Northern Superior Resources Inc.

Consolidated Financial Statements

(Expressed in Canadian dollars)

For the years ended December 31, 2022 and 2021

Independent auditor's report

To the Shareholders of Northern Superior Resources Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Northern Superior Resources Inc. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter

Assessment of impairment indicators of exploration and evaluation assets
 	
Refer to note 2 – Basis of preparation, note 3 – Summary of significant accounting policies and note 7 – Exploration and evaluation assets to the consolidated financial statements.
 	
The carrying amount of exploration and evaluation assets amounted to $48.1 million as at December 31, 2022. At the end of each reporting period, the Company's exploration and evaluation assets are reviewed by management to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The assessment for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist, including factors such as (i) whether the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; (ii) substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; or (iv) sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. No impairment indicators
	Our approach to addressing the matter included the following procedures, among others:
	
	• Evaluated the reasonableness of management's assessment of indicators of impairment related to exploration and evaluation assets, which included the following:
	  − Obtained, for a sample of mining claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) mining claim expiration dates.
	  − Read the board of directors' minutes and obtained budget approvals to evidence continued and planned substantive expenditures on exploration activities and evaluation of mineral resources in the specific areas; and whether mining claims are not expected to be renewed.
	
	• Assessed whether exploration for and evaluation of mineral resources in specific areas have not led to the discovery of commercially viable quantities of mineral resources or whether sufficient data exists to indicate that the carrying amount of exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale, based on evidence obtained in other areas of the audit.

Key audit matter	How our audit addressed the key audit matter
were identified by management as at December 31, 2022. We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the judgment made by management in its assessment of indicators of impairment related to exploration and evaluation assets, which have resulted in a high degree of subjectivity in performing procedures related to the judgment applied by management.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mark Patterson.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 1, 2023

Northern Superior Resources Inc.
(Expressed in Canadian dollars)
Consolidated Statements of Financial Position

As at	*Notes*	**December 31, 2022 ($)**	**December 31, 2021 ($)**
Assets			
Current assets			
Cash and cash equivalents	*4*	**1,442,094**	**11,959,293**
Prepaids and receivables		**1,315,972**	**88,547**
Marketable securities		**-**	**3,600**
		2,758,066	**12,051,440**
Non-current assets			
Prepaid expenses		**95,695**	**-**
Equipment and right-of-use asset	*14*	**85,916**	**-**
Exploration and evaluation assets	*7*	**48,132,464**	**12,795,113**
		51,072,141	**24,846,553**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	*8*	**2,136,009**	**293,501**
Flow-through share premium liability	*10*	**-**	**3,250,486**
Consideration payable	*9*	**1,969,420**	**-**
Contingent value rights liability	*6*	**2,549,600**	**-**
Lease liability	*14*	**24,290**	**-**
		6,679,319	**3,543,987**
Non-current liabilities			
Lease liability	*14*	**55,500**	**-**
		6,734,819	**3,543,987**
Shareholders' Equity			
Share Capital	*10*	**97,692,198**	**77,684,813**
Reserves	*10*	**14,144,584**	**12,772,592**
Accumulated other comprehensive loss		**(7,150)**	**(6,650)**
Deficit		**(67,492,310)**	**(69,148,189)**
		44,337,322	**21,302,566**
		51,072,141	**24,846,553**

Nature of operations and going concern – Note 1
Subsequent events – Note 16

APPROVED AND AUTHORIZED FOR ISSUE BY THE BOARD OF DIRECTORS ON MAY 1, 2023

"Simon Marcotte" — Director

"Andrew Farncomb" — Director

See accompanying notes to the consolidated financial statements

Northern Superior Resources Inc.
(Expressed in Canadian dollars)
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

	Notes	Year ended December 31, 2022 ($)	2021 ($)
Expenses			
Consulting fees	*11*	**116,123**	86,697
Depreciation		**10,945**	-
Legal and accounting		**351,042**	106,512
Office expenses and salaries	*11*	**635,372**	597,568
Share-based payments	*11*	**104,066**	854,151
Shareholder information		**294,176**	112,105
Travel		**78,712**	2,587
Foreign exchange		**3,908**	953
Taxes		**45,186**	-
Loss before the undernoted		**(1,639,530)**	(1,760,573)
Interest income		**67,273**	23,248
Change in fair value of contingent value rights	*6*	**(177,879)**	-
Accretion and interest expense		**(2,833)**	-
Flow-through share premium recovery	*10*	**3,408,847**	431,194
Net income (loss) for the year		**1,655,879**	(1,306,131)
Other comprehensive loss			
Items that will not be reclassified subsequently to loss			
Change in value of marketable securities		**500**	1,800
Total comprehensive income (loss)		**1,656,379**	(1,304,331)
Basic income (loss) per share		**0.02**	(0.02)
Diluted income (loss) per share		**0.02**	(0.02)
		(#)	(#)
Weighted-average number of common shares outstanding		**83,456,960**	63,681,252

See accompanying notes to the consolidated financial statements

Northern Superior Resources Inc.

