statements of Loss and Comprehensive Loss and share-based payments of \$33,558 were capitalized to exploration and evaluation assets during the year ended December 31, 2021, in respect of the vested portion of the grants.

At December 31, 2021, the Company had RSUs, with a total weighted average remaining contractual life of 1.69 years (December 31, 2020: Nil years) outstanding as follows:

Issue date	Vesting date	Number (#)	Weighted Average Life (years)
April 22, 2021	April 22, 2022	24,450	0.31
April 22, 2021	April 22, 2023	24,450	1.31
July 17, 2021	July 17, 2024	50,000	2.55
		98,900	1.69

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

	Number of RSUs (#)
Outstanding, December 31, 2020	-
Granted	98,900
Outstanding, December 31, 2021	98,900

e) Share Based Payments

Share based payments recognized in the period are expensed as directors, management, office consultants, or capitalized to exploration and evaluation assets, as appropriate. The following table summarizes the share based payments recognized on the vesting of stock option for the three ended March 31, 2022 and 2021:

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	March 31,	
	2022	2021
	(\$)	
Expensed	11,874	-
Capitalized	53,912	-
	65,786	-

f) Warrants

Three months ended March 31, 2022

At March 31, 2022, the Company had warrants outstanding as follows:

Issue date	Expiry date	Number	Exercise price	Weighted Average Life
		(#)	(\$)	(years)
January 20, 2020	January 21, 2023	6,242,858	0.100	0.81
December 14, 2020	June 14, 2022	1,093,750	1.200	0.21
December 14, 2020	June 14, 2022	96,400	1.200	0.21
December 2, 2021	June 2, 2023	254,627	0.900	1.18
		7,687,635		0.73

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

	Number of warrants	Weighted average exercise price
	(#)	(\$)
December 31, 2020	7,433,008	0.276
Issued	254,627	0.900
December 31, 2021 and March 31, 2022	7,687,635	0.297

Year ended December 31, 2021

Pursuant to the Private Placements, the Company issued warrants allowing for the purchase of up to, in the aggregate, 254,627 common shares in the capital of the Company. The warrants were valued at \$49,093 using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	0.8
Expected stock price volatility (%)	89
Expected dividend yield (%)	Nil
Expected life (years)	1.5

At December 31, 2021, the Company had 7,687,635 warrants (2020: 7,433,008), with a total weighted average remaining contractual life of 0.98 years (2020: 1.96) outstanding as follows:

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

Issue date	Expiry date	Number (#)	Exercise price (\$)	Weighted Average Life (years)
January 20, 2020	January 21, 2023	6,242,858	0.100	1.06
December 14, 2020	June 14, 2022	1,093,750	1.200	0.45
December 14, 2020	June 14, 2022	96,400	1.200	0.45
December 2, 2021	June 2, 2023	254,627	0.900	1.42
		7,687,635		0.98

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

	Number of warrants (#)	Weighted average exercise price (\$)
December 31, 2019	-	-
Issued	7,433,008	0.276
December 31, 2020	7,433,008	0.276
Issued	254,627	0.900
December 31, 2021	7,687,635	0.297

7. 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. The Company's related party expenses for the three months ended March 31, 2022 and 2021 are as follows:

	March 31,	
	2022 (\$)	2021 (\$)
Management fees	21,000	24,069 ⁽²⁾
Directors' fees	33,125 ⁽¹⁾	33,125 ⁽³⁾
Salaries and wages	97,500	56,250 ⁽⁴⁾
Share based payments	53,912	-
	205,537	113,444

(1) At March 31, 2022, a total of \$33,125 was owed to Directors in respect of Director's fees incurred during the three months ended March 31, 2022.

(2) At March 31, 2021, a total of \$17,829 was owed in respect of management fees incurred during the three months ended March 31, 2021.

(3) At March 31, 2021, a total of \$129,430 was owed to Directors in respect of Director's fees incurred during the year ended December 31, 2020 and the three months ended March 31, 2021.

