



# **SIXTY NORTH GOLD MINING LTD.**

Condensed Interim Financial Statements  
(Unaudited)

For the three and six months ended April 30, 2021 and 2020

(Expressed in Canadian dollars)

# **SIXTY NORTH GOLD MINING LTD.**

## **CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)**

**FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2021 and 2020**

### Table of Contents

Statements of Financial Position .....	2
Statements of Comprehensive Loss.....	3
Statements of Changes in Equity .....	4
Statements of Cash Flows .....	5
Notes to the Financial Statements.....	6-23

## **NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed 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 financial statements in accordance with standards established by the Canadian Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

**SIXTY NORTH GOLD MINING LTD.**

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

As at,

	<b>Unaudited</b>		<b>Audited</b>
	<b>April 30, 2021</b>		<b>October 31, 2020</b>
<b>Assets</b>			
Current Assets			
Cash	\$ 182,227	\$	291,688
GST receivable	8,486		13,376
Prepaid expenses	55,642		43,505
Total Current Assets	246,355		348,569
Exploration and evaluation assets (Note 4)	3,781,770		3,445,379
Reclamation deposit (Note 5)	419,540		116,213
<b>Total Assets</b>	<b>\$ 4,447,665</b>	<b>\$</b>	<b>3,910,161</b>
<b>Liabilities</b>			
Current Liabilities			
Accounts payable and accrued liabilities (Note 9)	\$ 152,309	\$	223,950
Total Current Liabilities	152,309		223,950
<b>Equity</b>			
Share capital (Note 6)	6,147,227		5,228,022
Equity reserves	1,291,936		1,283,671
Deficit	(3,143,807)		(2,825,482)
Total Equity	4,295,356		3,686,211
<b>Total Liabilities and Equity</b>	<b>\$ 4,447,665</b>	<b>\$</b>	<b>3,910,161</b>

Nature and Continuance of Operation (Note 1)

Commitments (Note 10)

Subsequent events (Note 13)

On behalf of the Board:

“John Campbell”  
Director

“Grant Block”  
Director

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

**SIXTY NORTH GOLD MINING LTD.**Condensed Interim Statements Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
<b>Expenses</b>				
Foreign exchange	\$ 98	\$ -	\$ 225	\$ -
General and administration (Note 7)	3,440	7,175	10,618	16,712
Investor relations (Note 8)	54,763	42,008	139,611	84,380
Management fees (Note 9)	45,000	45,000	90,000	90,000
Professional fees	26,945	6,375	56,608	15,088
Share-based payments	1,257	-	2,514	-
Transfer agent and regulatory fees	10,567	9,258	18,749	17,057
<b>Net loss before other income</b>	<b>(142,070)</b>	<b>(109,816)</b>	<b>(318,325)</b>	<b>(223,237)</b>
<b>Other income</b>				
Settlement of flow-through premium liability (Note 6b)	-	-	-	3,864
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (142,070)</b>	<b>\$ (109,816)</b>	<b>\$ (318,325)</b>	<b>\$ (219,373)</b>
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding, basic and diluted	106,369,313	60,533,333	100,871,982	60,533,333

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

**SIXTY NORTH GOLD MINING LTD.**

Condensed Interim Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	<b>Number of Shares</b>	<b>Share Capital</b>	<b>Equity Reserves</b>	<b>Deficit</b>	<b>Total</b>
Balance at October 31, 2019	60,533,333	\$ 3,801,016	\$ 1,073,526	\$ (2,206,586)	\$ 2,667,956
Net loss for the period	-	-	-	(219,373)	(219,373)
<b>Balance at April 30, 2020</b>	<b>60,533,333</b>	<b>\$ 3,801,016</b>	<b>\$ 1,073,526</b>	<b>\$ (2,425,959)</b>	<b>\$ 2,448,583</b>
Balance at October 31, 2020	92,000,632	\$ 5,228,022	\$ 1,283,671	\$ (2,825,482)	\$ 3,686,211
Shares issued for cash (Note 6)	12,642,832	729,461	-	-	729,461
Shares issued for settlement of liabilities (Note 9)	3,746,000	187,300	-	-	187,300
Shares issued for property acquisition (Note 4)	300,000	21,000	-	-	21,000
Shares issued cost (Note 6)	-	(18,556)	5,751	-	(12,805)
Share-based payments	-	-	2,514	-	2,514
Net loss for the period	-	-	-	(318,325)	(318,325)
<b>Balance at April 30, 2021</b>	<b>108,689,464</b>	<b>\$ 6,147,227</b>	<b>\$ 1,291,936</b>	<b>\$ (3,143,807)</b>	<b>\$ 4,295,356</b>

