

NV GOLD CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

NINE MONTH ENDED MAY 31, 2021 and 2020

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	May 31, 2021	August 31, 2020
ASSETS		
Current		
Cash	\$ 4,020,237	\$ 3,333,613
Accounts receivable	4,587	20,736
Prepaid expenses	<u>50,718</u>	<u>74,419</u>
	4,075,542	3,428,768
Reclamation bonds (Note 5)	177,332	168,894
Exploration advances (Note 6)	199,288	329,279
Exploration and evaluation assets (Note 6)	<u>4,575,215</u>	<u>3,854,108</u>
	<u>\$ 9,027,377</u>	<u>\$ 7,781,049</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	\$ 21,354	\$ 81,626
Due to related parties (Note 9)	<u>81,000</u>	<u>58,530</u>
	<u>102,354</u>	<u>140,156</u>
Shareholders' equity		
Share capital (Note 8)	22,641,015	19,616,695
Share subscriptions received (Note 8, Note 14)	25,000	-
Share-based payments reserve (Note 8)	3,397,086	2,733,890
Deficit	<u>(17,138,078)</u>	<u>(14,709,692)</u>
	<u>8,925,023</u>	<u>7,640,893</u>
	<u>\$ 9,027,377</u>	<u>\$ 7,781,049</u>

Nature of operations (Note 1)

Basis of presentation (Note 2)

Subsequent events (Note 14)

Approved on behalf of the Board

On July 12 , 2021

“John Watson”

Director

“Alfred Stewart”

Director

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

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2021	Three Months Ended May 31, 2020	Nine Months Ended May 31, 2021	Nine Months Ended May 31, 2020
EXPENSES				
Advertising and promotion	\$ 28,927	\$ 7,679	\$ 192,720	\$ 82,496
Bank charges and interest	957	401	3,640	1,482
Consulting	52,483	43,023	167,630	161,985
Insurance	5,750	2,875	17,250	8,625
Office and general	4,383	2,257	13,689	10,160
Professional fees	47,541	32,257	87,995	76,481
Property investigation	91,803	548	112,121	25,834
Registration and filing	5,208	66	24,300	11,806
Shareholder costs	798	1,717	10,036	9,090
Share-based compensation (Note 8)	343,254	-	663,196	8,523
Transfer agent	3,069	2,142	7,456	4,153
Travel and related	278	2,013	6,988	30,820
Loss before other items	<u>(584,451)</u>	<u>(94,978)</u>	<u>(1,307,021)</u>	<u>(431,455)</u>
OTHER ITEMS				
Foreign exchange gain (loss)	(27,219)	12,450	(41,864)	7,922
Interest income	1,995	3,059	5,281	7,036
Write-down of exploration and evaluation assets (Note 6)	<u>(417,322)</u>	<u>(42,135)</u>	<u>(1,084,782)</u>	<u>(42,135)</u>
	<u>(442,546)</u>	<u>(26,626)</u>	<u>(1,121,365)</u>	<u>(27,177)</u>
Loss and comprehensive loss for the period	<u>\$ (1,026,997)</u>	<u>\$ (121,604)</u>	<u>\$ (2,428,386)</u>	<u>\$ (458,632)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>65,628,589</u>	<u>49,973,202</u>	<u>65,073,252</u>	<u>49,605,226</u>

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

NV GOLD CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Share Capital		Share subscriptions received	Share-based		Total Shareholders' Equity
	No. of Shares	Amount		Payments Reserve	Deficit	
Balance, August 31, 2019	46,419,217	\$ 15,455,561	\$ -	\$ 2,400,151	\$ (13,496,352)	\$ 4,359,360
Private placement	8,494,429	1,189,220	-	-	-	1,189,220
Share issue costs	-	(17,199)	-	3,656	-	(13,543)
Share-based compensation	-	-	-	8,523	-	8,523
Loss for the period	-	-	-	-	(458,632)	(458,632)
Balance, May 31, 2020	54,913,646	\$ 16,627,582	\$ -	\$ 2,412,330	\$ (13,954,984)	\$ 5,084,928
Private placement	9,375,625	3,000,200	-	-	-	3,000,200
Warrants exercised	219,666	43,933	-	-	-	43,933
Shares issued for exploration and evaluation assets	250,000	78,750	-	-	-	78,750
Share issue costs	-	(133,770)	-	47,301	-	(86,469)
Share-based compensation	-	-	-	274,259	-	274,259
Loss for the period	-	-	-	-	(754,708)	(754,708)
Balance, August 31, 2020	64,758,937	\$ 19,616,695	\$ -	\$ 2,733,890	\$ (14,709,692)	\$ 7,640,893
Private placement	12,000,000	3,000,000	-	-	-	3,000,000
Warrants exercised	237,850	47,570	-	-	-	47,570
Share subscriptions received	-	-	25,000	-	-	25,000
Share issue costs	-	(23,250)	-	-	-	(23,250)
Share-based compensation	-	-	-	663,196	-	663,196
Loss for the period	-	-	-	-	(2,428,386)	(2,428,386)
Balance, May 31, 2021	76,996,787	\$ 22,641,015	\$ 25,000	\$ 3,397,086	\$ (17,138,078)	\$ 8,925,023