(4) At March 31, 2021, a total of \$8,655 was owed in respect of salaries and wages incurred during the three months ended March 31, 2021.

At March 31, 2022, the Company owed \$1,719 (December 31, 2021: \$2,536) to related parties in respect of expenses incurred on behalf of the Company

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

8. 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 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 three months ended March 31, 2022.

Financial Instruments and Risk Management

As at March 31, 2022, the Company's financial instruments consist of cash and cash equivalents, marketable securities, receivables and accounts payable and accrued liabilities. IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at March 31, 2022, the Company believes that the carrying values of cash and cash equivalents, receivables and accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

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, 2022, is invested in liquid low risk accounts in A rated Canadian Banks. The Company is not exposed to significant credit risk and overall, the Company's credit risk has not changed significantly from the prior year.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

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, 2022, the Company had cash and cash equivalents of \$9,735,930 (December 31, 2021: \$11,959,293) of which \$3,058,845 (December 31, 2021: \$2,726,895) is available to settle trade payables and accrued liabilities totaling \$1,169,815 (December 31, 2021: \$293,501). The remaining balance included in cash and cash equivalents of \$6,677,085 (December 31, 2021: \$9,232,398) is to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements.

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 would change the interest income and net loss of the Company, assuming that all other variables remained constant, by approximately \$97,359 at March 31, 2022.

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

9. 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.

10. COMMITMENTS AND CONTINGENCIES

At March 31, 2022, the Company has the following commitments in respect of its office lease:

	< 1 year (\$)	2-5 years (\$)	> 5 years (\$)	Total (\$)
Lease	15,211	-	-	15,211

11. SUBSEQUENT EVENTS

- On April 23, 2022, incentive stock options allowing for the acquisition of up to, in the aggregate, 510,000 common shares at \$0.65 per common share expired.
- On April 27, 2022, the Company and Genesis Metals Corp. ("Genesis entered into a definitive arrangement agreement (the "Definitive Agreement") pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares (the "Genesis Shares") of Genesis (the "Transaction") by way of a statutory plan of arrangement under the Business Corporations Act (British Columbia).

Under the terms of the Definitive Agreement, each holder of Genesis Shares (a "Genesis Shareholder" and, collectively, the "Genesis Shareholders") will receive 0.2304 of one common share of the Company (each whole common share, a "Northern Superior Share") for each Genesis Share held (the "Consideration"). Following the completion of the Transaction, current Genesis Shareholders will hold approximately 14,500,053 shares of the Company, or approximately 17.0%

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the three months ended March 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

of the pro forma Northern Superior basic shares outstanding. As part of the Transaction, all outstanding options of Genesis will be exchanged for economically equivalent options to purchase Northern Superior Shares (subject to an adjustment based on the Consideration) and holders of Genesis warrants will be entitled, in accordance with the terms of such warrants, to receive Northern Superior Shares on the exercise of such warrants (subject to adjustment based on the Consideration).

Completion of the Transaction will, among other things, require the approval of:

- (i) at least two-thirds (66⅔%) of the votes cast by the Genesis Shareholders;
- (ii) at least two-thirds (66⅔%) of the votes cast by the Genesis Shareholders and the Genesis option holders voting as a single class, with both votes being recorded at Genesis' upcoming special meeting scheduled to take place in early June 2022; and,
- (iii) a simple majority of the votes cast by Genesis Shareholders, excluding for this purpose the votes of "related parties" and "interested parties" and other votes required to be excluded under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, with all votes to occur at a special meeting of Genesis securityholders to be scheduled to take place in early June 2022 (the "Genesis Meeting").

No shareholder vote is required by Northern Superior shareholders.

The board of directors of the Company has unanimously approved the Transaction.

The Transaction is subject to the satisfaction (or waiver) of a number of conditions precedent, including, but not limited to, receipt of all regulatory approvals, including the approval of the Supreme Court of British Columbia and the acceptance of the TSXV.