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

**SIXTY NORTH GOLD MINING LTD.**

Condensed Interim Statements of Cash Flows  
(Unaudited - Expressed in Canadian Dollars)  
For the six months ended April 30,

	<b>2021</b>	<b>2020</b>
<b>Cash Flows Used in Operating Activities</b>		
Net loss for the period	\$ (318,325)	\$ (219,373)
Non-Cash Items:		
Share-based payments	2,514	-
Settlement of flow-through premium liability	-	(3,864)
	(315,811)	(223,237)
Changes in Non-Cash Working Capital Items:		
GST receivable	4,890	6,319
Prepaid expenses	(12,137)	39,882
Accounts payable and accrued liabilities	115,659	123,156
Net Cash Flows Used in Operating Activities	(207,399)	(53,880)
<b>Cash Flows Used in Investing Activities</b>		
Exploration and evaluation expenditures, net	(315,391)	(71,619)
Reclamation deposit	(303,327)	-
Net Cash Flows Used in Investing Activities	(618,718)	(71,619)
<b>Cash Flows from Financing Activities</b>		
Issuance of common shares	729,461	-
Share issuance costs	(12,805)	-
Net Cash Flows Provided by Financing Activities	716,656	-
<b>Change in Cash During the Period</b>	<b>(109,461)</b>	<b>(125,499)</b>
Cash, Beginning of Year	291,688	147,981
<b>Cash, End of Period</b>	<b>\$ 182,227</b>	<b>\$ 22,482</b>
<b>Non-cash transactions in investing and financing activities:</b>		
Agent warrants for share issuance costs	\$ 5,751	\$ -
Shares issued for settlement of liabilities	\$ 187,300	\$ -
Shares issued for property acquisition	\$ 21,000	\$ -

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

# SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

## 1. Nature and Continuance of Operations

Sixty North Gold Mining Ltd. (the "Company") was incorporated on July 7, 2016 in British Columbia under the laws of the Canada Business Corporations Act. On November 9, 2017, the Company became registered as an extra-territorial corporation under part XXI of the Business Corporations Act of the Northwest Territories. The Company's registered office is located at 3200-650 West Georgia Street, Vancouver, BC V6B 4P7. The Company's shares are listed on the Canadian Securities Exchange under the symbol "SXTY". The Company also trades on the Frankfurt Stock Exchange under the symbol "2F4" and on the OTC Pink Sheet Market in the United States under the symbol "SXNTF".

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company entered into a mineral property earn-in agreement with New Discovery Mines ("NDM") in 2016. The Company has advanced funds towards the earn-in (see Note 4 - Exploration and Evaluation Properties).

Recovery of the carrying value of the Company's investment in the Mon Property is dependent upon the existence of economically recoverable reserves, obtaining the necessary funding to complete exploration and development, and the attainment of future profitable production. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

These condensed interim financial statements of the Company have been prepared on a going-concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If the going-concern assumptions were not appropriate for these financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported expenses and the classifications used on the statement of financial position.

The Company will require further funding to continue as a going concern.

As at April 30, 2021, the Company had a deficit of \$3,143,807 (October 31, 2020 - \$2,825,482) and has not generated revenue. As at April 30, 2021, the Company has cash in the amount of \$182,227 (October 31, 2020 - \$291,688). The Company has raised funds through private and public equity issuances to fund the project. There is no assurance that the Company will be able to obtain sufficient funding to continue exploration and development on the Mon Property. These condensed interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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. The pandemic has not had a drastic impact on the Company's ability to carry out its business operations. Management continues to monitor the situation.



