
NORTHSTAR GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
JANUARY 31, 2020
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Northstar Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Northstar Gold Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| As at | January 31, 2020 | April 30, 2019 |
|---|-----------------------------|---------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 559,505 | \$ 90,965 |
| Funds in trust (Note 7(b)) | 1,000,000 | - |
| Prepays and other assets | 350,000 | 111,847 |
| Sales tax receivable | 46,535 | 18,095 |
| Total Current Assets | 1,956,040 | 220,907 |
| Non-Current Assets | | |
| Property and equipment (note 4) | 5,949 | 7,485 |
| Exploration and evaluation assets (note 5) | 4,421,653 | 4,421,653 |
| Total Assets | \$ 6,383,642 | \$ 4,650,045 |
| EQUITY AND LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities (note 6) | \$ 168,366 | \$ 156,023 |
| Flow-through share premium liability | 36,452 | 36,452 |
| Shareholder advances (note 6) | 80,000 | - |
| Total Liabilities | 284,818 | 192,475 |
| Equity | | |
| Share capital (note 7(b)) | 13,812,795 | 11,615,971 |
| Warrant reserves (note 7(c)) | 369,170 | 186,312 |
| Contributed surplus | 553,614 | 367,399 |
| Units to be issued | 60,928 | 60,928 |
| Deficit | (8,697,683) | (7,773,040) |
| Total Equity | 6,098,824 | 4,457,570 |
| Total Equity and Liabilities | \$ 6,383,642 | \$ 4,650,045 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of Operations (note 1)

Going Concern (note 2)

Subsequent Events (note 11)

Northstar Gold Corp.**Condensed Interim Statements of Income (loss) and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

| | Three Months Ended January 31, | | Nine Months Ended January 31, | |
|---|-----------------------------------|---------------------|----------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Expenses | | | | |
| Professional fees | \$ 26,040 | \$ 53,741 | \$ 73,537 | \$ 124,086 |
| Salaries and related benefits | 23,256 | 23,240 | 81,832 | 74,173 |
| General and administration | 205,938 | 33,474 | 356,179 | 71,046 |
| Travel | 11,132 | 5,607 | 56,000 | 14,323 |
| Exploration expenses (note 5) | 55,230 | 52,213 | 88,941 | 54,401 |
| Depreciation | 512 | 356 | 1,536 | 1,068 |
| Stock-based compensation | 186,215 | - | 186,215 | - |
| Consulting | 30,300 | - | 80,300 | - |
| Income (loss) Before Other (Expense) Income | (538,623) | (168,631) | (924,540) | (339,097) |
| Loss on foreign exchange | (17) | - | (103) | - |
| Net Loss and Comprehensive Loss for the Period | \$ (538,640) | \$ (168,631) | \$ (924,643) | \$ (339,097) |
| Basic and Diluted Loss per Share (notes 1 and 8) | \$ (0.02) | \$ (0.01) | \$ (0.04) | \$ (0.01) |
| Weighted Average Number of Common Shares Outstanding | 28,378,711 | 22,932,391 | 26,135,592 | 22,838,053 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

| For the Nine Months Ended January 31, | 2020 | 2019 |
|--|--------------------|------------------|
| Operating Activities | | |
| Net loss for the period | \$ (924,643) | \$ (339,097) |
| Adjustments for: | | |
| Depreciation | 1,536 | 1,068 |
| Stock-based compensation | 186,215 | - |
| Changes in non-cash working capital items: | | |
| Prepaid expenses and other assets | (238,153) | (5,900) |
| Sales tax receivable | (28,440) | (9,001) |
| Amounts payable and other liabilities | 12,343 | 389 |
| Net Cash Used In Operating Activities | (991,142) | (352,541) |
| Investing Activities | | |
| Funds held in trust (Note 7(b)) | (1,000,000) | - |
| Net Cash Used In Investing Activities | (1,000,000) | - |
| Financing Activities | | |
| Shares issued in private placements, net | 2,379,682 | 412,137 |
| Shareholder advances, net of repayments | 80,000 | - |
| Net Cash Provided by Financing Activities | 2,459,682 | 412,137 |
| Net Change in Cash | 468,540 | 59,596 |
| Cash, Beginning of Period | 90,965 | 9,714 |
| Cash, End of Period | \$ 559,505 | \$ 69,310 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

