



NEVGOLD CORP.

Condensed Interim Consolidated Financial Statements

Three and nine months ended September 30, 2022

(Unaudited - Expressed in Canadian Dollars unless Otherwise Stated)

NOTICE TO READERS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

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

NEVGOLD CORP

Condensed Consolidated Interim Statements of Financial Position

(Unaudited- Expressed in Canadian dollars)

	Note	September 30, 2022	December 31, 2021
		\$	\$
Assets			
Current assets:			
Cash and cash equivalents (Note to sub event)		469,306	2,757,793
Receivable		92,964	123,311
Prepaid expense		29,298	21,338
		591,568	2,902,442
Non-current assets:			
Prepaid expense		425,372	393,439
Property and equipment	5	44,573	45,716
Right of use assets	8	253,865	299,563
Exploration and evaluation assets	6	13,750,186	7,432,226
Reclamation bond	7	10,581	33,597
Total assets		15,076,145	11,106,983
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		316,934	307,062
Lease obligation, current	8	46,175	46,175
		363,109	353,237
Non-current liabilities:			
Lease obligation, non- current	8	221,239	255,325
Total liabilities		584,348	608,562
Shareholders' equity:			
Share capital	9	15,453,219	10,274,114
Reserve	9	3,645,777	3,160,060
Accumulated other comprehensive loss		18,119	(33,861)
Deficits		(4,625,318)	(2,901,892)
Total shareholders' equity		14,491,797	10,498,421
Total liabilities and shareholders' equity		15,076,145	11,106,983

Subsequent Event: \$3-5 million private placement unit financing 15

These consolidated financial statements were authorized for issue by the Board of Directors on November 25, 2022. They are signed on behalf of the Board of Directors by:

"Brandon Bonifacio"

Director, President and CEO

"Victor Bradley"

Director

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

NEVGOLD CORP

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited- Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2022	2021	2022	2021
			\$	\$
Accretion	5,469	-	17,191	-
Business development	-	70,801	566,123	181,056
Consulting fees, salaries, and directors' fees	250,091	7,116	455,167	315,217
Depreciation	15,524	-	46,841	-
Occupancy, administrative, and general expenses	104,495	44,290	156,601	59,102
Transfer agents and listing fees	44,568	64,449	97,926	64,449
Professional fees	93,661	62,782	165,476	84,208
Share-based compensation	145,483	340,200	222,915	1,776,600
Loss before the following items:	(659,291)	(589,638)	(1,728,240)	(2,480,632)
Interest income	2,314	4,765	4,814	5,660
Net loss	(656,977)	(584,873)	(1,723,426)	(2,474,972)
Other comprehensive loss	(53,790)	(172,260)	51,980	(74,708)
Comprehensive loss	(710,767)	(757,133)	(1,671,446)	(2,549,680)
Basic and diluted income (loss) per share	(0.01)	(0.01)	(0.03)	(0.15)
Weighted average number of outstanding common shares, basic and diluted	57,080,121	50,344,287	52,241,354	16,781,429

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

NEVGOLD CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

Nine months ended September 30,	2022	2021
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss	(1,723,426)	(2,474,972)
Items not involving cash:		-
Depreciation	46,841	-
Accretion expense	17,191	-
Share-based compensation	222,915	(1,776,660)
Changes in non-cash working capital:		
Prepaid expense	(39,893)	(20,831)
Receivable	30,347	(103,633)
Accounts payable and accrued liabilities	9,872	(98,998)
Net cash provided (used in) operating activities	(1,436,153)	(921,834)
Financing activities		
Payment of lease obligation	(51,277)	-
Shares / units issued for cash	2,441,907	6,885,415
Net cash provided by (used in) financing activities	2,390,630	6,885,415
Investing activities		
Acquisition of exploration and evaluation assets	-	(977,882)
Cash paid on acquisition through reverse take-over, net of cash acquired	-	(618,256)
Increase in exploration cost	(3,317,960)	(133,497)
Payment of non-current prepaid	-	(380,340)
Redemption (acquisition) of reclamation bond	23,016	(32,650)
Net cash used in investing activities	(3,294,944)	(977,882)
Effect of foreign exchange on cash	51,980	(53,800)
Increase (decrease) in cash and cash equivalents	(2,288,487)	3,820,956
Cash and cash equivalents, beginning of period	2,757,793	-
Cash and cash equivalents, end of the period	469,306	3,820,956