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

NV GOLD CORPORATION
CONDENSED COSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Nine Month Period Ended May 31, 2021	Nine Month Period Ended May 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (2,428,386)	\$ (458,632)
Items not affecting cash		
Foreign exchange	12,562	(6,371)
Share-based compensation	663,196	8,523
Write-down of exploration and evaluation assets	1,084,782	42,135
Change in non-cash working capital items:		
Accounts receivable	16,149	(2,002)
Prepaid expenses	23,701	46,518
Due from related party	-	25,000
Accounts payable and accrued liabilities and due to related parties	<u>(64,429)</u>	<u>(44,968)</u>
Net cash used in operating activities	<u>(692,425)</u>	<u>(389,797)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Reclamation bonds	(21,000)	-
Exploration and evaluation assets	(1,779,262)	(284,528)
Exploration advances	<u>129,991</u>	<u>37,425</u>
Net cash used in investing activities	<u>(1,670,271)</u>	<u>(247,103)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	3,047,570	1,189,220
Share issue costs	(23,250)	(13,543)
Share subscriptions received	<u>25,000</u>	<u>-</u>
Net cash provided by financing activities	<u>3,049,320</u>	<u>1,175,677</u>
Change in cash during the period	686,624	538,777
Cash, beginning of period	<u>3,333,613</u>	<u>955,877</u>
Cash, end of period	<u>\$ 4,020,237</u>	<u>\$ 1,494,654</u>

Supplemental disclosures with respect to cash flows (Note 12)

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

1. NATURE OF OPERATIONS

The Company was incorporated under the laws of the province of British Columbia on May 23, 2007. The Company is engaged in the identification, acquisition and exploration of mineral properties. The Company began trading on the TSX Venture Exchange (“TSX-V”) on November 26, 2009 under the trading symbol NVX. The Company also began trading in the United States on May 24, 2018 on the OTC Markets under the symbol NVGLF. On October 26, 2020 the Company’s common shares commenced trading on the OTCQB Venture Market (“OTCQB”), under the symbol NVGLF. Subsequent to the period on June 1, 2021, the Company’s common shares commenced trading on the Frankfurt Stock Exchange (“FSE”) under the symbol 8NV.

The address of the Company’s corporate office is located at Suite 588 - 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6. The registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended August 31, 2020.

b) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of \$2,428,386 during the nine months ended May 31, 2021 and, as of that date the Company’s deficit was \$17,138,078. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

NV GOLD CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)
MAY 31, 2021

2. BASIS OF PRESENTATION (cont'd...)

c) Going Concern of Operations (cont'd...)

	May 31, 2021	August 31, 2020
Working capital	\$ 3,973,188	\$ 3,288,612
Deficit	(17,138,078)	(14,709,692)

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds. The Company has had to significantly reduce its international travel due to COVID-19.

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These condensed consolidated interim financial statements include the financial statements of the parent company, NV Gold Corporation, and its subsidiaries listed below:

	Jurisdiction	Nature of Operations	Equity Interest	
			May 31, 2021	August 31, 2020
NV Gold Corporation (USA) Inc. ("NV Gold USA")	Nevada, USA	Exploration	100%	100%
SwissGold Exploration AG ("SwissGold")	Switzerland	Exploration	100%	100%

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company balances and transactions have been eliminated upon consolidation.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Amortized cost: This category includes amounts due to related parties and accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash as fair value through profit or loss. The Company's accounts receivable are classified as loans and receivables, reclamation bonds and due from related party. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mine under construction”. Mineral property assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

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 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 profit or loss for the period. 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 profit or loss.

Reclamation bonds

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes

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 statement of financial position 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 statement of financial position 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. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it does not recognize the asset.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset 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.

Share-based payment transactions

Where equity-settled share options are awarded to employees, the fair value of the options is measured on the date of grant using the Black-Scholes option pricing model and is charged to the statement of comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payment transactions (cont'd...)

All equity-settled share-based payments are reflected in share-based payments reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Provisions

Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period which they occur. The Company had no rehabilitation obligations as at May 31, 2021 and August 31, 2020.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

Earning/Loss per share

Basic earnings / loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Earning/Loss per share (cont'd...)

Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss.

New Standards Adopted

IAS 1 - Presentation of Financial Statements is effective for annual periods beginning on or after January 1, 2020.

IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors is effective for annual periods beginning on or after January 1, 2020.

The IASB made amendments to IAS 1 and IAS 8. The amendments clarify that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole. Also, the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

There is no material impact on the statements of financial position or results of operations as a result of adopting the new standards above.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Share-based compensation

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 8.

