



Northern Superior Resources Inc.

Condensed Interim Financial Statements

(Unaudited - Expressed in Canadian dollars)

For the six months ended June 30, 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>	June 30, 2022	December 31, 2021
		(\$)	(\$)
Assets			
<i>Current assets</i>			
Cash and cash equivalents	3	6,396,860	11,959,293
Prepays and receivables		276,171	88,547
Marketable securities		3,800	3,600
		6,676,831	12,051,440
<i>Non-current assets</i>			
Exploration and evaluation assets	4	17,613,104	12,795,113
		24,289,935	24,846,553
Liabilities			
<i>Current liabilities</i>			
Accounts payable and accrued liabilities	5	279,741	293,501
Flow-through share premium liability	6	1,589,101	3,250,486
		1,868,842	3,543,987
Shareholders' Equity			
Share Capital	6	77,684,813	77,684,813
Reserves	6	12,897,263	12,772,592
Accumulated other comprehensive loss		(6,450)	(6,650)
Deficit		(68,154,533)	(69,148,189)
		22,421,093	21,302,566
		24,289,935	24,846,553

Commitments and contingencies – Note 10
Subsequent events – Note 11

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON AUGUST 5, 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 June 30,		Six months ended June 30,	
		2022	2021	2022	2021
		(\$)	(\$)	(\$)	(\$)
Expenses					
Consulting fees	7	21,528	18,515	43,343	43,702
Legal and accounting		221,847	12,457	244,862	16,512
Office expenses and salaries	7	164,396	139,915	321,286	270,934
Share-based payments	7	11,956	-	23,830	-
Shareholder information		23,890	41,761	53,182	70,080
Foreign exchange		(248)	466	(215)	541
Taxes		-	3,393	-	3,393
Loss before the undernoted		(443,369)	(216,507)	(686,288)	(405,162)
Interest income		9,555	5,785	18,560	13,719
Flow-through share premium recovery	6	669,474	223,429	1,661,384	407,923
Net income (loss) for the period		235,660	12,707	993,656	16,480
Other comprehensive loss					
<i>Items that will not be reclassified subsequently to loss</i>					
Change in value of marketable securities		400	600	200	2,600
Total comprehensive income (loss)		236,060	13,307	993,856	19,080
Basic and diluted income (loss) per share		0.00	0.00	0.01	0.00
		(#)	(#)	(#)	(#)
Weighted-average number of common shares outstanding		70,949,624	63,472,270	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	-	-	-	-	-	(2,600)	-	(2,600)	
Net income	-	-	-	-	-	-	16,480	16,480	
Balance, June 30, 2021	63,472,270	73,186,667	6,064,021	-	5,671,856	(7,450)	(67,825,578)	17,089,516	
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	-	-	-	-	-	800	-	800	
Net income	-	-	-	-	-	-	(1,322,611)	(1,322,611)	
Balance, December 31, 2021	70,949,624	77,684,813	7,009,169	42,474	5,720,949	(6,650)	(69,148,189)	21,302,566	
Share based payments	-	-	100,840	23,831	-	-	-	124,671	
Unrealized loss on marketable securities	-	-	-	-	-	200	-	200	
Net income	-	-	-	-	-	-	993,656	993,656	
Balance, June 30, 2022	70,949,624	77,684,813	7,110,009	66,305	5,720,949	(6,450)	(68,154,533)	22,421,093	

See accompanying notes to financial statements

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

	Six months ended June 30,	
	2022	2021
	(\$)	(\$)
Net loss for the period	993,656	16,480
Items not involving cash:		
Flow-through shares premium recovery	(1,661,384)	(407,923)
Share based payments	23,830	-
Change in non-cash operating working capital items:		
Prepays and receivables	(32,430)	(75,760)
Accounts payables and accrued liabilities	38,916	(40,657)
Cash used in operating activities	(637,412)	(507,860)
Investing Activities		
Exploration and evaluation expenditures (net)	(4,925,021)	(1,964,128)
Cash used in investing activities	(4,925,021)	(1,964,128)
Financing Activities		
Proceeds from exercise of stock options	-	49,400
Cash provided by financing activities	-	49,400
Increase in cash during the period	(5,562,433)	(2,422,588)
Cash and cash equivalents, beginning of period	11,959,293	9,730,459
Cash and cash equivalents, end of period	6,396,860	7,307,871

See accompanying notes to financial statements

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
For the six months ended June 30, 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 August 5, 2022.