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

NEVGOLD CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Share capital		Reserve		Other Comprehensive loss	Deficit	Total
	No of outstanding	\$	Warrant	Option			
				\$	\$	\$	\$
December 31, 2020	1	1		-	-	(7,500)	8,406,830
Shares of Nevgold cancelled on restructuring	(1)	(1)		-	-	-	(8,414,330)
Shares issued on private placement	25,000,000	950,000		-	-	-	950,000
Issuance for acquisition of mineral properties	4,963,455	1,985,382	883,495	-	-	-	2,868,877
Shares issued on RTO financing	15,662,333	5,735,226		-	-	-	5,735,226
Shares issued to SMM Shareholders	4,008,764	1,603,506	299,776	-	-	-	1,903,282
Issuance of broker warrants	-	-	200,189	-	-	-	200,189
Share-based compensation	-	-		1,776,600	-	-	1,776,600
Translation of subsidiary	-	-		-	(74,708)	-	(74,708)
Loss of the period	-	-		-	-	(2,474,972)	(2,474,972)
September 30, 2021	49,634,552	10,274,114	1,383,460	1,776,600	(74,708)	(2,482,472)	10,876,994
December 31, 2021	49,634,552	10,274,114	1,383,460	1,776,600	(33,861)	(2,901,892)	10,498,421
Issuance for acquisition of mineral properties	4,444,444	3,000,000		-	-	-	3,000,000
Issuance of shares, warrant exercise	709,735	399,093	(7,184)	-	-	-	391,909
Issuance of shares and warrants	1,481,481	1,000,000	-	-	-	-	1,000,000
Issuance of flow-through shares and warrants	1,723,076	780,012	269,986		-	-	1,049,998
Translation of subsidiary	-	-	-	-	51,980	-	51,980
Share-based compensation	-	-	-	222,915	-	-	222,915
Loss of the period	-	-	-	-	-	(1,723,426)	(1,723,426)
September 30, 2022	57,993,288	15,453,219	1,646,262	1,999,515	18,119	(4,625,318)	14,491,797

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

NEVGOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Express in Canadian dollars)

1. Nature of Operations and Going Concern

The accompanying condensed consolidated interim financial statements have been prepared as at September 30, 2022 and reflect the business combination of Silver Mountain Mines Inc. (“SMM”) and Nevgold BC Holding Inc. (“Nevgold BC”), an entity formed by way of an amalgamation between Nevgold and Newco, a subsidiary of SMM, which was completed on June 23, 2021 (the “Transaction”) (Note 4). The Transaction is considered a reserve-take-over whereby SMM is the legal parent and Nevgold BC is considered the acquirer.

SMM was incorporated on May 12, 2008 under the laws of Alberta and extra-provincially registered on August 13, 2008 under the laws of British Columbia. SMM's principal business activity is the exploration of mineral properties in British Columbia. The head office of the Company is 250-200 Burrard Street Vancouver, BC V6C 3L6

Nevgold BC was incorporated on October 27, 2020 under the Business Corporations Act of the Province of British Columbia. Nevgold BC's principal business activity is the exploration of mineral properties in North America.

After the Transaction, SMM has changed its name to Nevgold Corp. (the “Company” or “Nevgold”), which is in the process of exploring its mineral property interests including the properties acquired in 2021 as a result of the Transaction. Nevgold has not yet determined whether the projects contain mineral resources or mineral reserves that are economically recoverable.