(Expressed in Canadian dollars)

Consolidated Statements of Changes in Equity

	Share Capital		Reserves					
	Number of Shares (#)	Amount ($)	Stock options ($)	Restricted share units ($)	Warrants ($)	Accumulated other comprehensive loss ($)	Deficit ($)	Equity ($)
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 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 on exercise of stock options	170,000	98,042	(48,642)	-	-	-	-	49,400
Shares issued for exploration and evaluation	85,000	60,350	-	-	-	-	-	60,350
Unrealized loss on marketable securities	-	-	-	-	-	(1,800)	-	(1,800)
Net loss	-	-	-	-	-	-	(1,306,131)	(1,306,131)
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	-	-	208,890	90,822	-	-	-	299,712
Shares issued on exercise of stock options	150,000	77,309	(38,309)	-	-	-	-	39,000
Shares issued on acquisition of subsidiaries	50,075,834	19,885,333	219,886	-	935,446	-	-	21,040,665
Shares issued on vesting of restricted share units	24,450	44,743	-	-	(44,743)	-	-	-
Unrealized loss on marketable securities	-	-	-	-	-	(500)	-	(500)
Net income	-	-	-	-	-	-	1,655,879	1,655,879
Balance, December 31, 2022	**121,199,908**	**97,692,198**	**7,399,636**	**133,296**	**6,611,652**	**(7,150)**	**(67,492,310)**	**44,337,322**

See accompanying notes to the consolidated financial statements

Northern Superior Resources Inc.
(Expressed in Canadian dollars)
Consolidated Statements of Cash Flows

	Year ended December 31,	
	2022	2021
	($)	($)
Net income (loss) for the year	**1,655,879**	(1,306,131)
Items not involving cash:		
Depreciation	**10,945**	-
Lease liability accretion expense	**2,833**	-
Change in fair value of contingent value rights	**177,879**	-
Flow-through shares premium recovery	**(3,408,847)**	(431,194)
Share based payments	**104,066**	854,151
Change in non-cash operating working capital items:		
Prepaids and receivables	**(428,485)**	57,900
Accounts payables and accrued liabilities	**44,122**	(175,886)
Consideration payable	**15,794**	-
Cash used in operating activities	**(1,825,814)**	(1,001,160)
Investing Activities		
Exploration and evaluation expenditures	**(9,066,973)**	(3,271,495)
Sale of marketable securities	**3,100**	-
Cash acquired on the acquisition of subsidiaries	**1,821,376**	-
Transaction costs related to the acquisition of subsidiaries	**(1,476,277)**	-
Additions to equipment	**(480)**	-
Cash used in investing activities	**(8,719,254)**	(3,271,495)
Financing Activities		
Proceeds from private placements	**-**	6,650,351
Share issuance costs	**-**	(198,262)
Proceeds from exercise of stock options	**39,000**	49,400
Lease payments	**(11,130)**	-
Cash provided by financing activities	**27,870**	6,501,489
Decrease in cash during the year	**(10,517,199)**	2,228,834
Cash and cash equivalents, beginning	**11,959,293**	9,730,459
Cash and cash equivalents, end of year	**1,442,094**	11,959,293

See accompanying notes to the consolidated financial statements

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.

At December 31, 2022, the Company had cash and cash equivalents of $1,442,094 and a working capital deficit (current assets less current liabilities) of $3,921,253 (December 31, 2021 working capital: $8,507,453). Subsequent to December 31, 2022, the Company completed a private placement for total gross proceeds of $5,000,000, pursuant to which the Company issued 10,000,000 common shares. Consequently, the Company’s existing cash resources and cash received from the February private placement are expected to provide sufficient funds to carry out planned operations for 12 months subsequent to December 31, 2022. The Company’s continuation as a going concern for a period beyond those 12 months will be dependent upon its ability to obtain adequate additional financing, as future capital expenditures are expected to be substantial.

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). They have been prepared on a historical cost basis, except for financial instruments measured at fair value. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these financial statements. The financial statements are presented in Canadian dollars. Amounts disclosed are in Canadian dollars unless otherwise noted.

These financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on May 1, 2023.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Genesis Metals Corp. (“Genesis”), a company incorporated in British Columbia, Canada and Royal Fox Gold Inc. (“Royal Fox”), a company incorporated in Ontario, Canada. Genesis wholly owns Chevrier Metals Inc., incorporated in British Columbia, Canada. Royal Fox wholly owns 9396-1217 Québec Inc (“9396-1217”),incorporated in Québec, Canada, and 9396-1217 wholly owns 9220-5392 Québec Inc (“9220-5392” or “Mines Royales”) incorporated in Québec, Canada. All significant inter-company transactions and balances have been eliminated.

c) Estimation uncertainty and accounting policy judgments

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its financial statements. In addition, the preparation of the financial data requires the Company's management to make estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. There are no material areas of estimation uncertainty as at December 31, 2022, with the exception of the estimation related to the Contingent Value Right ("CVR") in connection with the acquisition of Royal Fox (note 6).