Northern Superior Resources Inc.
Notes to the Condensed Interim Financial Statements
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3. CASH AND CASH EQUIVALENTS

During the years ended December 31, 2020 and 2021, the Company issued flow-through shares for total gross proceeds of \$13,504,001. As of June 30, 2022, the Company has \$4,633,941 (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	7,750	7,730	21,272	25,021	61,773
Analytical	-	167,519	300,905	-	468,424
Camp	453	-	-	-	453
Geophysics	-	-	133,731	-	133,731
Geology	-	245,812	285,641	295,465	826,918
Drilling	-	1,146,754	2,075,124	-	3,221,878
Project administration	-	38,419	67,104	457	105,980
Refundable tax credits and adjustments	-	(583)	(583)	-	(1,166)
Net change	8,203	1,605,651	2,883,194	320,943	4,817,991
Balance, June 30, 2022	2,159,279	6,110,091	8,797,633	546,101	17,613,104

	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.

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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

	June 30, 2022	December 31, 2021
	(\$)	(\$)
Trade payables	129,834	206,742
Amounts due to related parties	71,814	14,868
Accrued liabilities - general	78,093	71,891
	279,741	293,501

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 six months ended June 30, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL

a) Authorized

At June 30, 2022, the authorized capital stock of the Company is comprised of an unlimited number of common shares without par value.

b) Common shares

Six months ended June 30, 2022

- There were no common shares issued during the six months ended June 30, 2022.
- In connection with flow-through expenditures incurred during the six months ended June 30, 2022, \$1,661,384 of flow-through premium was recognized in the Statements of Loss and Comprehensive Loss (six months ended June 30, 2021: \$407,923).

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			Total
	Québec FT	FT	NFT	
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.
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- 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 Venture Exchange (“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.

Six months ended June 30, 2022

In respect of the vested portion of prior grants, a share-based payments expense of \$14,914 was recognized in the Statements of Loss and Comprehensive Loss (six months ended June 30, 2021: \$Nil), and share-based payments of \$85,926 (six months ended June 30, 2021: \$Nil) were capitalized to exploration and evaluation assets during the six months ended June 30, 2022 in respect of the vested portion of prior grants.

At June 30, 2022, the Company had stock options outstanding as follows:

Grant date	Expiry date	Number (#)	Exercisable (#)	Exercise price (\$)	Average Life (years)
November 30, 2017	November 30, 2022	285,000	285,000	0.500	0.42
March 29, 2019	March 29, 2024	530,000	530,000	0.220	1.75
June 16, 2020	June 16, 2025	1,350,000	1,350,000	0.340	2.97
December 9, 2021	April 22, 2026	400,000	0	0.690	3.82
December 9, 2021	June 28, 2026	100,000	0	0.690	4.00
December 9, 2021	December 9, 2026	1,490,000	1,490,000	0.690	4.45
		4,155,000	3,655,000	0.503	3.28

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

Northern Superior Resources Inc.
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	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	4,665,000	0.519
Expired	(510,000)	0.650
Outstanding, June 30, 2022	4,155,000	0.503

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:

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	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.

Six months ended June 30, 2022

In respect of the vested portion of prior grants, a share-based payments expense of \$8,916 was recognized in the Statements of Loss and Comprehensive Loss (six months ended June 30, 2021: \$Nil), and share-based payments of \$14,915 were capitalized to exploration and evaluation assets (six months ended June 30, 2021: \$Nil) during the six months ended June 30, 2022 in respect of the vested portion of prior grants.