Going concern

These condensed consolidated interim financial statements have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company will require additional financing either through equity (see Note 15 re: subsequent equity issuances) or debt financing, sale of assets, joint venture arrangements or a combination thereof to meet its long-term business objectives. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its ongoing obligations. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. Management seeks to raise capital, when necessary (see Note 15), to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management's plan will be successful, as it is dependent on prevailing capital market conditions and the availability of other financing opportunities. These consolidated 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. Such adjustments could be material.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

2. Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards - 34 Interim Financial Reporting and should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

3. Significant Accounting Policies

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements incorporate the accounts of the Company and its wholly owned subsidiaries, Nevgold BC Holding Inc., a company incorporated under the laws of British Columbia, Canada, Nevgold USA Inc., a company incorporated in Nevada, U.S., and Nutmeg Gold, LLC, a corporation incorporated in Nevada, U.S. A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

Adoption of new accounting policies

The Company has adopted no new accounting policies since its recent year ended December 31, 2021.

Significant estimates and judgments

Apart from making estimates and assumptions as described below, the Company's management makes critical judgments in the process of applying its accounting policies that have a significant effect on the amounts recognized in the Company's consolidated financial statements. The significant judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

- The indicators of impairment of property and equipment and exploration and evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's property and equipment and exploration and evaluation assets.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses; the Company's ability to obtain financing for exploration and development activities and its future plans on the resource properties; current and future metal prices; and market sentiment are all factors considered by the Company.

In respect of the carrying value of property and equipment recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

- The determination of the Company and its subsidiaries' functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

3. Significant Accounting Policies (Continued)

Significant estimates and judgements (continued)

- The recognition of deferred income tax assets

The Company has not recognized a deferred tax asset as management believes that it is not probable that taxable profit will be available against which a deductible temporary difference can be utilized.

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- Right of use assets and lease obligations

The Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

- Asset acquisitions versus business combinations

Management has to apply judgment with respect to whether an acquisition is an asset acquisition or business combination. The assessments require management to assess the inputs, processes, and outputs of the companies acquired at the time of acquisition. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. Significant areas requiring the use of management estimates include:

- The inputs used in the Black-Scholes model to calculate the fair value of options and warrants.
- Estimates are made in determining the fair value of assets and liabilities acquired as part of an acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.
- The incremental borrowing rate used to measure the lease obligations, specific to the asset, underlying currency, and geographic location involve estimates. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

4. Business Combination

As described in Note 1, the Company acquired SMM during the year ended December 31, 2021. For accounting purposes, the acquisition completed between the Company and SMM on June 23, 2021 is considered a reserve-take-over (“RTO”). As the shareholders of Nevgold BC acquired control of the Company, Nevgold BC is considered the accounting acquirer for the RTO. At the date of acquisition, SMM did not meet the definition of a business and, accordingly, the transaction has been accounted for as an acquisition of assets. The acquisition is accounted for in accordance with IFRS 2 *Share Based Payments* and IFRS 3 *Business Combination* (“IFRS 3”). SMM did not qualify as a business as defined in IFRS 3 as there were no substantive processes in place. The net assets and liabilities of SMM have been measured at their fair value on the acquisition date of June 23, 2021.

Proceeds:	\$
Fair value of 4,008,764 common shares issued to SMM's shareholders	1,603,506
Fair value of 792,000 warrants issued to SMM's shareholders	299,776
Direct expenses incurred for the acquisition	730,689
	<u>2,633,971</u>
Allocated of purchase proceeds:	
Exploration and evaluation assets: Ptarmigan, BC	2,515,218
Cash	112,433
Reclamation bond	29,481
GST receivable	34,599
Building	47,240
Accounts payable and accrued liabilities	(105,000)
	<u>2,633,971</u>

The fair value of the warrants was determined to be \$299,776 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.42%; an expected volatility of 240%; an expected life of 2.5 years; a forfeiture rate of zero; and an expected dividend of zero.