# **SIXTY NORTH GOLD MINING LTD.**

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

## **2. Statement of Compliance and Basis of Presentation**

### (a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"); specifically, International Accounting Standard 34, for Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") for all periods presented. These financial statements do not include all the information and disclosure required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended October 31, 2020.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on June 23, 2021.

### (b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

## **3. Significant Accounting Policies**

### **Accounting Estimates and Assumptions**

The preparation of these condensed interim financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period, in which the estimate is revised, and may affect both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, which 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:

## **SIXTY NORTH GOLD MINING LTD.**

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### **3. Significant Accounting Policies (continued)**

#### **Accounting Estimates and Assumptions (continued)**

##### *Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement 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 made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

##### *Site Closure and Reclamation Provisions*

The Company assesses its reclamation provision at each reporting date or when new material information becomes available. Exploration, development, and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated. The Company's exploration work to date has resulted in no significant site disturbance and therefore the Company's reclamation provision is limited to the amount posted as a reclamation bond.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

##### *Title to Mineral Properties*

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.

## **SIXTY NORTH GOLD MINING LTD.**

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### **3. Significant Accounting Policies (continued)**

#### *Share-Based Payments*

Management uses valuation techniques in measuring the fair value of stock options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions for any stock options granted could have a material impact on the Company's financial statements.

#### *Deferred Income Taxes*

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognized in the statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

#### *Going Concern*

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 4. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of:

	Mon Property (a)	Hangstone Property (b)	Total
<b>Acquisition Costs:</b>			
Balance, October 31, 2019	\$ 117,823	\$ -	\$ 117,823
Advance royalty payment (Note 11)	26,594	-	26,594
Option payments	150,000	-	150,000
Balance, October 31, 2020	294,417	-	294,417
Advance royalty payment (Note 11)	25,904	-	25,904
Option payments	-	36,000	36,000
Balance, April 30, 2021	320,321	36,000	356,321
<b>Exploration Costs:</b>			
Balance, October 31, 2019	2,350,875	-	2,350,875
Additions	859,558	-	859,558
Balance, October 31, 2020	3,210,433	-	3,210,433
Additions	239,487	35,000	274,487
Balance, April 30, 2021	3,449,920	35,000	3,484,920
<b>Grant from the Government of the Northwest Territories</b>			
Balance, April 30, 2021 and October 31, 2020	(59,471)	-	(59,471)
<b>Exploration and Evaluation Assets, net</b>			
October 31, 2020	3,445,379	-	3,445,379
April 30, 2021	\$ 3,710,770	\$ 71,000	\$ 3,781,770

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 4. Exploration and Evaluation Assets (continued)

Exploration and evaluation costs were comprised of:

	Mon Property (a)	Hangstone Property (b)	Total
<i>For the year ended October 31, 2020</i>			
Administration	\$ 11,246	\$ -	\$ 11,246
Camp costs	14,012	-	14,012
Exploration advance	758,338	-	758,338
Geology and geophysics	27,147	-	27,147
License and permits	996	-	996
Storage and transport	47,500	-	47,500
Supplies	251	-	251
Travel and accommodation	68	-	68
<b>Total</b>	<b>859,558</b>	<b>-</b>	<b>859,558</b>
<i>For the period ended April 30, 2021</i>			
Administration	111,903	-	111,903
Assays and laboratory	-	15,000	15,000
Camp costs	1,200	-	1,200
Equipment	166,494	-	166,494
Exploration advance	(686,856)	-	(686,856)
Geology and geophysics	13,396	-	13,396
License and permits	5,116	20,000	25,116
Storage and transport	468,457	-	468,457
Supplies	132,636	-	132,636
Storage and transport	27,141	-	27,141
<b>Total</b>	<b>\$ 239,487</b>	<b>\$ 35,000</b>	<b>\$ 274,487</b>