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At June 30, 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	
April 22, 2021	April 22, 2023	24,450	0.81
July 17, 2021	July 17, 2024	50,000	2.05
		98,900	1.24

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 June 30, 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 options and RSUs during the six months ended June 30, 2022 and 2021:

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	June 30,	
	2022	2021
	(\$)	(\$)
Expensed	23,830	-
Capitalized	100,841	-
	124,672	-

f) Warrants

Six months ended June 30, 2022

At June 30, 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	0.56
December 2, 2021	June 2, 2023	254,627	0.900	0.93
		6,497,485		0.58

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	7,687,635	0.297
Expired	(1,190,150)	1.200
June 30, 2022	6,497,485	0.131

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:

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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 six months ended June 30, 2022 and 2021 are as follows:

	June 30,	
	2022 (\$)	2021 (\$)
Management fees	42,000	42,000
Directors' fees	66,250 ⁽¹⁾	66,250 ⁽³⁾
Salaries and wages	195,000 ⁽²⁾	112,500
Share based payments	100,841	-
	404,091	220,750

(1) At June 30, 2022, a total of \$66,250 was owed to Directors in respect of Director's fees incurred during the six months ended June 30, 2022.

(2) At June 30, 2022, a total of \$5,564 was owed in respect of salaries and wages incurred during the six months ended June 30, 2022.

(3) At June 30, 2021, a total of \$162,555 was owed to Directors in respect of Director's fees incurred during the year ended December 31, 2020 and the six months ended June 30, 2021.

At June 30, 2022, the Company owed \$Nil (December 31, 2021: \$2,536) to related parties in respect of expenses incurred on behalf of the Company

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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 six months ended June 30, 2022.

Financial Instruments and Risk Management

As at June 30, 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 June 30, 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 June 30, 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.

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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 June 30, 2022, the Company had cash and cash equivalents of \$6,396,860 (December 31, 2021: \$11,959,293) of which \$1,762,919 (December 31, 2021: \$2,726,895) is available to settle trade payables and accrued liabilities totaling \$279,741 (December 31, 2021: \$293,501). The remaining balance included in cash and cash equivalents of \$4,633,941 (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 \$63,969 at June 30, 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 June 30, 2022, the Company has the following commitments in respect of its office lease:

	< 1 year (\$)	2-5 years (\$)	> 5 years (\$)	Total (\$)
Lease	3,803	-	-	3,803

11. SUBSEQUENT EVENTS

- a) On July 13, 2022, the Company and Genesis Metals Corp. ("Genesis") announced the completion of the acquisition by Northern Superior of all of the issued and outstanding common shares of Genesis (the "Genesis Shares") pursuant to a statutory plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement").

Pursuant to the Arrangement, former Genesis shareholders received 0.2304 (the "Exchange Ratio") of a Northern Superior common share (each whole common share, a "Northern Superior Share") for each Genesis Share held. As a result of the Arrangement, Northern Superior issued an aggregate of 14,500,037 Northern Superior Shares, resulting in existing Northern Superior and former Genesis shareholders owning approximately 83% and 17%, respectively, of the Northern Superior Shares outstanding, on a non-diluted basis.

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As part of the Arrangement, all outstanding stock options of Genesis were exchanged for economically equivalent stock options to purchase Northern Superior Shares (subject to adjustment based on the Exchange Ratio), such that stock options allowing for the purchase of up to, in the aggregate, 1,265,009 common shares of the Company at a weighted average price of \$1.272 per common share were added to the Company's existing stock options. Holders of outstanding Genesis warrants are 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 Exchange Ratio), such that warrants allowing for the purchase of up to, in the aggregate, 1,241,189 common shares of the Company at a weighted average price of \$1.284 per common share were added to the Company's existing warrants.

As a result of the Arrangement, Northern Superior acquired the Chevrier Project located in Chibougamau, Québec and the October Gold Project located in Ontario.

Northern Superior has received acceptance of the TSX-V to list the Northern Superior Shares issued pursuant to the Arrangement on the TSX-V. The Genesis Shares were delisted from the TSX-V at the close of trading on July 15, 2022.

- b) On August 5, 2022, warrants allowing for the purchase of up to, in the aggregate, 444,368 common shares of the Company at a weighted average price of \$1.834 expired.