5. Property and Equipment

As at September 30, 2022 and December 31, 2021, the Company's property and equipment consisted solely of a building acquired with the RTO (Note 4). The Company incurred \$762 amortization during six months ended September 30, 2022. Details are as follows:

	Cost	Accumulated amortization	Net carrying value
	\$	\$	\$
September 30, 2022	47,240	2,667	44,573
December 31, 2021	47,240	1,524	45,716

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

6. Exploration and Evaluation Assets

The Continuity of the Company's exploration and evaluation assets are as follows:

	Ptarmigan BC, Canada	Cedar Wash Nevada, USA	Limo Nevada, USA	Nutmeg Idaho, USA	Total
	\$	\$	\$	\$	\$
December 30, 2020	-	-	-	-	-
Acquisition	2,515,218	1,413,459	2,433,300	-	6,361,977
Drilling	-	-	411,263	-	411,263
Exploration	29,307	-	306,951	-	336,258
Geo analysis	9,004	2,364	59,035	-	70,403
Technical Staff	90,928	97,835	63,562	-	252,325
December 30, 2021	2,644,457	1,513,658	3,274,111	-	7,432,226
Effect of change of foreign exchange	-	17,912	38,745	-	56,657
Acquisition and renewal of permits	-	17,364	206,022	3,108,031	3,331,417
Drilling	-	86,187	1,959,058	-	2,045,245
Exploration	64,660	4,544	318,325	4,308	391,837
Geo analysis	14,773	14,786	43,039	3,290	75,888
Technical Staff	155,305	38,772	197,210	25,629	416,916
September 30, 2022	2,879,195	1,693,223	6,036,510	3,141,258	13,750,186
Reclamation bond:					
September 30, 2022	5,611	1,586	2,945	-	10,142
December 30, 2021	29,000	1,609	2,988	-	33,597

Cedar Wash and the Limousine Butte Properties

The Company entered into an asset purchase and sale agreement (“Asset Purchase Agreement”) dated December 14, 2020 with McEwen Mining Inc. and certain of McEwen Mining’s affiliates (collectively, “McEwen”) pursuant to which the Company agreed to acquire the Limousine Butte and Cedar Wash properties in Nevada. The Asset Purchase Agreement was closed on June 23, 2021 (“Closing Date”) with the following terms:

- Payment of \$600,000 on the Closing Date (paid)
- Payment of \$50,000 on June 23, 2022 (paid) and \$50,000 on June 23, 2023.
- Issuance 4,963,455 common shares at a fair value of \$0.40 per share and 2,481,727 share purchase warrants of the Company (issued). The share purchase warrants have an exercise price of \$0.60 per common share and term of 2 years.
- Granting McEwen a 0.5% Net Smelter Return (“NSR”) Royalty on the Limousine Butte property
- Granting McEwen a 2.5% NSR Royalty on the Cedar Wash property, with specified options to reduce the percentage of the Cedar Wash NSR Royalty (Note 15)

The fair value of the warrants was determined to be \$883,495 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.42%; an expected volatility of 240%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

During the year ended December 31, 2021, the Company made cash payments of \$377,882 for claim staking fees on the Cedar Wash and Limousine Butte properties which are included in acquisition costs.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

6. Exploration and Evaluation Assets (Cont'd)

Nutmeg Gold Property Idaho: Purchase Option Agreement

On July 4, 2022 Nevgold closed an option and financing agreement (the "Option Agreement") with GoldMining Inc (GMI) relating to the acquisition of the Nutmeg Mountain Gold Project in Idaho (the "Option"). Under the Option Agreement, NevGold, GMI, and their respective U.S. subsidiaries agreed to:

- In consideration for the grant of the Option, NevGold issued 4,444,444 common shares to GMI at a price of \$0.675 per share, representing \$3 million of value based on the 30-day volume-weighted average price of NevGold shares for the period ended on the issuance date;
- Concurrent with the above issuance, GMI made the initial Investment of \$1 million, subscribing for 1,481,481 NevGold shares at a price of \$0.675 per share;
- GMI committed to a further lead order in an amount up to \$1.25 million in a future financing by NevGold to be completed by November 30, 2022;
- In order to exercise the Option, NevGold will pay the following amounts, or at its discretion, issue shares to GMI with an equivalent value, on the following schedule:
 - January 1, 2023: \$1.5 million
 - July 1, 2023: \$1.5 million
 - January 1, 2024: \$3.0 million
 - In addition, NevGold will also be required to make qualifying expenditures on the Project totalling \$2.25 million, with \$1.5 million to be spent on or before June 1, 2023 and a further \$0.75 million to be spent on or before December 31, 2023
- On completion of the total \$9.0 million in equity issuances and/or payments to GMI and total \$2.25 million in qualifying expenditures by January 1, 2024, NevGold would own 100% of the Nutmeg Mountain Gold Project
- NevGold commits to a schedule of future success-based contingent payments totalling \$7.5 million to GMI, payable in cash or shares at the election of NevGold:
 - \$0.5 million on completion of a Preliminary Economic Assessment (PEA) on the Project
 - \$2.5 million on completion of a Preliminary Feasibility Study (PFS) on the Project
 - \$4.5 million on completion of a Feasibility Study (FS) on the Project