Estimation Uncertainty

In connection with the acquisition of Royal Fox, the former Royal Fox shareholders received contingent consideration in the form of CVR. The value of the CVR is estimated using the estimated maiden mineral resource at the Philibert project, whereby if the mineral estimate confirms a mineral resource estimate of 1.2 million ounces or more of gold in the inferred, measured or indicated categories, the CVR is to be exchanged for portions of Northern Superior shares depending on the magnitude of the mineral resource estimate, which the Company has estimated using assumptions of the threshold parameters of the resources, the probabilities of those threshold parameters materializing and the dollar per share of Northern Superior at the time.

Accounting policy judgments

(i) The assessment by management of the Company's liquidity position and whether going concern disclosure is required in the financial statements is an area of judgment.

As part of this process, management prepares cash flow budgets detailing expected expenditures for at least the next twelve months. The assessment of the Company's liquidity position takes into account the Company's working capital position, the timing of discretionary and non-discretionary expenditures and also the status of any potential equity financings.

(ii) The assessment for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist, including factors such as: whether the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; or sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management reviewed exploration and evaluation assets for the year ended December 30, 2022 and did not identify any impairment indicators.

d) Accounting standards issued but not yet effective

IAS 1 – Presentation of financial statements includes amendments to classifications of certain liabilities as to current versus non-current, including convertible debt. New disclosure may be required for financial covenants. The amendments apply from January 1, 2024, and early adoption is permitted. The Company is not early adopting and is evaluating the potential effects of the amendments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held with financial institutions with original terms of three months or less. Interest income is recorded as earned on the accrual basis at the stated rate of interest over the term of the investment.

b) Financial instruments

Classification

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets and financial liabilities at initial recognition.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise. Contingent value rights are classified as FVTPL.

Consideration payable liabilities are initially measured at fair value. Subsequent to initial recognition, these financial liabilities are held at amortized cost using the effective interest method.

Recognition and derecognition
Regular way purchases and sales of financial assets are recognized on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statement of loss.

Equity instruments
The Company subsequently measures all equity investments at fair value. The Company has elected to present fair value gains and losses on equity investments in OCI, and there is no

subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

c) Share-based payments

The Company grants stock options to acquire common shares of the Company and restricted share units ("RSU") to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value of RSUs is measured on the date of grant, using the market value of the Company's shares, and is recognized over the vesting period. A corresponding increase in contributed surplus is recorded when the expense is recognized. When stock options are exercised or RSUs are vested and shares are issued, capital stock is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

d) Exploration and evaluation assets

Exploration and evaluation expenditures are recorded at cost on a property by property basis once the Company has the legal right to explore the related property. The Company defers all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties, until those properties are brought into production, at which time, they will be amortized on a unit of production basis, or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made. Costs incurred for general exploration, including expenditures of a general reconnaissance nature, that are not project specific or do not result in the acquisition of exploration and evaluation properties are charged to net loss.

At the end of each reporting period, the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of loss.

e) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

f) Share Capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new common shares are recognized in equity, net of tax, as a deduction from the share proceeds (share issue costs).

g) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. Basic earnings per share is computed by dividing the net income available to the Company's common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated assuming that outstanding share options and share purchase warrants, with an average market price that exceeds the average exercise prices of the options and warrants for the period, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the period.

h) Flow-through shares

Canadian Income Tax Legislation permits an entity to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures by the Company. Proceeds from the issuance of flow-through shares need to be allocated between the offering of the flow-through share and the premium paid for the implied tax benefit received by the investors as a result of acquiring the flow-through shares. The calculated tax benefit is recognized as a liability until the Company incurs the expenditures, at which point the liability is reversed and recorded as other income on the statement of loss.

(Expressed in Canadian dollars)

i) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is amortized on the same basis as the related mining assets. As at December 31, 2022 and 2021, the Company had no provisions for environmental rehabilitation.

4. CASH AND CASH EQUIVALENTS

During the year ended December 31, 2021, the Company issued flow-through shares for total gross proceeds of $5,285,001. As at December 31, 2022, the Company has $Nil (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.

5. GENESIS ACQUISITION

On July 13, 2022, the Company completed the acquisition of Genesis through the acquisition of all of the issued and outstanding shares of Genesis, pursuant to which the Company issued 14,500,037 shares at a price of $0.39 per share, for consideration of $5,655,013. All outstanding stock options of Genesis were exchanged for economically equivalent stock options to purchase common shares of the Company, and holders of 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 an exchange ratio of 0.2304).

The fair value of the replacement stock options was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	3.4
Expected stock prioce volatility (%)	70.0
Expected dividend yield (%)	Nil
Expected life (years)	1

The fair value of the Genesis warrants was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	2.56 to 3.44
Expected stock prioce volatility (%)	33.8 to 66.3
Expected dividend yield (%)	Nil
Expected life (years)	0.08 to 1.25

The Company incurred $697,760 in transaction costs. The transaction was accounted for as an asset acquisition.