#### (a) The Mon Property

On July 8, 2016, the Company signed a letter of intent with New Discovery Mines Ltd. ("NDM") and then entered into an option agreement ("Agreement") on September 2, 2016. The Mon Property (the "Property") includes three NDM claims and eleven Mon Property leases, comprised of an aggregate of 1,536.92 acres, and is located in the mining district of the Northwest Territories. On June 14, 2017, the Company and NDM entered into a restated mineral property earn-in agreement ("Restated Agreement") effective as of September 2, 2016, and further amended the Restated Agreement on October 21, 2019 and April 24, 2020. The Property is subject to a pre-existing royalty agreement between NDM and Giauque Holdings Ltd. (the "Royalty Holder"), which provides for a 2.0% net smelter royalty ("NSR") reserved in favour of the Royalty Holder.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 4. Exploration and Evaluation Assets (continued)

#### (a) The Mon Property (continued)

Pursuant to the amendment dated April 24, 2020, the Company paid an extension fee of \$150,000 to NDM during the year ended October 31, 2020.

In order to earn an 80% interest in the Property, the Company has committed to incurring cumulative exploration expenditures of at least \$6,000,000 on the Property as follows:

- i) On or before September 30, 2020, the Company shall deposit an additional \$1,500,000 to NDM to be spent towards exploration expenditures on the Property as agreed on the last approved budget; however, if substantial progress on a new equity financing for the Property is made by that time, the parties in good faith shall agree to extend this date to October 31, 2020 (\$1,326,284 paid);
- ii) On or before April 30, 2021, the Company shall deposit to NDM the balance of funds to make the Company's total exploration expenditures in the Property equal to \$6,000,000; however, if substantial progress on a new equity financing for the Property is made by that time, the parties in good faith shall agree to extend this date to May 31, 2021.

The following summarizes the Company's exploration expenditures that qualify towards \$6,000,000 commitment:

	<i>April 30, 2021</i>	<i>October 31, 2020</i>
Advanced towards or spent on exploration costs	\$ 3,449,920	\$ 3,210,433
Reclamation deposits (Note 11)	419,540	116,213
	<u>\$ 3,869,460</u>	<u>\$ 3,326,646</u>

In the event that the Company earns its 80% interest in the Property, it will purchase the remaining 20% carried interest held by NDM by the issuance to NDM of the number of common shares of the Company equal to 25% of the total issued and outstanding shares of the Company at that time. NDM will also receive additional common shares of the Company to maintain its twenty-five percent interest of the total issued and outstanding shares of the Company, until the total expenditures specifically for the exploration and development of the A-Zone on the Property reaches a total of \$6,000,000. NDM is a private company that is 50% owned and controlled by the President and CEO of the Company.

In addition, the Property is subject to a minimum annual advanced royalty payment to the Royalty Holder of US\$20,000, which commenced in January 2017, and is payable on or before January 30th of each year. A deduction of 20% of all advance royalty payments may be made from the first year's NSR payments, and thereafter the balance of the advanced royalty payments may be deducted from future NSR payments. As of April 30, 2021, the Company has paid US\$100,000 (\$130,980) in advance royalty payments.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 4. Exploration and Evaluation Assets (continued)

#### (b) Hangstone Property

On November 17, 2020, the Company entered into an option agreement ("Agreement") to acquire 100% interest in the Hangstone Property (the "Property"). The Property includes ten mineral claims comprised of an aggregate of 2,394 hectares, and is located in the mining district of the Northwest Territories. The vendor retains a 2% net smelter royalty ("NSR"), half of which may be purchased by the Company for \$1,000,000 any time prior to commercial production.