7. Reclamation Bond

	September 30, 2022	December 31, 2021
Ptarmigan Property – Surety bonds	\$ 5,611	\$29,000
Cedar Wash and Limousine Butte Properties – Surety bonds	4,970	4,597
Total	\$ 10,581	\$33,597

8. Right of Use Assets and Lease Obligations

The Company recognizes an asset (right-to-use the leased item) and a financial liability to account for its rentals with terms of more than 12-months, unless the underlying asset is of low value. The lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate, which was 8.00%. As at December 31, 2021, the Company's recognized right-of-use assets and liabilities were mainly comprised of the present values of all future lease payments of a lease of an office located in Reno, U.S.A. This lease started in November 15, 2021 and will end on November 30, 2026. The Company was charged a monthly rent of \$5,633 (US\$4,464) during nine months ended September 30, 2022.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

8. Right of Use Assets and Lease Obligations (Continued)

The continuity of the assets arising from this office lease is as follows:

	Nine months ended September 30, 2022	Year ended December 31, 2021
Balances, beginning of period	\$ 299,563	\$ -
Addition	-	307,179
Amortization	(45,698)	(7,616)
Balances, ending of period	\$253,865	\$299,563

The continuity of the liabilities arising from this office lease is as follow:

	Current	Non-Current
	\$	\$
Balances, December 31, 2021	46,175	255,325
Accretion	-	17,191
Lease payments	-	(51,277)
Balances, September 30, 2022	46,175	221,239

	Current	Non-Current
	\$	\$
Balances, December 31, 2020	-	-
Addition	46,175	261,004
Accretion	-	3,024
Lease payments	-	(8,703)
Balances, December 31, 2021	46,175	255,325

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

9. Share Capital and Reserves

(a) Authorized Share Capital

The Company has authorized an unlimited number of common shares without nominal or par value.

(b) Issued Share Capital

	Number	Share Capital
Balance, December 31, 2020	1	\$ 1
Shares of Nevgold cancelled on restructuring	(1)	(1)
Private placements at prices ranged from \$0.01 to \$0.20 per share	25,000,000	950,000
RTO transaction financing at \$0.40 per share, net of share issuance cost of \$529,707	15,662,333	5,735,226
Issuance of shares to shareholders of SMM (Note 4)	4,008,764	1,603,506
Issuance of shares to McEwen (Note 6)	4,963,455	1,985,382
Balance, December 31, 2021	49,634,552	\$10,274,114
Issued on Exercise of \$0.60 Warrants (i)	540,000	324,000
Issued on Exercise of \$0.40 Warrants (i)	19,735	15,078
Issued on Exercise of \$0.40 Stock Options (i)	150,000	60,000
Issued to GMI at \$0.675 for cash (ii)	1,481,481	1,000,000
Issued to GMI at \$0.675 for the acquisition of mineral properties (ii)	4,444,444	3,000,000
Issuance of flow-through units at \$0.65 (iii)	1,723,076	780,012
Balance, September 30, 2022	57,993,288	\$15,453,219

2022

(i) During the second quarter of 2022, the Company issued 709,735 common shares to account for warrants and options exercised with exercise price ranged from \$0.40 to \$0.60 per share.