Genesis owns two gold projects: October Gold in Ontario and Chevrier in Québec.

(Expressed in Canadian dollars)

Consideration for the purchase is as follows:

	($)
Common shares of the Company	5,655,013
Value of stock options of Genesis	15,022
Value of warrants of Genesis	14,465
Transaction costs	697,760
	6,382,260

The allocation of the purchase price to the assets acquired and liabilities assumed is based upon estimated fair values at the date of acquisition as set out below:

	($)
Cash	384,265
Receivables and prepaids	140,540
Property, plant and equipment	8,297
Exploration and evaluation assets	5,915,033
Accounts payable and accrued liabilities	(65,875)
	6,382,260

6. ROYAL FOX ACQUISITION

On November 4, 2022, the Company completed the acquisition of Royal Fox through the acquisition of all of the issued and outstanding shares of Royal Fox, pursuant to which the Company issued 35,575,797 shares at a price of $0.40 per share, for consideration of $14,230,319. All outstanding stock options of Royal Fox were exchanged for economically equivalent stock options to purchase common shares of the Company, and holders of Royal Fox 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 an exchange ratio of 0.12).

In addition, the former Royal Fox shareholders received contingent consideration in the form of one contingent value right (each, a “CVR”) for each Royal Fox share that provides for the potential payment of additional consideration upon the declaration by way of news release of a maiden mineral resource estimate on the Philibert project (the “Resource Calculation”) within 12 months from the closing of the transaction (the “Contingent Purchase Price”). If the Resource Calculation confirms a mineral resource estimate of 1.2 million ounces or more of gold in the inferred, measured or indicated categories (as such terms are defined in NI 43-101), each CVR will be exchanged for:

- 0.02 of a Northern Superior share, if the Resource Calculation is greater than or equal to 1.2 million ounces of gold and less than 1.6 million ounces of gold;
- 0.04 of a Northern Superior share, if the Resource Calculation is greater than or equal to 1.6 million ounces of gold and less than 2.0 million ounces of gold; or
- 0.06 of a Northern Superior share, if the Resource Calculation is greater than or equal to 2.0 million ounces of gold.

There were 296,465,145 CVRs outstanding at December 31, 2022. The CVRs are recognized as a financial liability measured at fair value through profit and loss. The CVRs had an estimated fair value of $3,079,505 at acquisition. During the year ended December 31, 2022, the Company recorded a non-cash loss of $230,963 related to the CVRs, due to the changes in the market price of the Company’s common shares from November 4, 2022 to December 31, 2022. The value of the CVR is estimated using a mineral resource estimate of 1.2 million ounces or more of gold in the inferred, measured or indicated categories, and provides that the CVR can be exchanged for portions of Northern Superior shares depending on the magnitude of the mineral resource estimate, which the Company has made judgments to determine the likelihood of the resource estimate exceeding each threshold.

(Expressed in Canadian dollars)

The fair value of the replacement stock options was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	4.55
Expected stock price volatility (%)	84.64%
Expected dividend yield (%)	Nil
Expected life (years)	1.00

The fair value of the Royal Fox warrants was determined using the Black-Scholes Option Pricing Model and the following assumptions:

Risk-free interest rate (%)	2.56 to 3.44
Expected stock price volatility (%)	33.75 to 66.30
Expected dividend yield (%)	Nil
Expected life (years)	0.08 to 1.25

The Company incurred $782,380 in other transaction costs. The transaction was accounted for as an asset acquisition.

Royal Fox owns the Coppermine River project (uranium) in Nunavut and the Philibert project (gold) in Québec.

Consideration for the purchase is as follows:

	($)
Common shares of the Company	14,230,319
Value of stock options of Royal Fox	204,864
Value of warrants of Royal Fox	920,981
Value of contingent right of Royal Fox	2,371,721
Transaction costs	782,380
	18,510,265

The allocation of the purchase price to the assets acquired and liabilities assumed is based upon estimated fair values at the date of acquisition as set out below:

	($)
Cash	1,437,111
Receivables and prepaids	754,095
Exploration and evaluation assets	19,423,543
Accounts payable and accrued liabilities	(1,150,858)
Considedration payable	(1,953,626)
	18,510,265

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

	Ontario		Quebec					
	Ti-pa-haa-kaa-ning ($)	October Gold ($)	Croteau Est ($)	Lac Surprise ($)	Wapistan ($)	Chevrier ($)	Philbert ($)	Total ($)
Balance, December 31, 2021	**2,151,076**	**-**	**4,504,440**	**5,914,439**	**225,158**	**-**	**-**	**12,795,113**
Acquisition	-	1,903,369	-	-	-	4,166,862	18,889,281	**24,959,512**
Assessment and maintenance	27,937	-	20,423	28,208	1,835	1,444	-	**79,847**
Analytical	-	-	446,940	517,888	36,700	2,205	-	**1,003,733**
Camp	15,714	-	-	-	-	30,979	-	**46,693**
Geophysics	-	99,612	285,024	133,731	330,389	-	-	**848,756**
Geology	-	217,706	411,850	527,357	343,661	129,024	-	**1,629,598**
Drilling	-	209,424	2,539,842	3,778,538	-	-	-	**6,527,804**
Project administration	8,131	14,823	78,162	116,330	11,095	-	14,033	**242,574**
Refundable tax credits and adjustments	-	-	(583)	(583)	-	-	-	**(1,166)**
Net change	**51,782**	**2,444,934**	**3,781,658**	**5,101,469**	**723,680**	**4,330,514**	**18,903,314**	**35,337,351**
Balance, December 31, 2022	**2,202,858**	**2,444,934**	**8,286,098**	**11,015,908**	**948,838**	**4,330,514**	**18,903,314**	**48,132,464**

