



SIXTY NORTH GOLD MINING LTD.

Condensed Interim Financial Statements
(Unaudited)

For the three months ended January 31, 2022 and 2021

(Expressed in Canadian dollars)

SIXTY NORTH GOLD MINING LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS (Unaudited)

FOR THE THREE MONTHS ENDED JANUARY 31, 2022 and 2021

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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,

	Unaudited January 31, 2022	Audited October 31, 2021
Assets		
Current Assets		
Cash	\$ 716,976	\$ 1,067,749
GST receivable	24,705	20,297
Prepaid expenses	75,132	102,871
Total Current Assets	816,813	1,190,917
Exploration and evaluation assets (Note 4)	5,022,663	4,728,331
Reclamation deposit (Note 5)	419,540	419,540
Total Assets	\$ 6,259,016	\$ 6,338,788
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 110,696	\$ 74,715
Total Current Liabilities	110,696	74,715
Equity		
Share capital (Note 6)	8,466,160	8,466,160
Equity reserves	1,335,954	1,335,954
Deficit	(3,653,794)	(3,538,041)
Total Equity	6,148,320	6,264,073
Total Liabilities and Equity	\$ 6,259,016	\$ 6,338,788

Nature and Continuance of Operations (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 of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended January 31,	
	2022	2021
Expenses		
General and administration (Note 7)	\$ 11,345	\$ 7,305
Investor relations (Note 8)	40,506	84,848
Management fees (Note 9)	45,000	45,000
Professional fees	12,736	29,663
Share-based payments	-	1,257
Transfer agent and regulatory fees	6,166	8,182
Net loss and comprehensive loss for the period	\$ (115,753)	\$ (176,255)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding, basic and diluted	144,784,102	95,553,911

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)

	Number of Shares	Share Capital	Share Subscriptions	Equity Reserves	Deficit	Total
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)	3,410,546	221,685	-	-	-	221,685
Shares issued for settlement of liabilities (Note 10)	3,746,000	187,300	-	-	-	187,300
Shares issued for property acquisition (Note 4)	300,000	21,000	-	-	-	21,000
Share issuance cost (Note 6)	-	(9,255)	-	3,600	-	(5,655)
Share subscriptions received	-	-	123,669	-	-	123,669
Share-based payments	-	-	-	1,257	-	1,257
Net loss for the period	-	-	-	-	(176,255)	(176,255)
Balance at January 31, 2021	99,457,178	5,648,752	123,669	1,288,528	(3,001,737)	4,059,212
Balance at October 31, 2021	144,784,102	8,466,160	-	1,335,954	(3,538,041)	6,264,073
Net loss for the period	-	-	-	-	(115,753)	(115,753)
Balance at January 31, 2022	144,784,102	\$ 8,466,160	\$ -	\$ 1,335,954	\$ (3,653,794)	\$ 6,148,320

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 three months ended January 31,

	2022	2021
Cash Flows Used in Operating Activities		
Net loss for the period	\$ (115,753)	\$ (176,255)
Non-Cash Items:		
Share-based payments	-	1,257
	(115,753)	(174,998)
Changes in Non-Cash Working Capital Items:		
GST receivable	(4,408)	(1,708)
Prepaid expenses	27,739	(28,016)
Accounts payable and accrued liabilities	35,981	64,282
Net Cash Flows Used in Operating Activities	(56,441)	(140,440)
Cash Flows Used in Investing Activities		
Exploration and evaluation expenditures, net	(294,332)	(67,246)
Reclamation deposit	-	(303,327)
Net Cash Flows Used in Investing Activities	(294,332)	(370,573)
Cash Flows from Financing Activities		
Issuance of common shares	-	221,685
Share issuance costs	-	(5,655)
Share subscriptions received	-	123,669
Net Cash Flows Provided by Financing Activities	-	339,699
Change in Cash During the Period	(350,773)	(171,314)
Cash, Beginning of Period	1,067,749	291,688
Cash, End of Period	\$ 716,976	\$ 120,374
Non-cash transactions in investing and financing activities:		
Agent warrants for share issuance costs	-	\$ 3,600
Shares issued for debt settlement	-	\$ 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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(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 Assets).