(ii) The Company issued 4,444,444 common shares to GMI with the fair value of \$3,000,000 for the acquisition of Nutmeg Mountain Gold Project (Note 6).

Concurrently, the Company issued 1,481,481 common shares to GMI for gross proceeds of \$1,000,000.

(iii) On August 4, 2022, the Company issued 1,723,076 flow-through units at \$0.65 per unit for gross proceeds of \$1,120,000. Each unit consists of one flow-through common share and one half of one transferable non-flow-through common share purchase warrant. Each warrant is exercisable to one common share at \$0.85 per share. The Company applied the residual method to account for the issuance of warrant and allocated \$241,231 from the share capital to the Company's warrant reserve.

For the issuance of these flow-through units, the Company paid cash finder's fees of \$70,002 and issued 107,695 broker warrants exercisable at \$0.65 per share for 24 months after issuance for the issuance of these flow-through units.

The net proceeds from the issuance are directed to eligible "Canadian Exploration Expenses" at the Ptarmigan property.

As at September 30, 2022, 5,707,270 common shares and 333,600 share purchase warrants are in escrow and are scheduled for release in three instalments on December 31, 2022, June 25, 2023 and December 31, 2023.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

9. Share Capital and Reserves (Continued)

2021

Private Placement

On June 23, 2021, the Company issued 25,000,000 common shares for proceeds of \$950,000 as outlined below.

Date of share issuance	Date funds received	Number	Price per share
June 23, 2021	January 29, 2021	15,000,000	\$ 0.01
June 23, 2021	February 16, 2021	7,000,000	\$ 0.05
June 23, 2021	March 12, 2021	1,500,000	\$ 0.10
June 23, 2021	March 19, 2021	1,500,000	\$ 0.20
Total shares		25,000,000	

RTO Financing

On June 23, 2021, the Company completed a brokered financing through the issuance of 15,662,333 subscription receipts (“Subscription Receipt”) at a price of \$0.40 per Subscription Receipt, for gross proceeds of \$6,264,933. Each Subscription Receipt were exchanged for one common share of the Company and one-half of one common share purchase warrant of the Company (a “Warrant”). Each Warrant is exercisable for a period of two years to a common share of the Company at \$0.60 per share. The Company applied the residual method and allocated \$Nil of the \$0.40 to account for the fair value of the Warrants issued.

The Company paid cash commission and finder’s fees of \$329,518 and issued in aggregate 549,969 broker warrants. Each broker warrant is exercisable into one common share of the Company at an exercise price of \$0.40 until June 23, 2023. The fair value of the warrants was determined to be \$200,189 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 0.42%; an expected volatility of 240%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

Warrants

Warrants issued and outstanding are as follows:

	Number	Warrant Reserve	Exercise Price	Expiry Date
Balance, December 31, 2020	-	\$ -	-	-
RTO transaction financing	7,831,166	-	\$0.60	6/23/2023
Broker Warrants	549,969	200,189	\$0.40	6/23/2023
Replacement warrants issued (Note 4)	792,000	299,776	\$0.35	10/15/2023
For purchase of mineral properties (Note 6)	2,481,727	883,495	\$0.60	6/23/2023
Balance, December 31, 2021	11,654,862	\$1,383,460		
Warrant Exercise	(540,000)	-	\$0.60	
Warrant Exercise	(19,735)	(7,184)	\$0.40	
Issu-d - Flowthrough units	861,538	241,231	\$0.85	8/4/2024
Issued Broker warrants	107,695	28,755	\$0.65	8/4/2024
Balance, September 30, 2022	12,064,360	\$1,646,262		

As at September 30, 2022, the weighted average exercise price of the outstanding warrants is \$0.59 per share (December 31, 2021: \$0.57) with a remaining life of 0.84 years (December 31, 2021: 1.51 years).

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

9. Share Capital and Reserves (Cont'd)

d) Share Purchase Options

The Company has a share purchase option plan under which employees, directors and key consultants and/or advisors are eligible to be granted options. Under the share purchase option plan, which was approved by the shareholders, the maximum number of outstanding share purchase options under the plan is 10% of the number of the common shares outstanding. The number of share purchase options and the exercise price is set by the Company's Board of Directors based on the market value at the time of granting.