5. RECLAMATION BONDS

The Company has refundable reclamation bonds held with the Bureau of Land Management in the state of Nevada, USA covering its various projects in Nevada and with the Ministry of Energy, Mines and Petroleum Resources in British Columbia, Canada covering the Exodus Gold Project. The current value of the reclamation bonds are \$177,332 (2020 - \$168,894).

NV GOLD CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

MAY 31, 2021

6. EXPLORATION AND EVALUATION ASSETS

The following exploration and evaluation assets expenditures were incurred on the Company's mineral properties.

For the three months ended May 31, 2021	Nevada Properties	Cooks Creek Project	Green Gold Project	SW Pipe Project	Frazier Dome Project	Slumber Project	Sandy Point Gold Project	Cone Project	Exodus Gold Project	Swiss Permits	Total
Acquisition costs											
Balance, August 31, 2020	\$ 1,350,285	\$ 342,072	\$ -	\$ -	\$ -	\$ -		\$ -	108,750	\$ -	\$ 1,801,107
Additions	-	-	-	-	-	-	-	-	-	-	-
Total acquisition costs, May 31, 2021	<u>1,350,285</u>	<u>342,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,750</u>	<u>-</u>	<u>1,801,107</u>
Exploration costs											
Balance, August 31, 2020	<u>487,611</u>	<u>360,060</u>	<u>1</u>	<u>1</u>	<u>490,597</u>	<u>379,562</u>	<u>87,864</u>	<u>-</u>	<u>247,304</u>	<u>1</u>	<u>2,053,001</u>
Additions:											
Assays and sample storage	-	127	-	-	444	81,239	176,382	-	51,916	845	310,953
Claim filing and registration	2,868	797	614	1,303	92	935	326	25,481	-	3,520	35,936
Drilling and related	-	-	-	-	-	352,918	552,815	-	2,644	-	908,377
Equipment rentals	-	-	-	-	-	-	-	-	51,130	-	51,130
Field office	19,081	-	-	-	-	-	-	-	-	-	19,081
Geological consulting	-	-	-	-	-	74,676	111,260	581	142,300	-	328,817
Geological surveying	-	-	-	-	-	38,951	22,605	-	8,195	-	69,751
Labour	-	-	-	-	-	-	-	-	39,340	-	39,340
Land management and royalty	-	-	-	-	59	1,992	1,204	-	-	-	3,255
Maps and software	-	-	-	-	-	5,570	5,570	-	-	-	11,140
Materials and supplies	-	-	-	-	-	6,168	9,016	-	10,890	-	26,074
Meals and lodging	-	-	-	-	-	842	8,115	-	1,692	-	10,649
Site access and preparation	-	-	-	-	-	30,609	13,888	-	-	-	44,497
Travel and transport	-	-	-	-	-	3,757	13,703	-	3,300	-	20,760
	<u>21,949</u>	<u>924</u>	<u>614</u>	<u>1,303</u>	<u>595</u>	<u>597,657</u>	<u>914,884</u>	<u>26,062</u>	<u>311,407</u>	<u>4,365</u>	<u>1,879,760</u>
Total exploration costs, May 31, 2021	<u>509,560</u>	<u>360,984</u>	<u>615</u>	<u>1,304</u>	<u>491,192</u>	<u>977,219</u>	<u>1,002,748</u>	<u>26,062</u>	<u>558,711</u>	<u>4,366</u>	<u>3,932,761</u>
Less: Recoveries	-	-	-	-	-	-	-	-	(73,871)	-	(73,871)
Write-offs	-	-	-	-	(491,192)	-	-	-	(593,590)	-	(1,084,782)
Total exploration and evaluation assets, May 31, 2021	\$ 1,859,845	\$ 703,056	\$ 615	\$ 1,304	\$ -	\$ 977,219	\$ 1,002,748	\$ 26,062	\$ -	\$ 4,366	\$ 4,575,215