The Company may earn the 100% interest in the Property by:

- i) Paying \$15,000 in cash (paid), issuing 300,000 shares of the Company (issued), and incurring \$15,000 expenditures (incurred) on the Property upon signing the Agreement;
- ii) Paying \$20,000 in cash, issuing 400,000 shares of the Company, and incurring \$80,000 expenditures on the Property (\$20,000 incurred) on or before first anniversary of the Agreement date;
- iii) Paying \$30,000 in cash, issuing 500,000 shares of the Company, and incurring \$120,000 expenditures on the Property on or before second anniversary of the Agreement date;
- iv) Paying \$60,000 in cash, issuing 500,000 shares of the Company, and incurring \$200,000 expenditures on the Property on or before third anniversary of the Agreement date;
- v) Paying \$150,000 in cash, issuing 700,000 shares of the Company, and incurring \$300,000 expenditures on the Property on or before fourth anniversary of the Agreement date; and
- vi) Incurring \$300,000 expenditures on the Property on or before fifth anniversary of the Agreement date.

### 5. Reclamation Deposit

As at April 30, 2021, the Company has placed security deposits of \$419,540 (October 31, 2020 - \$116,213) with the Department of Lands on behalf of the Government of the Northwest Territories, as required under the land use permit ("LUP") on the Mon Property. The reclamation deposits qualify as exploration expenditures towards the commitment of total \$6,000,000 exploration expenditures under the Mon Property Restated Agreement. (Note 4)

### 6. Share Capital

#### (a) Authorized Shares

The Company is authorized to issue an unlimited number of common shares with no par value per share.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 6. Share Capital (continued)

(b) Issued and outstanding

As of April 30, 2021, 108,689,464 (October 31, 2020 – 92,000,632) common shares were issued and outstanding.

During the period ended April 30, 2021, the Company had the following transactions:

On March 3, 2021, the Company closed a non-brokered private placement of 2,220,000 units at \$0.055 per unit to raise gross proceeds of \$122,100. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.08 per common share for two years from the issue date. The securities have a hold period of four months and one day restricting resale.

On February 19, 2021, the Company closed a non-brokered private placement of 7,012,286 units at \$0.055 per unit to raise gross proceeds of \$385,676. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.08 per common share for two years from the issue date. Certain directors and officers of the Company participated in the private placement. The securities have a hold period of four months and one day restricting resale.

In connection with this private placement, the Company paid a cash commission of \$7,150 and issued agent's compensation warrants to purchase up to 80,000 shares, exercisable at \$0.08 per common share for two years from the issue date. The fair value of agent's warrants recorded as share issuance costs was estimated at \$2,151 using the Black-Scholes pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.23% and expected volatility of 112%.

On January 12, 2021, the Company issued a total of 3,746,000 common shares with a fair value of \$224,760 to settle \$187,300 in accrued management and investor relations consulting fees. (Note 10)

On November 24, 2021, the Company issued 300,000 common shares with a fair value of \$21,000 for acquisition of the Hangstone Property. (Note 4b)

On November 23, 2020, the Company completed the final tranche of a non-brokered private placement of 3,410,546 units at \$0.065 per unit to raise gross proceeds of \$221,685. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.10 per common share for two years from the issue date. Certain directors and officers of the Company participated in the private placement. The securities have a hold period of four months and one day restricting resale.

In connection with this private placement, the Company paid a cash commission of \$5,655 and issued agent's compensation warrants to purchase up to 86,996 shares, exercisable at \$0.10 per common share for two years from the issue date. The fair value of agent's warrants recorded as share issuance costs was estimated at \$3,600 using the Black-Scholes pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.26% and expected volatility of 133%.



## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 6. Share Capital (continued)

(b) Issued and outstanding (continued)

During the year ended October 31, 2020, the Company had the following transactions:

On October 29, 2020, the Company completed the final tranche of a non-brokered private placement of 2,397,300 units at \$0.065 per unit to raise gross proceeds of \$155,825. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.10 per common share for two years from the issue date. Certain directors and officers of the Company participated in the private placement. The securities have a hold period of four months and one day restricting resale.

On August 21, 2020, the Company issued a total of 1,749,999 common shares with a fair value of \$105,000 to settle \$105,000 in accrued management and investor relations consulting fees. (Note 10)

On August 13 and July 2, 2020, the Company completed the tranches of a non-brokered private placement of 17,320,000 units at \$0.05 per unit to raise gross proceeds of \$866,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.075 per common share for two years from the issue date, subject to accelerated exercise provisions if the closing price of the shares is greater than \$0.15 per share for a period of at least ten consecutive trading days. Certain directors and officers of the Company participated in the private placement. The securities have a hold period of four months and one day restricting resale.