Nine months ended September 30, 2022

On February 8, 2022, the Company granted 260,000 stock options to a newly engaged public relation firm. These options have a three-year term, with an exercise price of \$0.51 per share, vesting in four equal quarterly tranches over a twelve-month period.

On June 23, 2021, the Company granted 3,800,000 share purchase options with an exercise price of \$0.40 per share to its directors and officers. These options vested immediately and have a term of 5 years.

On July 14, 2021, the Company issued 900,000 share purchase options with an exercise price of \$0.40 per share to directors, officers, and consultants. These options vested immediately. Of the 900,000 options, 300,000 have a term of 2 years and 600,000 options have a term of 5 years.

On August 4, 2022, Nevgold granted 400,000 stock options with an exercise price of \$0.56 to employees. These options vested immediately.

On August 4, 2022, Nevgold granted the following stock options to directors, employees and consultants:

- 400,000 stock options, which vested immediately, with an exercise price of \$0.56;
- 216,000 stock options, which vested monthly over a 12-month period, with an exercise price of \$0.56;
- 140,000 stock options, which vested quarterly over a four-quarter period, with an exercise price of \$0.56 per share.

Options issued and outstanding are as follows:

	Number.	Exercise Price	Expiry date
Balance, December 31, 2020	-	-	-
Stock options, issued June 22, 2021	3,800,000	\$0.40	22-Jun-26
Stock options, issued July 14, 2021	300,000	\$0.40	14-Jul-23
Stock options, issued July 14, 2021	600,000	\$0.40	14-Jul-26
Balance, December 31, 2021	4,700,000	\$0.40	N/A
Stock options, issued February 8, 2022	260,000	\$0.51	08-Feb-25
Stock options, exercised	(150,000)	\$0.40	14-Jul-26
Stock options, cancelled	(300,000)	\$0.40	22-Jun-26
Stock options, issued August 4, 2022	616,000	\$0.56	04-Aug -24
Stock options, issued August 4, 2022	140,000	\$0.56	04-Aug -25
Balance September 30, 2022	5,266,000	\$0.43	N/A

As at September 30, 2022, the weighted average exercise price of the outstanding stock options is \$0.43 per share with a remaining life of 3.26 years.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

9. Share Capital and Reserves (Cont'd)

The fair value of the options were determined by using Black-Scholes Option Pricing Model with the following assumptions:

	2022	2021
Expected volatility	110-170 %	174%
Expected life	2 to 3 years	4.81 years
Risk-free interest rate	0.93-3.1%	0.93%
Expected forfeiture rate	0%	0%
Expected dividend	-	-

10. Related party transactions

During the nine months ended September 30, 2022 and 2021, the Company incurred the following transactions with key management members and the directors of the Company:

Nine months ended September 30,	Nature	2022	2021
		\$	\$
Key management and directors	Share-based compensation	-	1,493,100
Key management	Director's fees	-	300,000
Key management	Consulting fees	257,348	520,008

As at September 30, 2022 the Company had a payable of \$Nil due to the Company's officers and directors (December 31, 2021 - \$Nil). One of the Company's independent directors is a partner in a law firm that from time-to-time provides services to the Company.

11. Financial Instruments

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate, liquidity and commodity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's cash, receivable, accounts payable and accrued liabilities are equivalent to their carrying values due to their short-term nature. The Company's lease obligations are measured using level 3 inputs.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in major financial institutions. As at September 30, 2022 and December 31, 2021, the Company did not have cash equivalent.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

11. Financial Instruments (Cont'd)

Liquidity risk and fair value hierarchy

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and amounts from related parties.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Commodity risk

The Company is subject to commodity price risk arising from the fluctuation of metal price beyond the Company's control. The Company may have difficulties to identify and acquire economically viable projects for the Company to invest in if metal prices are depressed for an extended period.