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 January 31, 2022, the Company had a deficit of \$3,653,794 (October 31, 2021 - \$3,538,041) and has not generated revenue. As at January 31, 2022, the Company has cash in the amount of \$716,976 (October 31, 2021 - \$1,067,749). 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 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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(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, 2021.

These financial statements were authorized for issue in accordance with a resolution from the Board of Directors on March 28, 2022.

(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:

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Notes to the Condensed Interim Financial Statements
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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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
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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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of:

	Mon Property (a)	Hangstone Property (b)	Total
Acquisition Costs:			
Balance, October 31, 2020	\$ 294,417	\$ -	\$ 294,417
Advance royalty payment (Note 10)	25,904	-	25,904
Option payments	-	62,000	62,000
Balance, October 31, 2021	320,321	62,000	382,321
Advance royalty payment (Note 10)	25,552	-	25,552
Option payments	-	20,000	20,000
Balance, January 31, 2022	345,873	82,000	427,873
Exploration Costs:			
Balance, October 31, 2020	3,210,433	-	3,210,433
Additions	1,169,732	25,316	1,195,048
Balance, October 31, 2021	4,380,165	25,316	4,405,481
Additions	248,780	-	248,780
Balance, January 31, 2022	4,628,945	25,316	4,654,261
Grant from the Government of the Northwest Territories			
Balance, October 31, 2021 and January 31, 2022	(59,471)	-	(59,471)
Exploration and Evaluation Assets, net			
October 31, 2021	4,641,015	87,316	4,728,331
January 31, 2022	\$ 4,915,347	\$ 107,316	\$ 5,022,663

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Notes to the Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(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, 2021</i>			
Administration	\$ 649,905	\$ -	\$ 649,905
Assays and laboratory	-	316	316
Camp costs	180,692	-	180,692
Equipment	198,077	-	198,077
Exploration advance	(570,718)	-	(570,718)
Geology and geophysics	13,396	15,000	28,396
License and permits	6,070	10,000	16,070
Storage and transport	472,575	-	472,575
Supplies	138,230	-	138,230
Travel and accommodation	81,505	-	81,505
Total	1,169,732	25,316	1,195,048
<i>For the period ended January 31, 2022</i>			
Administration	63,222	-	63,222
Camp costs	338,493	-	338,493
Exploration advance	(169,432)	-	(169,432)
Supplies	12,145	-	12,145
Travel and accommodation	4,352	-	4,352
Total	\$ 248,780	\$ -	\$ 248,780

(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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(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 (paid) 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;
- 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 the \$6,000,000 commitment:

	<i>January 31, 2022</i>	<i>October 31, 2021</i>
Advanced towards or spent on exploration costs	\$ 4,628,945	\$ 4,380,165
Reclamation deposits (Note 5)	419,540	419,540
	<u>\$ 5,048,485</u>	<u>\$ 4,799,705</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 January 31, 2022, the Company has paid US\$120,000 (\$156,532) in advance royalty payments.

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Notes to the Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
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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 nine mineral claims comprised of an aggregate of 2,102 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 (paid), issuing 400,000 shares of the Company (issued), and incurring \$80,000 expenditures on the Property 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.

As per the terms of the Agreement, the Company has the right to defer expenditures on the property for any period by one year. On October 14, 2021, the Company exercised its right to defer first year anniversary expenditures (Note 4b (ii)) of \$80,000 by one year.

5. Reclamation Deposit

As at January 31, 2022, the Company has placed security deposits of \$419,540 (October 31, 2021 - \$419,540) 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 Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(b) Issued and Outstanding

As of January 31, 2022, 144,784,102 common shares (October 31, 2021 – 144,784,102) were issued and outstanding.