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

For the year ended August 31, 2020	Nevada Properties	Cooks Creek Project	Green Gold Project	SW Pipe Project	Frazier Dome Project	Slumber Project	Sandy Point Gold Project	Silver District Project	Exodus Gold Project	Swiss Permits	Total
Acquisition costs											
Balance, August 31, 2019	\$ 1,350,285	\$ 342,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,692,357
Additions	-	-	-	-	-	-	-	33,640	108,750	-	142,390
Total acquisition costs, August 31, 2020	<u>1,350,285</u>	<u>342,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,640</u>	<u>108,750</u>	<u>-</u>	<u>1,834,747</u>
Exploration costs											
Balance, August 31, 2019	<u>403,493</u>	<u>347,602</u>	<u>69,204</u>	<u>123,380</u>	<u>464,739</u>	<u>93,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,502,133</u>
Additions:											
Assays and sample storage	83	64	-	-	8,193	43,389	2,933	-	15,890	1,567	72,119
Claim filing and registration	41,310	11,497	8,659	18,650	1,110	31,433	18,990	-	1,593	2,786	136,028
Drilling and related	-	-	-	-	-	108,412	-	-	-	-	108,412
Equipment rentals	-	-	-	-	-	-	-	-	16,230	-	16,230
Field office	30,994	-	-	-	-	-	-	-	-	-	30,994
Geological consulting	8,074	-	-	-	6,140	36,914	14,879	7,064	82,759	-	155,830
Geological surveying	-	-	-	-	-	17,493	18,166	-	101,600	-	137,259
Land management and royalty	1,944	897	-	4,045	4,099	31,473	-	-	-	-	42,458
Maps and database	-	-	-	-	-	-	-	-	6,446	-	6,446
Materials and supplies	-	-	-	-	79	79	-	-	5,928	-	6,086
Meals and lodging	-	-	-	-	722	722	-	-	15,358	-	16,802
Site access and preparation	-	-	-	-	2,086	12,504	-	-	-	-	14,590
Travel and transport	<u>1,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,429</u>	<u>3,429</u>	<u>32,896</u>	<u>1,433</u>	<u>1,500</u>	<u>-</u>	<u>44,400</u>
	<u>84,118</u>	<u>12,458</u>	<u>8,659</u>	<u>22,695</u>	<u>25,858</u>	<u>285,848</u>	<u>87,864</u>	<u>8,497</u>	<u>247,304</u>	<u>4,353</u>	<u>787,654</u>
Total exploration costs, August 31, 2020	<u>487,611</u>	<u>360,060</u>	<u>77,863</u>	<u>146,075</u>	<u>490,597</u>	<u>379,562</u>	<u>87,864</u>	<u>8,497</u>	<u>247,304</u>	<u>4,354</u>	<u>2,289,787</u>
Less: write-off of exploration and evaluation assets	<u>-</u>	<u>-</u>	<u>(77,862)</u>	<u>(146,074)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,137)</u>	<u>-</u>	<u>(4,353)</u>	<u>(270,426)</u>
Total exploration and evaluation assets, August 31, 2020	\$ <u>1,837,896</u>	\$ <u>702,132</u>	\$ <u>1</u>	\$ <u>1</u>	\$ <u>490,597</u>	\$ <u>379,562</u>	\$ <u>87,864</u>	\$ <u>-</u>	\$ <u>356,054</u>	\$ <u>1</u>	\$ <u>3,854,108</u>

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

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge title to all of its properties is in good standing.

Nevada Properties (Nevada, USA)

On September 29, 2016 the Company completed its acquisition of the Nevada assets of Redstar Gold Corp. (“Redstar”) according to the detailed terms of the agreement (the “Purchase Agreement”). These assets consist of a 100% interest in 11 exploration projects in Nevada (“Nevada Properties”), 4 of which are subject to NSRs, as well as the AngloGold-Ashanti database (the “Database”).

The Company acquired the Database and the 11 Nevada Properties by issuing to Redstar a total of 6,172,730 common shares of the Company, resulting in Redstar owning 29.9% of the Company’s outstanding common shares upon completion of the transaction. The shares were valued at \$2,160,455. Of this value, \$1,692,357 (\$342,072 allocated to the Cooks Creek Project) was recognized as exploration and evaluation assets acquisition costs and \$468,098 was recognized as geological database expense and charged to operations during the year ended August 31, 2017.

The Nevada Properties are comprised of the following projects:

Project Name	Number of Claims	County in State of Nevada
Baker Springs	16	Elko
Gold Cloud	13	Eureka
Larus	19	Eureka
Long Island	27	Nye
Oasis	10	Esmeralda
Painted Hills	14	Humboldt
Queens	4	Nye
Richmond Summit	18	Eureka
Root Spring	26	Pershing
Seven Devils	30	Pershing
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6. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Cooks Creek Project (Nevada, USA)

The Cooks Creek Project consists of 51 unpatented mining claims in Lander County, Nevada. These claims consisted of one of the 11 exploration projects in Nevada acquired from Redstar on September 29, 2016.

Green Gold Project (Nevada, USA)

The Company staked 39 unpatented mining claims in Pershing County, Nevada. The claims, collectively named the Green Gold Project. During the year ended August 31, 2020, the Company wrote down \$77,862 in capitalized costs and charged them to operations.

SW Pipe Project (Nevada, USA)

The Company staked 84 unpatented mining claims in Lander County, Nevada. The claims, collectively named the SW Pipe Project (“SW Pipe”). During year ended August 31, 2020, the Company wrote down \$146,074 in capitalized costs and charged them to operations.

On April 23, 2021, the Company entered into an Exploration Earn-In Agreement (“Agreement”) with Hochschild Mining (US) Inc. (“HOC US”), a subsidiary of Hochschild Mining PLC (“Hochschild”), with respect to SW Pipe.