Interest rate risk

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of September 30, 2022 and December 31, 2021, the Company did not have debt instruments exposed to variable interest rate. Interest rate risk is not significant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

As at September 30, 2022 and December 31, 2021, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	September 30, 2021	December 31, 2021
Cash	US\$ 42,530	US\$61,000
Accounts payable	(126,300)	(295,800)
Net liability denominated in foreign currency	(US\$ 83,770)	US\$(234,800)
Canadian dollar equivalent	(\$ 114,765)	\$(297,000)

A 10% change in the US dollar against the Canadian dollar at September 30, 2022 would have an impact of \$11,500 to the Company's comprehensive loss.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

12. Segments

The Company operates primarily in one business segment, which is the exploration and development of resource properties located in two areas, Canada and the United States. As of September 30, 2022, a breakdown of the Company's non-current assets and liabilities by area is as follows:

	USA	Canada	Total
	\$	\$	\$
Prepaid expense, non-current	425,372	-	425,372
Property and equipment	-	44,573	44,573
Right of use assets	253,865	-	253,865
Exploration and evaluation assets	10,870,991	2,879,195	13,750,186
Reclamation bond	4,970	5,611	10,581
Lease obligations, non-current	(221,239)	-	(221,239)

13. Commitments

Lease

The Company has entered into an arrangement for office space. As at September 30, 2022 and December 31, 2021, minimum lease payments in relation to the commitment are payable as follows:

	September 30, 2022	December 31, 2021
Not later than 1 year	US\$ 56,028	US\$ 54,138
Later than 1 year and not later than 5 years	193,872	236,208
Total lease commitments	US\$ 249,900	US\$ 290,346

Net Smelter Royalty

The Company has various royalties on its Limousine Butte Project in Nevada. There is a 2.5% Net Smelter Royalty Agreement ("NSR") with Franco-Nevada Corporation. On select claims at the project, the Company has a 1% NSR owed to Amselco Minerals Inc., and a 2.5% NSR owed to Teck Resources Limited. As part of the recent acquisition of Limousine Butte from McEwen, the Company granted a 0.5% NSR to McEwen on a majority of the claims (Note 6).

As part of the consideration for the recent acquisition of the Cedar Wash Project in Nevada from McEwen (Note 6), the Company granted a 2.5% NSR to McEwen. The royalty has buydown options of 0.5% for US\$500,000, 0.5% for US\$500,000, and a final 0.5% for US\$750,000. If all buydown options are exercised, the NSR owed to McEwen on Cedar Wash is 1%.

The Company has an NSR Agreement on its Ptarmigan Project in British Columbia. The NSR requires the Company to pay a 3% royalty on the gross value of all products shipped from the lease to a third party smelter less allowable expenses. If the minerals are shipped to a party other than a smelter, the royalty is decreased to 2% of the value of the recoverable metals and minerals determined by third party testing. The royalty has a 1% buydown option for \$1,000,000.

14. Contingent Liability

In April, 2022, Nevgold's US subsidiary, Nevgold USA Inc., was notified of a mechanic's lien filed on certain claims at the Company's Limousine Butte property in Nevada by InterGeo Drilling, LLC ("InterGeo"). The claim seeks recovery of US\$386,906. Nevgold terminated the contract in December 2021 for non-performance pursuant to the terms of the drilling contract. Subsequent to the mechanic's lien, a formal claim was filed in the White Pine County Court, Nevada by InterGeo. The Company will vigorously defend its position and intends to file a counterclaim for damages. To date the Company has paid for all services rendered by InterGeo at the Limousine Butte property pursuant to the terms of the drilling contract.

NEVGOLD CORP.

Notes to the Condensed Consolidated Financial Statements
Three and Nine Months ended September 30, 2022 and 2021
(Unaudited – Expressed in Canadian dollars)

15. Subsequent Event

On November 22, 2022, the Company announced a best-efforts brokered unit financing of \$3 million and up to \$5 million, priced at \$0.42 per Unit (the “Offering”). Each Unit (the “Unit”) consists of one common share and one-half of common share purchase warrant. Each Warrant entitles the holder to purchase one common share at \$0.60 per share for a period of 24 months following completion of the Offering.