	Ontario	Quebec			
	Ti-pa-haa-kaa-ning ($)	Croteau Est ($)	Lac Surprise ($)	Wapistan ($)	Total ($)
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 Croteau Est property comprises 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.

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 a 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 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. (Note 16)

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

The Properties are owned 100% by the Company.

f) **Chevrier Gold Project, Quebec**

Through its wholly owned subsidiary Genesis, the Company owns a 100% interest in the Chevrier Gold Project, comprised of:

- various contiguous mining claims, some of which are subject to royalties ranging from 7.5% - 10% on net profits of production and 0.5%-1% NSR
- certain mineral claims subject to a 1% NSR, of which the Company can purchase 0.5% for $750,000
- certain mineral claims comprising the Hygrade Property, subject to a 2% NSR, of which the Company can purchase 1% for $1,500,000.
- certain mineral claims comprising the Trenholme Property, subject to a 2% NSR, of which the Company can purchase 1% for $1,000,000.

(Expressed in Canadian dollars)

g) **October Gold property, Ontario**

Through its wholly owned subsidiary Genesis, the Company has a 100% interest in the October Gold property subject to a 3% NSR of which the Company can purchase 2% on payment of $500,000 for each 1% NSR.

In September 2021, Genesis entered into a Memorandum of Understanding ("MOU") with two First Nations regarding exploration activities on its October Gold project. The MOU sets out a framework to facilitate exploration activities at the October Gold project. In addition, the Genesis is required to pay a fee of 2% of eligible expenditures on the project to the First Nations (1% each) annually.

h) **Philibert property, Québec**

Through its wholly owned subsidiary Royal Fox, the Company is party to an option agreement between Mines Royales and Soquem Inc. ("Soquem"), pursuant to which Mines Royales can earn up a 100% interest in the Philibert property pursuant to the following terms:

Option 1: an initial 50% pursuant to Mines Royales incurring the following exploration expenditures:

On or before	Annual amount required ($)		Cumulative amount required ($)
March 21, 2020	300,000	(incurred)	300,000
March 21, 2021	400,000	(incurred)	700,000
March 21, 2022	700,000	(incurred)	1,400,000
March 21, 2023	900,000		2,300,000
March 21, 2024	1,200,000		3,500,000

Mines Royales has the right to accelerate the timing of the spending of eligible expenditures over the 5-year period, such that it can earn its initial 50% interest in the property immediately upon the spending of $3.5 million of eligible expenditures and notifying Soquem within 30 days of the completion of the expenditures requirements under option 1. In the event Mines Royales does not meet the cumulative expenditure requirements by the respective anniversary dates to be able to exercise its option 1 by the required date, it forfeits its right to earn any interest in the property. Upon exercise of option 1 by the Company, Mines Royales and Soquem will form a joint venture, with each entity holding a 50% interest in the property.

Option 2: Upon exercise of option 1, the Company has 30 days to inform Soquem whether it wishes to enter into Option 2, whereby Mines Royales can earn an additional 25% interest in the property (for a cumulative total of 75%) by spending a further $2.0 million on eligible expenditures within two years from the date of exercise of option 1.

Mines Royales has the right to accelerate the timing of the spending of eligible expenditures over the further 2-year period, such that it can earn the additional 25% interest in the property immediately upon the spending of the additional $2.0 million of eligible expenditures and notifying Soquem within 30 days of the completion of the expenditures requirements under option 2. In the event Mines Royales does not meet the additional expenditure requirements by the respective 2-year anniversary date to be able to exercise its option 2 by the required date, it forfeits its right to earn any further interest in the property and maintains its previously earned 50% interest.

Option 3: Upon the exercise of option 2, the Company has 30 days to inform Soquem whether it wishes to enter into Option 3, pursuant to which Mines Royales can earn an additional 25% interest in the property (for a cumulative total of 100%) through the immediate payment to Soquem of $3.5 million. In the event Mines Royales does not exercise its option 3 by the required date, it forfeits its right to earn any further interest in the property and maintains its previously earned 75% interest.