During the year ended October 31, 2021, the Company had the following transactions:

On October 15, 2021, the Company issued 400,000 common shares with a fair value of \$26,000 for acquisition of the Hangstone Property. (Note 4b)

On September 15, 2021, the Company issued a total of 2,219,228 common shares with a fair value of \$144,250 to settle \$144,250 in accrued management and investor relations consulting fees. (Note 9)

On July 9 and August 12, 2021, the Company closed tranches of a non-brokered private placement of 33,475,410 units at \$0.065 per unit to raise gross proceeds of \$2,175,902. 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 \$56,341 and issued agent's compensation warrants to purchase up to 816,784 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 \$26,845 using the Black-Scholes pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.45%-0.50% and expected volatility of 102%-107%.

On March 5, 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 \$2,308 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 119%.

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Notes to the Condensed Interim Financial Statements
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6. Share Capital (continued)

(b) Issued and Outstanding (continued)

On January 13, 2021, the Company issued a total of 3,746,000 common shares with a fair value of \$243,490 to settle \$187,300 in accrued management and investor relations consulting fees. (Note 9)

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 86,995 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 \$3,666 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 136%.

(c) Warrants

A summary of the Company's outstanding warrants at January 31, 2022 and October 31, 2021, 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, 2020	41,676,900	\$0.09	1.77
Issued for private placements	46,118,242	\$0.10	1.59
Issued for brokers' warrants	983,779	\$0.10	1.67
Expired warrants	(3,660,000)	\$0.15	-
Balance, October 31, 2021	85,118,921	\$0.09	1.51
Issued for private placements	-	-	-
Issued for brokers' warrants	-	-	-
Expired warrants	-	-	-
Balance, January 31, 2022	85,118,921	\$0.09	1.26

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Notes to the Condensed Interim Financial Statements
For the three months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) Warrants (continued)

As of January 31, 2022, the outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date
3,520,000	\$0.075	July 2, 2022
14,939,600	\$0.075	August 13, 2022
2,397,300	\$0.10	October 29, 2022
3,497,541	\$0.10	November 23, 2022
7,092,286	\$0.08	February 19, 2023
2,220,000	\$0.08	March 5, 2023
22,105,150	\$0.10	July 9, 2023
10,800,000	\$0.075	August 11, 2023
12,187,044	\$0.10	August 12, 2023
6,360,000 ⁽¹⁾	\$0.10	August 30, 2024
85,118,921		

⁽¹⁾ Expiry date extended from August 30, 2021 to August 30, 2024

(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 of 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.

A summary of the Company's outstanding stock options at January 31, 2022 and October 31, 2021, 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, 2020	6,550,000	\$ 0.12	3.36
Options granted	1,550,000	\$ 0.10	4.07
Options cancelled/forfeited	(450,000)	\$ 0.12	-
Balance, October 31, 2021	7,650,000	\$ 0.12	2.85
Options granted	-	-	-
Options cancelled/forfeited	-	-	-
Balance, January 31, 2022	7,650,000	\$ 0.12	2.60

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6. Share Capital (continued)

(d) Stock Options (continued)

During the three months ended January 31, 2022, the Company recorded a share-based payment of \$nil (2021 - \$1,257) for options vested on the statement of comprehensive loss.

On August 31, 2021, the Company granted 1,250,000 options to directors and officers of the Company. These options have an exercise price of \$0.10 per share and expire on August 31, 2026. The fair value of the stock options was estimated at \$70,295, using the Black-Scholes pricing model assuming risk-free interest rate of 0.87%, expected life of 5 years and expected volatility of 123%.

On September 22, 2021, the Company granted 300,000 options to consultants of the Company. These options have an exercise price of \$0.10 per share and expire on September 22, 2022. The fair value of the stock options was estimated at \$1,589, using the Black-Scholes pricing model assuming risk-free interest rate of 0.26%, expected life of 1 year and expected volatility of 61%.

As of January 31, 2022, the outstanding and exercisable options are as follows:

Number of Outstanding Options	Number of Exercisable Options	Exercise Price	Expiry Date
300,000	300,000	\$0.10	September 22, 2022
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
1,250,000	1,250,000	\$0.10	August 31, 2026
7,650,000	7,650,000		

(e) Broker Options

A summary of the Company's outstanding broker options at January 31, 2022 and October 31, 2021, 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, 2020	632,000	\$ 0.09	0.16
Options expired	(632,000)	\$ 0.09	-
Balance, October 31, 2021 and January 31, 2022	-	-	-

As of January 31, 2022, there were no outstanding and exercisable broker options.