The significant terms of the Agreement are as follows. HOC US will pay the Company US\$50,000 plus the annual renewal costs of the SW Pipe of US\$13,860 (received subsequent, see Note 14). HOC US can earn a 51% interest in SW Pipe by incurring US\$7,500,000 in exploration expenditures over 5 years (“Phase 1 Earn-in”) and making additional cash payments to the Company totalling US\$750,000. HOC US may earn-in an additional 24% interest in SW Pipe by incurring an additional US\$2,500,000 in exploration expenditures and delivering a completed Feasibility Study within 3 years of the Phase 1 Earn-in date (which may be extended by up to a further 3 years subject to agreed payments by HOC US for each 12 month extension (“Phase 2 Earn-in”). At anytime after earning a 51% interest in SW Pipe (but prior to the expiry of the Phase 2 Earn-in period), HOC US can purchase 100% of SW Pipe for US\$25,000,000 or 12,500 ounces of gold, at the election of the Company and the Company would retain a 2% Net Smelter Royalty. HOC US’s 51% (75% if applicable), when earned, will be held in a joint venture agreement formed in accordance with the terms of the Agreement whereby the Company will have a 49% or 25% interest, as applicable.

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

Frazier Dome Project (Nevada, USA)

The Company staked 55 mining claims in Nye County, Nevada. The claims, collectively named the Frazier Dome Project. In March 2019, the Company staked an additional 71 claims, approximately 1,467 acres, to consolidate a key property position in an around the project.

On August 17, 2018, the Company entered into a mining lease agreement with the owner of 5 unpatented lode mining claims situated in the Tonopah Mining District, Nye County, Nevada, USA. The 5 claims are adjacent to the existing claims the Company has staked.

Upon signing of the lease agreement, the Company paid US \$3,350 to the lessor, representing US\$ 2,500 as an Advance Minimum Royalty (“AMR”) and US\$850 for various filing fees. Pursuant to the lease agreement, the Company will pay an AMR of US \$3,000 on each subsequent anniversary date increasing by US \$500 each year until the 5th anniversary date when the payment will be US \$7,500 annually through to the 10th anniversary date. The AMR for the 11th to the 20th anniversary dates will be US \$15,000 annually. The AMR for the 21st to 30th anniversary dates will be US\$ 30,000 annually. The Company will also be responsible for the payment of any annual maintenance and filing fees subject to the 5 claims.

The Company has the option to purchase the claims from the lessor by paying US \$2,000,000, less any AMR paid, during the term of the agreement.

During the current period, the Company terminated the mining lease agreement and as a result, wrote-off \$491,192 in total capitalized costs to operations during the nine month period ended May 31, 2021.

Slumber Gold Project (Nevada, USA)

On May 30, 2019, the Company announced that it executed a binding letter of intent (the "LOI") with a two private individuals (the “Vendors”) providing the Company the right to enter into a Lease Agreement to lease an undivided 100% right, title and interest in the Slumber Gold Property in Nevada. The transaction was an arms-length transaction.

The Slumber Gold Property occurs along an intra-mountain graben in the Jackson Mountains approximately 50 miles northwest of Winnemucca, Humboldt County, Nevada.

On July 29, 2019, the Company formalized the LOI and entered into a Mining Lease and Surface Use Agreement (“Lease”) with the Vendors. The company is subject to incur minimum annual work commitments as follows:

\$25,000	First anniversary date
\$50,000	Second anniversary date
\$75,000	Third anniversary date
\$75,000	Fourth anniversary date
\$100,000	Fifth and each anniversary date thereafter

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

Slumber Gold Project (Nevada, USA) (cont'd...)

The Company is also required to make Advance Minimum Royalty Payments to the Vendors until production of minerals is achieved as follows:

\$10,000	Upon execution of the Lease
\$15,000	First anniversary date
\$25,000	Second anniversary date
\$35,000	Third anniversary date
\$45,000	Fourth anniversary date
\$50,000	Fifth anniversary date and annually thereafter as long as the Lease remains in effect

Sandy Point Gold Project (Nevada, USA)

The Company acquired a 100% control of the Sandy Gold Project, located in Lyon County, Nevada, by staking available ground over and around the gold project.

Cone Claims (Nevada, USA)

The Company staked 47 lode mining claims located in Eureka County, Nevada. The claims have collectively been called the Cone Claims.

Silver District Project (Nevada, USA)

During the year ended August 31, 2020, the Company wrote-off \$42,137 in capitalized costs and charged them to operations.

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

Exodus Gold Project (British Columbia, Canada)

On July 3, 2020, the Company entered into a letter agreement (“Option Agreement”) with Exodus Mineral Exploration Ltd. (“Exodus”) under which the Company may acquire a 51% interest in the Exodus Gold Project, located near Prince George, British Columbia, Canada, by paying \$30,000 in cash (paid), issuing 4,900,000 common shares (250,000 common shares issued) and completing \$1,600,000 in exploration work commitments on the Exodus Gold Project by the third anniversary date (“Approval Date”) the TSX-V accepts the Option Agreement. The Company holds a further option to acquire an additional 34% (total 85%) in the Exodus Gold Project by issuing an additional 5,100,000 common shares and completing an additional \$1,400,000 in exploration work commitments on the Exodus Gold Project by the fifth anniversary of the Approval Date. TSX-V approval was received on July 17, 2020.