In connection with this private placement, the Company paid a cash commission of \$56,940 and issued agent's compensation warrants to purchase up to 1,139,600 shares, exercisable at \$0.075 per common share for two years from the issue date. The fair value of 919,600 agent's warrants recorded as share issuance costs was estimated at \$51,115 using the Black-Scholes pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.28% and expected volatility of 142%. The fair value of 220,000 agent's warrants recorded as share issuance costs was estimated at \$5,739 using the Black-Scholes pricing model assuming an expected life of 2 years, risk-free interest rate of 0.26% and expected volatility of 120%.

On August 11, 2020, the Company completed a non-brokered private placement of 10,000,000 units at \$0.05 per unit to raise gross proceeds of \$500,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.075 per common share for three years from the issue date. The securities have a hold period of four months and one day restricting resale.

In connection with this private placement, the Company paid a cash commission of \$40,000 and issued agent's compensation warrants to purchase up to 800,000 shares, exercisable at \$0.075 per common share for three years from the issue date. The fair value of the agent's warrants was estimated at \$41,397 and recorded as share issuance costs. The fair value of the agent's warrants was estimated using the Black-Scholes pricing model assuming an expected life of 3 years, risk-free interest rate of 0.28% and expected volatility of 132%.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 6. Share Capital (continued)

#### (c) Warrants

A summary of the Company's outstanding warrants at April 30, 2021 and October 31, 2020, and the changes for the periods then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2019	14,950,000	\$0.16	1.24
Issued for private placements	29,717,300	\$0.06	2.11
Issued for brokers' warrants	1,939,600	\$0.04	1.67
Expired warrants	(4,930,000)	\$0.24	-
Balance, October 31, 2020	41,676,900	\$0.09	1.77
Issued for private placements	12,642,832	\$0.09	1.75
Issued for brokers' warrants	166,996	\$0.09	1.75
Expired warrants	(3,160,000)	\$0.15	-
<b>Balance, April 30, 2021</b>	<b>51,326,728</b>	<b>\$0.08</b>	<b>1.49</b>

As of April 30, 2021, the outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date
6,860,000	\$0.10	August 30, 2021
3,520,000	\$0.075	July 2, 2022
14,939,600	\$0.075	August 13, 2022
2,397,300	\$0.10	October 29, 2022
3,497,542	\$0.10	November 23, 2022
7,092,286	\$0.08	February 19, 2023
2,220,000	\$0.08	March 5, 2023
10,800,000	\$0.075	August 11, 2023
<b>51,326,728</b>		

#### (d) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 6. Share Capital (continued)

#### (d) Stock Options (continued)

A summary of the Company's outstanding stock options at April 30, 2021 and October 31, 2020, and the changes for the periods then ended is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2019	4,080,000	\$ 0.14	3.75
Options granted	2,500,000	\$ 0.08	4.71
Options cancelled/forfeited	(30,000)	\$ 0.17	-
Balance, October 31, 2020	6,550,000	\$ 0.12	3.36
<b>Balance, April 30, 2021</b>	<b>6,550,000</b>	<b>\$ 0.12</b>	<b>2.86</b>

During the period ended April 30, 2021, the Company recorded a share-based payment of \$2,514 (2020 - \$nil) for options vested on the statement of comprehensive loss.

#### Stock Options Granted During the Year Ended October 31, 2020:

On September 21, 2020, the Company granted 300,000 options to a consultant of the Company. These options have an exercise price of \$0.10 per share and expire on September 21, 2021. The fair value of the stock options was estimated at \$5,027, using the Black-Scholes pricing model assuming risk-free interest rate of 0.22%, expected life of 1 year and expected volatility of 136%.