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7. General and Administration

	Three months ended January 31,	
	2022	2021
Foreign exchange	\$ -	\$ 127
Insurance	2,294	1,764
Interest and bank charges	610	2,003
Office expense	7,405	3,411
Meals and entertainment	1,036	-
	<u>\$ 11,345</u>	<u>\$ 7,305</u>

8. Investor Relations

	Three months ended January 31,	
	2022	2021
Marketing and communication	\$ 29,256	\$ 36,693
Consulting fees	8,750	48,155
Shows and conferences	2,500	-
	<u>\$ 40,506</u>	<u>\$ 84,848</u>

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 months ended January 31, 2022, the Company incurred the following key management compensation charges:

	Three months ended January 31,	
	2022	2021
Management fees		
Company controlled by the VP Corporate Development (former President & CEO)	\$ 15,000	\$ 15,000
Director and CFO	15,000	15,000
Company controlled by the President & CEO	15,000	15,000
	<u>45,000</u>	<u>45,000</u>
Investor relations consulting fee		
Director (former President & CEO)	-	6,000
	<u>\$ 45,000</u>	<u>\$ 51,000</u>

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9. Related Party Transactions and Balance (continued)

During the three months ended January 31, 2022, the Company incurred the following exploration and evaluation assets expenditures with related parties:

- a) The Company paid \$25,552 (US \$20,000) (2021 - \$25,904) in annual advance royalty payments to Giauque Holdings Ltd (“Giauque”), a company controlled by the President & CEO.
- b) The Company paid \$28,406 (2021 - \$12,615) in Mon Property exploration expenditures to DRW Geological Consultants Ltd. (“DRW”), a company controlled by the President & CEO.
- c) The Company paid \$19,452 (2021 - \$28,526) 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 January 31, 2022, accounts payable and accrued liabilities include \$75,000 (October 31, 2021 - \$30,000) payable to directors, officers, and companies controlled by directors and officers for accrued fees.

Other Transactions

During the year ended October 31, 2021:

Fees of \$90,000 to the Vice-President, Corporate Development were settled by the issuance of 1,615,384 common shares. (Note 6b)

Fees of \$90,000 to the Chief Financial Officer were settled by the issuance of 1,615,384 common shares. (Note 6b)

Fees of \$51,000 to a director and former President & CEO were settled by issuance of 946,153 common shares. (Note 6b)

Fees of \$92,300 to the President & CEO were settled by issuance of 1,661,384 common shares. (Note 6b)

The common shares issued to settle liabilities with the related parties were recorded at a fair value of \$323,300. The \$56,190 difference between the fair value of the common shares issued and carrying value of the amounts payable was recorded to equity reserves as a capital transaction because the settlement occurred with related parties and shareholders.

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.

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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 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 January 31, 2022, the Company has incurred \$5,048,485 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	January 31, 2022	October 31, 2021
Cash	FVTPL	\$ 716,976	\$ 1,067,749
Accounts payable	Amortized cost	\$ 22,957	\$ 16,715

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:

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.

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11. Financial Instruments and Risks (continued)

Fair Values and Classification (continued)

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.

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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 advanced \$630,000 for exploration expenditures on the Mon Property, bringing the total eligible exploration expenditures to \$5,678,485. (Note 4 & 10)

On March 1, 2022, the Company granted 50,000 options to consultants of the Company. These options have an exercise price of \$0.08 per share and expire on March 1, 2027.

On March 1, 2022, the Company granted 2,000,000 options to a consultant of the Company. These options have an exercise price of \$0.12 per share and expire on March 1, 2024. The options have a vesting period of one year.

On March 1, 2022, the Company granted 2,000,000 options to a consultant of the Company. These options have an exercise price of \$0.08 per share and expire on March 1, 2023.