After the Company has exercised its first option and either exercised its second option or the second option has terminated, a joint venture will be formed with Exodus, with their respective interest either 51% the Company:49% Exodus or 85% the Company:15% Exodus depending on whether the company exercises its second option. Under the agreed terms of the joint venture, if a person’s interest in the joint venture is diluted below 10%, its interest will be converted to an additional 1% NSR Royalty with the non-diluting party then holding 100% of the Property. Exodus has retained a 2% NSR Royalty on the Exodus Gold Project, with the Company holding option to purchase 1.0% for \$1,000,000. Exodus has agreed to hold over 70% of all common shares it receives for a minimum of one year, instead of just the statutory four months plus a day.

During the nine month period ended May 31, 2021, the Company determined that it was not economically feasible to proceed with the Exodus Gold Project and terminated the Option Agreement with Exodus. As a result, \$593,590 in capitalized expenditures, net of recoveries of \$73,871, have been written-off and charged to operations.

Swiss Permits (Switzerland)

The Company, through its Swiss subsidiary, SwissGold, was issued a five year exploration permit (“Permit”) for gold and precious metals that covered an area within the Communes of Medel/Lucmagn, Disentis/Muster and Sumvitg in Canton Graubunden, southeastern Switzerland. The Permit is governed by the terms of an amended mining law that has been approved by the residents of the Communes. The Permit is renewable for two additional 5-year terms. During the year ended August 31, 2019, the Permit was extended for a 5-year term. Under the terms of the Permit, the Company must:

- a) pay an initial fee of Swiss Francs 4,500 (paid);
- b) pay an annual fee of Swiss Francs 4,500 (paid);
- c) incur exploration expenditures of Swiss Francs 120,000 before the end on 2015; and
- d) incur exploration expenditures of Swiss Francs 100,000 annually thereafter during the first term of the permit to maintain the Permit in good standing.

Excess expenditures may be carried forward to meet expenditure requirements in future years. Also, the Communes can issue a mining concession to the Company subject to: (i) completion of a satisfactory feasibility study; (ii) completion of an environmental impact study; and (iii) consent from each of the three municipal bodies in the Communes.

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

Swiss Permits (Switzerland) (cont'd...)

In prior fiscal years the Company received written confirmation from the Communes regarding future work commitment obligations whereby the Company was provided with relief from incurring exploration expenditures. The minimum exploration expenditures commitment was not required for 2020. The Swiss Permits remain in good standing.

During the year ended August 31, 2017, the Company issued 40,000 common shares valued at \$8,000 and paid Swiss Francs 10,000 as a finder's fee pursuant to the terms of an agreement in connection with the Company securing the Permit.

Exploration advances

During the nine months ended May 31, 2021, the Company incurred \$199,288 (August 31, 2020 - \$329,279) as exploration advances on exploration and evaluation assets.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are comprised of the following:

	May 31, 2021	August 31, 2020
Accrued liabilities	\$ -	\$ 20,000
Trade payables	<u>21,354</u>	<u>61,626</u>
Total	<u>\$ 21,354</u>	<u>\$ 81,626</u>

8. SHAREHOLDERS' EQUITY

Authorized:

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

During the nine month period ended May 31, 2021, the Company issued:

- a) 237,850 common shares at \$0.20 per share for gross proceeds of \$47,570 pursuant to the exercise of warrants.
- b) 12,000,000 units at \$0.25 per unit for gross proceeds of \$3,000,000 pursuant to a non-brokered private placement that was closed on May 25, 2021. Each unit consists of one common share and one warrant, where each warrant is exercisable into one common share at \$0.40 per share expiring May 25, 2024. The common shares forming part of the units and any common shares issued upon the exercise of the warrants are subject to a hold period expiring September 26, 2021.

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8. SHAREHOLDERS' EQUITY (cont'd...)

During the year ended August 31, 2020, the Company issued:

- a) 8,494,429 units at \$0.14 per unit for gross proceeds of \$1,189,220 pursuant to a non-brokered private placement that was closed on May 25, 2020. Each unit consists of one common share and one-half of one warrant, where a whole warrant is exercisable into a common share at \$0.20 per share expiring May 25, 2022. The Company paid a cash finder's fee of \$5,684 and issued 40,600 finder's warrants exercisable at \$0.20 per share expiring May 25, 2022. The fair value assigned to finder's warrants using the Black- Scholes option pricing model is \$3,656 with the following assumptions: term 2.0 years; expected volatility of 146.05%; risk-free rate of 0.28%; and expected dividends of Nil.
- b) 250,000 common shares Exodus pursuant to the Option Agreement entered into with Exodus for the Exodus Gold Project (Note 6).
- c) 9,375,625 units at \$0.32 per unit for gross proceeds of \$3,000,200 pursuant to a non-brokered private placement that was closed on August 21, 2020. Each unit consists of one common share and one-half of one warrant, where a whole warrant is exercisable into a common share at \$0.40 per share expiring August 21, 2022. The Company paid a cash finder's fee of \$73,909 and issued 230,965 finder's warrants exercisable at \$0.40 per share expiring August 21, 2022. The fair value assigned to finder's warrants using the Black- Scholes option pricing model is \$47,815 with the following assumptions: term 2.0 years; expected volatility of 174.22%; risk-free rate of 0.28%; and expected dividends of Nil.