(Expressed in Canadian dollars)

i) **Coppermine River property, Nunavut**

Through its wholly owned subsidiary Royal Fox, the Company holds a 100% interest in certain mineral leases in the Coppermine River area of Nunavut. The leases are subject to a 1% net smelter royalty and/or a 1% gross diamond royalty to a maximum of $10.0 million.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022 ($)	December 31, 2021 ($)
Trade payables	**2,012,776**	206,742
Amounts due to related parties	**84,451**	14,868
Accrued liabilitites - general	**38,782**	71,891
	2,136,009	293,501

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

9. CONSIDERATION PAYABLE

Pursuant to the acquisition by Royal Fox of 9396-1217 on May 21, 2021, Royal Fox was required to pay a total of $3,000,000 through the issuance of shares to the shareholders of 9396-1217, as to . $1,000,000 each on May 21, 2022, November 21, 2022 and May 21, 2023, with each such payment to be made through the issuance of that number of common shares in the capital of the company equal to the $1,000,000 payment, divided by the volume weighted average trading price of the company's common shares for the 20 trading days prior to the date on which such payment is due. The payment of $1,000,000 due May 21, 2022 was made by Royal Fox. The $1,000,000 payment, to be made in shares of the Company on or before November 21, 2022, was owing as at December 31, 2022. On April 28, 2023, the Company entered into agreement with the consideration payable holders to satisfy its obligations relating to the payment due on November 21, 2022, pursuant to which the payment originally due on November 21, 2022 is now due on May 21, 2023. (Note 16)

10. SHARE CAPITAL

a) Authorized

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

b) Common shares

<u>*Year Ended December 31, 2022*</u>

- In connection with the acquisition of Genesis (note 5) the Company issued 14,500,037 common shares, with a fair value of $5,655,013.
- In connection with the acquisition of Royal Fox (note 6) the Company issued 35,575,797 common shares, with a fair value of $14,230,319.
- In connection with the vesting of Restricted Share Units ("RSU"), the Company issued 24,450 common shares.
- In connection with the exercise of stock options, the Company issued a total of 150,000 shares for total gross proceeds of $39,000.
- In connection with flow-through expenditures incurred during the year ended December 31, 2022, $3,408,847 of flow-through premium was recognized in the Statements of Loss (2021: $431,194).

<u>*Year Ended December 31, 2021*</u>

- 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.

(Expressed in Canadian dollars)

The Private Placements are summarized as follows:

	Québec FT	Québec Charitable FT	NFT	Total
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	60000	**$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

- In connection with the exercise of stock options, the Company issued a total of 170,000 shares for total gross proceeds of $49,400.

- In connection with the acquisition of the Gaspard Nord claims, the Company issued 85,000 common shares valued at $60,350 (Note 7).

- 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 (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.

Year Ended December 31, 2022

In respect of the vested portion of grants, a share-based payments expense of $35,612 was recognized in the Statements of Loss and Comprehensive Loss, and share-based payments of $173,278 were capitalized to exploration and evaluation assets.

(Expressed in Canadian dollars)

At December, 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		0	0	0.500	0.17
March 29, 2019	March 29, 2024		430,000	430,000	0.220	1.50
June 16, 2020	June 16, 2025		1,300,000	1,300,000	0.340	2.72
December 9, 2021	April 22, 2026		400,000	0	0.690	3.56
December 9, 2021	June 28, 2026		100,000	0	0.690	3.75
December 9, 2021	December 9, 2026		1,490,000	1,490,000	0.690	4.20
August 5, 2014	July 13, 2023	(1)	4,608	4,608	2.180	0.79
August 8, 2018	July 13, 2023	(1)	4,608	4,608	2.180	0.79
December 11, 2018	July 13, 2023	(1)	54,257	54,257	2.180	0.79
January 14, 2019	July 13, 2023	(1)	76,032	76,032	2.180	0.79
May 30, 2019	July 13, 2023	(1)	11,520	11,520	2.180	0.79
December 20, 2019	July 13, 2023	(1)	414,720	414,720	1.180	0.79
September 1, 2020	July 13, 2023	(1)	330,624	330,624	1.220	0.79
April 21, 2021	July 13, 2023	(1)	92,160	92,160	1.050	0.79
May 10, 2021	July 13, 2023	(1)	241,920	241,920	1.050	0.79
July 5, 2021	July 13, 2023	(1)	34,560	34,560	1.050	0.79
January 28, 2019	November 4, 2023	(2)	300,000	300,000	0.420	1.10
June 11, 2021	November 4, 2023	(2)	1,482,000	1,482,000	0.550	1.10
July 19, 2021	November 4, 2023	(2)	240,000	240,000	0.550	1.10
			7,007,009	**6,507,009**	**0.655**	**2.20**

(1) stock options of Genesis exchanged for economically equivalent stock options to purchase common shares of the Company
(2) stock options of Royal Fox exchanged for economically equivalent stock options to purchase common shares of the Company

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

	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	(795,000)	0.600
Issued in replacement of Genesis options	1,265,009	1.272
Issued in repacement of Royal Fox options	2,022,000	0.531
Exercised	(150,000)	0.260
Outstanding, December 31, 2022	**7,007,009**	**0.655**

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 $945,148 was recognized 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:

(Expressed in Canadian dollars)

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**

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 and as amended and approved by the shareholders at the Company's Annual General Meeting on September 23, 2022. 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.