On August 24, 2020, the Company granted 2,200,000 options to directors and officers of the Company. These options have an exercise price of \$0.08 per share and expire on August 24, 2025. The fair value of the stock options was estimated at \$110,637, using the Black-Scholes pricing model assuming risk-free interest rate of 0.35%, expected life of 5 years and expected volatility of 131%.

During the year ended October 31, 2020, the Company cancelled 30,000 options that were previously granted to a consultant of the Company.

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 6. Share Capital (continued)

#### (d) Stock Options (continued)

As of April 30, 2021, the outstanding and exercisable options are as follows:

Number of Outstanding Options	Number of Exercisable Options	Exercise Price	Expiry Date
150,000	150,000	\$0.15	September 1, 2021
300,000	225,000	\$0.10	September 21, 2021
1,850,000	1,850,000	\$0.15	April 17, 2023
1,025,000	1,025,000	\$0.20	June 20, 2023
125,000	125,000	\$0.20	August 31, 2023
500,000	500,000	\$0.05	June 20, 2024
400,000	400,000	\$0.075	October 18, 2024
2,200,000	2,200,000	\$0.08	August 24, 2025
<b>6,550,000</b>	<b>6,475,000</b>		

#### (e) Broker Options

A summary of the Company's outstanding broker options at April 30, 2021 and October 31, 2020, and the changes for the periods then ended is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2019 *	632,000	\$ 0.09	1.16
Balance, October 31, 2020	632,000	\$ 0.09	0.16
Options expired	(632,000)	\$ 0.09	-
<b>Balance, April 30, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>

As of April 30, 2021, there were no outstanding and exercisable broker options.

#### (f) Escrow Shares

On September 22, 2017, the Company entered into an escrow agreement, whereby 8,300,000 common shares will be held in escrow and are scheduled for release in accordance with the terms of the escrow agreement. Pursuant to the escrow agreement, the shares will be released as follows: 10% on the Listing Date (April 18, 2018), and 15% will be released on 6, 12, 18, 24, 30 and 36 months thereafter.

As at April 30, 2021, there were no escrow shares outstanding (October 31, 2020 – 1,245,000).

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

### 7. General and administration

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Insurance	\$ 1,458	\$ 3,363	\$ 3,222	\$ 7,083
Interest and bank charges	774	1,784	2,777	2,531
Office expense	1,208	297	4,619	2,162
Meals and entertainment	-	41	-	710
Rent	-	1,690	-	4,226
	\$ 3,440	\$ 7,175	\$ 10,618	\$ 16,712

### 8. Investor Relations

	Three months ended April 30,		Six months ended April 30,	
	2021	2020	2021	2020
Marketing and communication	\$ 25,938	\$ 26,880	\$ 62,631	\$ 53,227
Consulting fees	27,968	15,000	76,123	30,000
Annual general meeting	857	-	857	-
Shows and conferences	-	128	-	1,153
	\$ 54,763	\$ 42,008	\$ 139,611	\$ 84,380

### 9. Related Party Transactions and Balance

#### Related Party Transactions

The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them. During the three and six months ended April 30, 2021, the Company incurred the following key management compensation charges:

	Three months ended		Six months ended	
	April 30,		April 30,	
	2021	2020	2021	2020
	(\$)	(\$)	(\$)	(\$)
<b>Management fees</b>				
Company controlled by the VP Corporate Development (former President & CEO)	15,000	15,000	30,000	30,000
Director and CFO	15,000	15,000	30,000	30,000
Company controlled by the President & CEO	15,000	15,000	30,000	30,000
	45,000	45,000	90,000	90,000
<b>Investor relations consulting fee</b>				
Director (former President & CEO)	6,000	15,000	12,000	30,000
<b>Total</b>	<b>51,000</b>	<b>60,000</b>	<b>102,000</b>	<b>120,000</b>

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 9. Related Party Transactions and Balance (continued)

During the period ended April 30, 2021, the Company incurred the following exploration and evaluation assets expenditure with the related parties:

- a) The Company paid \$25,904 (US \$20,000) (2020 - \$26,594) in annual advance royalty payments to Giauque Holdings Ltd (“Giauque”), a company controlled by the President & CEO.
- b) The Company paid \$35,554 (2020 - \$7,646) in Mon Property exploration expenditures to DRW Geological Consultants Ltd. (“DRW”), a company controlled by the President & CEO.
- c) The Company paid \$57,880 (2020 - \$1,983) in administration fee for Mon Property exploration expenditures to New Discovery Mines Ltd. (“NDM”), a company 50% owned by the President & CEO.