Stock options

The Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees and consultants enabling them to acquire common shares of the Company. The number of shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares. The options can be granted for a maximum of 5 years and vest as determined by the board of directors. The exercise price of each option may not be less than the fair market value of the common shares.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, August 31, 2019	4,446,000	\$ 0.31
Granted	1,650,000	0.23
Expired/cancelled	<u>(960,000)</u>	0.39
Outstanding, August 31, 2020	5,150,000	0.27
Granted	2,395,000	0.43
Expired/cancelled	<u>(175,000)</u>	0.40
Outstanding, May 31, 2021	7,370,000	\$ 0.33
Exercisable, May 31, 2021	7,280,000	\$ 0.32

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8. SHAREHOLDERS' EQUITY (cont'd...)

Stock options (cont'd...)

Stock options outstanding at May 31, 2021 are as follows:

Number Of Options	Exercise Price	Expiry Date
1,175,000	\$ 0.35	September 29, 2021
625,000	0.39	June 26, 2022 (See Note 14)
100,000	0.89	April 3, 2023
220,000	0.50	May 25, 2023
500,000	0.14	September 14, 2023 (See Note 14)
200,000	0.14	October 10, 2023
25,000	0.17	January 30, 2024
875,000	0.20	July 17, 2024 (See Note 14)
1,350,000	0.20	June 11, 2025 (See Note 14)
125,000	0.38	August 23, 2025
1,000,00	0.40	October 8, 2025 (See Note 14)
250,000	0.40	October 28, 2025
925,000	0.50	May 25, 2026 (See Note 14)
7,370,000		

Warrants

Warrants transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2019	6,995,782	\$ 0.38
Issued	8,935,027	0.30
Exercised	(146,166)	0.20
Expired/cancelled	<u>(2,578,183)</u>	0.70
Outstanding, August 31, 2020	13,206,460	0.27
Issued	12,000,000	0.40
Exercised	<u>(237,850)</u>	0.20
Outstanding, May 31, 2021	24,898,609	\$ 0.33
Exercisable, May 31, 2021	24,898,609	\$ 0.33

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8. SHAREHOLDERS' EQUITY (cont'd...)

Warrants (cont'd...)

Warrants outstanding at May 31, 2021 are as follows:

Number of Warrants	Exercise Price	Expiry Date
4,251,433	\$ 0.20	September 27, 2021 (See Note 14)
4,222,214	0.20	May 25, 2022
4,687,813	0.40	August 21, 2022 (See Note 14)
<u>12,000,000</u>	0.40	May 25, 2024
24,898,609		

Finder's warrants

Finder's warrants transactions and the number of finder's warrants outstanding are summarized as follows:

	Number of Finder's Warrants	Weighted Average Exercise Price
Outstanding, August 31, 2019	322,000	\$ 0.20
Granted	<u>271,565</u>	0.28
Outstanding, August 31, 2020 and May 31, 2021	593,565	\$ 0.28
Exercisable, May 31, 2021	597,065	\$ 0.28

Finder's warrants outstanding at May 31, 2021 are as follows:

Number of Warrants	Exercise Price	Expiry Date
322,000	\$ 0.20	September 27, 2021 (See Note 14)
40,600	0.20	May 25, 2022
<u>230,965</u>	0.40	August 21, 2022
593,565		

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8. SHAREHOLDERS' EQUITY (cont'd...)

Share-based compensation

During the nine month period ended May 31, 2021, the Company recognized \$663,196 (2020 - \$8,523) in share-based compensation on stock options that vested during the current period. The Company granted 2,395,000 (2020 – nil) stock options with a fair value of \$0.28 (2020 - \$Nil). The fair value of share-based compensation was calculated using the Black-Scholes option-pricing model.

The following assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	May 31, 2021	February 29, 2020
Risk-free interest rate	0.30% ~ 0.86%	-
Expected life of options	5 years	-
Annualized volatility	119.61% ~ 173.96%	-
Forfeiture rate	0.0%	-
Dividend rate	0.0%	-

Share subscriptions received

During the nine month period ended May 31, 2021, the Company received \$25,000 in proceeds pursuant to the exercise of 125,000 warrants. The common shares were issued subsequent to the period. See Note 14.

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the nine month period ended May 31, 2021:

- i) Paid or accrued \$157,500 (2020 - \$135,725) in consulting fees to the Chairman of the Board of Directors and a company controlled by the CEO of the Company.
- ii) Paid or accrued \$85,262 (2020 - \$67,809) in fees of which \$77,762 (2020 - \$67,809) are recorded as professional fees and \$7,500 (2020 - \$Nil) as share issue cost to companies controlled by officers of the Company.
- iii) Paid or accrued \$28,975 (2020 - \$92,311) in consulting fees to directors, former officers and companies controlled by directors of which \$28,975 (2020 - \$79,556) have been capitalized as exploration and evaluation costs and \$Nil (2020 - \$12,755) has been charged to operations as property investigation.