Year Ended December 31, 2022

During the year ended December 31, 2022, the Company granted RSUs allowing for the acquisition of up to, in the aggregate, 759,297 common shares.

In respect of the vested portion of grants, a share-based payments expense of $68,454 was recognized in the Statements of Loss and Comprehensive Loss, and share-based payments of $22,368 were capitalized to exploration and evaluation assets.

(Expressed in Canadian dollars)

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

Issue date	Vesting date	Number (#)	Weighted Average Life (years)
April 22, 2021	April 22, 2023	24,450	0.31
July 17, 2021	July 17, 2024	50,000	1.55
November 4, 2022	November 4, 2024	759,297	1.85
		833,747	**1.79**

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**
Converted	(24,450)
Granted	759,297
Outstanding, December 31, 2022	**833,747**

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 $42,474 was recognized 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**

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 years ended December 31, 2022 and 2021:

(Expressed in Canadian dollars)

	December 31, 2022 ($)	2021 ($)
Expensed	**104,066**	854,151
Capitalized	**195,649**	133,471
	299,715	987,622

f) Warrants

Year ended December 31, 2022

At December 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	0.06
December 2, 2021	June 2, 2023	254,627	0.900	0.42
		6,497,485	**0.131**	**0.07**

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)	1.372
September 30, 2022	**6,497,485**	**0.131**

In addition, at December 31, 2022:

- holders of 3,458,445 of Genesis warrants were eligible to receive up to, in the aggregate, 796,821 common shares of Northern Superior shares on the exercise of Genesis warrants, as to:

Issue date	Expiry date	Number (#)	Exercise price ($)	Weighted Average Life (years)
March 5, 2020	March 5, 2023	262,622	1.310	0.18
May 6, 2021	May 3, 2023	65,721	1.050	0.34
September 28, 2021	September 28, 2023	23,040	1.310	0.75
October 12, 2021	October 12, 2023	383,999	0.790	0.78
October 12, 2021	October 12, 2023	61,439	0.530	0.78
		796,821	**0.978**	**0.55**

- holders of 71,623,000 of Royal Fox warrants were eligible to receive up to, in the aggregate, 8,594,760 common shares of Northern Superior shares on the exercise of Royal Fox warrants, as to:

(Expressed in Canadian dollars)

Issue date	Expiry date		Number	Exercise price	Weighted Average Life
			(#)	($)	(years)
December 13, 2021	December 13, 2024	#	1,698,000	0.670	1.96
May 6, 2021	January 6, 2024	#	6,896,760	0.500	1.02
			8,594,760	**0.534**	**1.20**

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:

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**

11. 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 the costs are recorded at the terms agreed upon between the parties. The Company's key management and related party expenses for the years ended December 31, 2022 and 2021 follow:

Key management compensation	**December 31,** 2022	2021
	($)	($)
Management fees	**499,150** (1)	309,000
Geological services	**165,000**	116,875
Share based payments	**200,562**	241,452
	864,712	667,327

(1) At December 31, 2022, a total of $10,000 was owed to a company owned by an officer of the Company

(2) At December 31, 2021, $4,000 was owed to a company owned by an officer of the Company, and $8,332 to an officer of the Company.

(Expressed in Canadian dollars)

Other related parties		**December 31,**
	2022	2021
	($)	($)
Directors' fees	**21,963** (1)	116,875
Legal fees	**128,500** (2)	76,099
Share based payments	**45,708**	542,988
	196,171	735,963

(1) At December 31, 2022, a total of $21,963 was owed to Directors.

(2) At December 31, 2022, a total of $51,415 was owed to a law firm for which one of the officers of the company is a partner.

At December 31, 2022, the Company owed $1,073 (2021: $2,536) to related parties in respect of expenses incurred on behalf of the Company.

At December 31, 2022, in respect of the consideration payable (note 9), the Company owed $2,000,000 to the consideration payable holders, a majority of which is a company controlled by a director in common with the Company.

12. 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 year ended December 31, 2022.

Financial Instruments and Risk Management

As at December 31, 2022, the Company's financial instruments consist of cash and cash equivalents, marketable securities, receivables, accounts payable and accrued liabilities and contingent value rights and consideration payable. 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.

Fair value estimation

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables and other and accounts payable and accrued liabilities, contingent value rights and consideration payable approximate their fair values due to the short-term maturity of these financial instruments.

As at December 31, 2022, the Company believes that the carrying values of cash and cash equivalents, prepaids and receivables, accounts payable and accrued liabilities, contingent value rights and consideration payable, 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 December 31, 2021, is invested in liquid accounts in A rated Canadian Chartered 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.

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 December 31, 2022, the Company had cash and cash equivalents of $1,442,094 (December 31, 2021: $11,959,293) of which $1,442,094 (December 31, 2021: $2,726,895) is available to settle trade payables and accrued liabilities totaling $2,136,009 (December 31, 2021: $293,501). (note 1)

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 $14,421 at December 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.