#### Related Party Balance

As at April 30, 2021, accounts payable and accrued liabilities include \$68,000 (October 31, 2020 - \$151,000) payable to directors, officers, and companies controlled by directors and officers for accrued fees.

#### Other Transactions

*During the period ended April 30, 2021:*

Fees of \$50,000 to the Vice-President, Corporate Development were settled by the issuance of 1,000,000 common shares. (Note 6b)

Fees of \$50,000 to the Chief Financial Officer were settled by the issuance of 1,000,000 common shares. (Note 6b)

Fees of \$35,000 to a director and former President & CEO were settled by issuance of 700,000 common shares. (Note 6b)

Fees of \$52,300 to the President & CEO were settled by issuance of 1,046,000 common shares. (Note 6b)

*During the year ended October 31, 2020:*

Fees of \$30,000 to the Vice-President, Corporate Development were settled by the issuance of 500,000 common shares. (Note 6b)

Fees of \$30,000 to the Chief Financial Officer were settled by the issuance of 500,000 common shares. (Note 6b)

Fees of \$25,000 to a director and former President & CEO were settled by issuance of 416,666 common shares. (Note 6b)

Fees of \$20,000 to the President & CEO were settled by issuance of 333,333 common shares. (Note 6b)

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 9. Related Party Transactions and Balance (continued)

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The above related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

### 10. Commitments

- (a) Pursuant to the Restated Agreement between the Company and NDM, the Company is required to make annual payments of US\$20,000 for the advanced NSR to Giauque commencing on January 30, 2017. These advance payments can be credited towards the royalty payments after commencement of commercial production with 20% of the aggregate payments received from the advanced NSR deductible from the royalty payments, commencing in the first completed calendar year of commercial production. (Note 4)
- (b) Pursuant to the Restated Agreement, and amended agreements between the Company and NDM for the acquisition of the Mon Property, the Company has to deposit \$1,500,000 to NDM on or before September 30, 2020 (extendable to October 31, 2020) to be spent on the Mon Property (\$1,326,284 deposited as of April 30, 2021). The Company has to deposit on or before April 30, 2021 the balance of funds to make the Company's total exploration expenditures on the Property equal to \$6,000,000 (extendable to May 31, 2021). As of April 30, 2021, the Company has incurred \$3,869,460 in eligible exploration expenditure on the Mon Property. (Note 4 and 5)

### 11. Financial Instruments and Risks

#### Fair Values and Classification

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	April 30, 2021	October 31, 2020
Cash	FVTPL	\$ 182,227	\$ 291,688
Accounts payable	Amortized cost	\$ 152,309	\$ 44,949

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

## SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### 11. Financial Instruments and Risks (continued)

#### Fair Values and Classification (continued)

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable and due to contractor approximate their respective carrying values because of their immediate or short-term nature.

#### Financial instrument risk exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, currency risk and liquidity risk.

##### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing these financial instruments with reputable and major financial institutions.

##### (b) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

##### (c) Liquidity risk

Liquidity risk is associated with the inability to meet obligations as they become due and is minimized by maintaining sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period.



## **SIXTY NORTH GOLD MINING LTD.**

Notes to the Financial Statements

For the three and six months ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

---

### **12. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company manages and adjusts the capital structure based on:

- available funds in order to support the exploration and development of mineral properties and for general operating costs; and
- in light of changing economic conditions and the Company's working capital requirements.

The Company will continue to rely on capital markets to support continued growth. There are no external restrictions on capital.

### **13. Subsequent events**

The Company has advanced a total of \$1,351,284 out of the \$1,500,000 towards exploration expenditures on the Mon Property. *(Note 4 & 10)*