Included in due to related parties as of May 31, 2021 is \$36,000 (August 31, 2020 - \$58,530) due to directors and companies controlled by directors and officers. The amounts are non-interest bearing and unsecured.

9. RELATED PARTY TRANSACTIONS (cont'd...)

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the nine month period ended May 31, 2021, 1,430,000 (2020–nil) stock options, out of a total of 2,395,000 (2020 – nil) (Note 8), were granted to directors and officers. The fair value of \$414,529 (2020 - \$8,523) was recorded as share-based compensation on vested stock options.

Other than disclosed above, there was no other compensation paid to key management during the nine month period ended May 31, 2021 and 2020.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) 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 (unobservable inputs).

As at May 31, 2021, the Company's financial instruments are comprised of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Cash is carried at fair value using a level 1 fair value measurement. The carrying value of accounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial risk factors

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management, the Board of Directors and the Audit Committee monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote. The Company's receivables consist of GST recoverable from the Canadian Government and a refund due from a supplier.

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

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at May 31, 2021, the Company had a cash balance of \$4,020,237 to settle current liabilities of \$102,354. All of the Company's financial liabilities are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to maintain cash in its banking institutions and does not believe interest rate risk to be significant.

(b) Price risk

The Company is not a producing entity so is not directly exposed to fluctuations in commodity prices. The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(c) Foreign currency risk

The Company has two foreign subsidiaries whose operations are in the United States and Switzerland respectively, which exposes the Company to foreign exchange risk. The Company is subject to currency risk due to the fluctuations of exchange rates between the Canadian dollar, United States dollar and the Swiss Franc. The Company does not enter into derivative financial instruments to mitigate foreign exchange risk.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital.

The Company is in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during the nine month period ended May 31, 2021.

Significant non-cash transactions during the nine month period ended May 31, 2020 included:

- a) Exploration and evaluation assets of \$7,129 are accrued in accounts payable and accrued liabilities.

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13. SEGMENTED INFORMATION

The Company has two reportable operating segments, being the acquisition and exploration of mineral properties and reclamation bonds which are located geographically as follows:

	May 31, 2021	August 31, 2020
Exploration and evaluation assets		
United States of America	\$ 4,570,849	\$ 3,498,053
Canada	-	356,054
Switzerland	<u>4,366</u>	<u>1</u>
Total	\$ 4,575,215	\$ 3,854,108
Reclamation bonds		
United States of America	\$ 156,332	\$ 168,894
Canada	<u>21,000</u>	<u>-</u>
Total	\$ 177,332	\$ 168,894

14. SUBSEQUENT EVENTS

- a) Effective June 1, 2021, the Company's common shares commenced trading on the Frankfurt Stock Exchange ("FSE") under the symbol 8NV.
- b) Received US\$63,860 from HOC US pursuant to the terms of the Agreement on SW Pipe.
- c) The Company issued 75,000 common shares pursuant to the exercise of 75,000 warrants at \$0.20 per share and 25,000 common shares pursuant to the exercise of 25,000 warrants at \$0.40 per share. The gross proceeds of \$25,000 from these warrant exercises were received during the nine month period ended May 31, 2021.
- d) The Company issued 2,450,000 common shares pursuant to the exercise of 2,450,000 warrants at \$0.20 per share for gross proceeds of \$490,000.
- e) The Company issued 308,000 common shares pursuant to the exercise of 308,000 finder's warrants at \$0.20 per share for gross proceeds of \$61,600.
- f) The Company entered into lease agreements for the Discovery Bay Gold Project in Lander County, Nevada, the Pickhandle Gold Project in Lander County, Nevada, the Spanish Canyon Gold Project in Nye County, Nevada, the Fisher Canyon Property in Pershing County, Nevada and the Gold Bell Property in Mineral County, Nevada. All five lease agreements provide the Company with the right to lease an undivided 100% right, title and interest in the projects. The Company paid a total of US\$67,666, comprising of US\$55,000 on initial lease signing and US\$12,666 for claim filing and registration.

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14. SUBSEQUENT EVENTS (cont'd...)

- g) Granted 350,000 stock options exercisable at \$0.35 for 5 years to a director, technical advisor and consultant.
- h) Pursuant of management changes, the Company has revised the expiry dates of the following stock options: 100,000 stock options expiring June 26, 2022, 500,000 stock options expiring September 14, 2023, 150,000 stock options expiring July 17, 2024, 450,000 stock options expiring June 11, 2025, 325,000 stock options expiring October 8, 2025 and 225,000 stock options expiring May 25, 2026. The new expiry date of these stock options collectively will be March 31, 2022.