(Expressed in Canadian dollars)

13. 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.

14. LEASES – RIGHT OF USE ASSET AND LEASE LIABILITIES

Effective September 1, 2021, the Company entered into a lease agreement which expires on August 31, 2025.

Right-of-use Asset

A summary of the changes in the right-of-use assets follows:

	($)
Balance at December 31, 2021	-
Addition	88,087
Depreciation	(9,787)
Balance at December 31, 2022	78,300

Lease Liabilities

On September 1, 2022, the Company entered into an office lease agreement . The liability represents the monthly lease payment from September 1, 2022 to August 31, 2025, the end of the lease term.

A summary of changes in lease liabilities follows:

	($)
Balance at December 31, 2021	-
Lease liability from lease agreement	88,087
Lease payment on principal portion	(11,130)
Lease liability accretion expense	2,833
Balance at December 31, 2022	79,790
Current portion	24,290
Long term portion	55,500

The following is a schedule of the Company's future lease payments under the lease obligations:

	($)
October 1, 2022 to December 31, 2022	-
January 1, 2023 to December 31, 2023	(33,390)
January 1, 2024 to December 31, 2024	(34,185)
January 1, 2025 to August 31, 2025	(23,849)
Total undiscounted lease payment	(91,424)
Less: imputed interest	11,634
Total carrying value of lease obligations	(79,790)

(Expressed in Canadian dollars)

15. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian and federal and provincial income tax rates to earnings before income taxes. These difference result from the following items:

	For the years ended December 31, 2022	2021
	($)	($)
Income (loss) before income taxes	1,655,875	(1,307,93)
Combined federal and provincial income tax rates	26.50%	26.50%
Expected income tax expense (recovery)	438,807	(346,602)
Increase (decrease) due to:		
Flow through premium recognized in statement of loss	(861,379)	(114,266)
Permanent differences	2,700,360	270,175
Tax benefits not realized (realized)	(2,277,788)	190,693
Income tax expense	**-**	**-**

The components of the deferred tax assets and liability are as follows:

	December 31, 2022	2021
	($)	($)
Deferred Tax Assets		
Non-capital losses	1 74,944	-
Deferred Tax Liabilities		
Exploration and evaluation assets	174,944	-
Net Deferred Tax Liability	-	-

The components of temporary differences for which no the deferred tax assets have been recognized are as follows:

	December 31, 2022	2021
	($)	($)
Exploration and evaluation assets	7,559,699	16,716,955
Equipment	104,225	-
Financing costs	244,612	451,751
	7,908,535	17,168,706

(Expressed in Canadian dollars)

The company also has temporary differences in respect of asset acquisitions and non-deductible capital costs of $10,454,730 which does not cause a deferred tax liability for accounting purposes. The Company has capital losses for which no tax benefit has been recorded of $8,247,440. At December 31, 2022, the Company has available non-capital tax losses for Canadian income tax purposes expiring as follows:

2023	63,614
2024	213,320
2025	298,099
2026	509,199
2027	900,328
2028	1,292,330
2029	1,779,786
2030	2,863,385
2031	3,525,985
2032	3,010,629
2033	2,261,441
2034	2,183,885
2035	3,286,738
2036	3,811,621
2037	2,588,408
2038	2,713,058
2039	2,697,549
2040	3,663,144
2041	3,248,664
2042	1,615,5509
	42,526,733

16. SUBSEQUENT EVENTS

a) On January 4, 2023, warrants were exercised for total gross proceeds of $624,285, pursuant to which the Company issued 6,242,858 common shares.

b) On January 23, 2023, the Company issued 50,000 common shares on the exercise of stock options for gross proceeds of $17,000.

c) On February 9, 2023, the Company closed a private placement for total gross proceeds of $5,000,000, pursuant to which it issued 10,000,000 common shares.

d) On March 5, 2023, warrants allowing for the purchase of up to, in the aggregate, 262,622 common shares expired.

e) On March 7, 2023, the Company granted stock options allowing for the acquisition of up to, in the aggregate, 5,180,000 common shares at $0.50 per share until March 7, 2028.

f) On March 29, 2023, the Company entered into an option agreement with Rockland Resources Ltd. (“Rockland”), pursuant to which Rockland can, subject to Canadian Securities Exchange (“CSE”) approval, acquire a 100% interest in the Company’s Wapistan property in consideration for making the following payments to the Company:

(Expressed in Canadian dollars)

Date	Shares of Rockland	Cash
	(#)	($)
On or before 5 days of CSE approval ("Approval Date")	5,400,000 [1]	200,000 [2]
On or before 12 months from the Approval Date	5,400,000	200,000
Total	**10,800,000**	**400,000**

[1] Received April 20, 2023

[1] Received April 19, 2023

Additionally, the Company has a 2% NSR on production from the property.

g) On April 28, 2023, the Company entered into agreement with the consideration payable holders to satisfy its obligations relating to the payment due on November 21, 2022, pursuant to which the payment originally due on November 21, 2022 is now due on May 21, 2023. (Note 9)