| | Common Shares | Amount | Contributed Surplus | Warrants Reserve | Shares and Units to be Issued | Deficit | Total |
|---|--------------------------|----------------------|--------------------------------|-----------------------------|--|-----------------------|---------------------|
| Balance, April 30, 2018 | 22,618,420 | \$ 11,187,919 | \$ - | \$ - | \$ 30,000 | \$ (6,885,364) | \$ 4,332,555 |
| Private placement, net of issuance costs | 1,717,334 | 364,157 | - | 144,855 | (30,000) | - | 479,012 |
| Net loss for the period | - | - | - | - | - | (339,097) | (339,097) |
| Balance, January 31, 2019 | 24,335,754 | \$ 11,552,076 | \$ - | \$ 144,855 | \$ - | \$ (7,224,461) | \$ 4,472,470 |
| Balance, April 30, 2019 | 25,014,032 | \$ 11,615,971 | \$ 367,399 | \$ 186,312 | \$ 60,928 | \$ (7,773,040) | \$ 4,457,570 |
| Private placements, net of issuance costs | 9,985,498 | 2,379,682 | - | - | - | - | 2,379,682 |
| Issuance of broker warrants | - | (182,858) | - | 182,858 | - | - | - |
| Stock-based compensation | - | - | 186,215 | - | - | - | 186,215 |
| Net loss for the period | - | - | - | - | - | (924,643) | (924,643) |
| Balance, January 31, 2020 | 34,999,530 | \$ 13,812,795 | \$ 553,614 | \$ 369,170 | \$ 60,928 | \$ (8,697,683) | \$ 6,098,824 |

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of Business

Northstar Gold Corp. (the "Company") was incorporated on May 20, 2008 under the laws of Ontario, Canada and is an exploration stage junior mining company. The Company's registered office is located at 17 Wellington Street, New Liskeard, Ontario, Canada.

The Company is engaged in the identification, evaluation and exploration of mineral properties in Ontario, Canada. The Company has not yet determined whether any of its properties contain mineral resources that are economically recoverable. The recoverability of any amounts recorded for mineral exploration properties is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on April 9, 2020.

On June 28, 2019, the Company filed a final prospectus and application for a public listing on the Canadian Stock Exchange. On December 31, 2019, the Company closed its Initial Public Offering, raising \$2,995,649 for the issuance of 9,965,498 common shares. The Company's shares commenced trading on the Canadian Securities Exchange on about January 2, 2020 under the symbol "NSG".

2. Going Concern

As at January 31, 2020, the Company had not yet commenced production and had accumulated losses of \$8,697,683. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, and other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing its financial statements.

The accompanying condensed interim financial statements do not include any adjustments relating to the recoverability of assets and to the reclassification of asset and liability amounts that might be necessary should the Company be unable to continue its operations.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

3. Basis of Preparation

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS have been condensed or omitted and these unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2019.

The accounting policies applied in preparation of these unaudited condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2019 with the exception of the adoption of new pronouncements, which had no impact on the results of operations or financial position of the Company.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The interim results are not necessarily indicative of results for a full year. The critical judgments and estimates applied in the preparation of the Company's condensed interim financial statements are consistent with those applied and disclosed in note 3 to the Company's financial statements for the year ended April 30, 2019.

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

Adoption of New Accounting Pronouncements

The following accounting pronouncements were adopted during the current period:

IFRS 16 Leases

A finalized version of IFRS 16 Leases replaces IAS 17 Leases. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The Company adopted this standard on May 1, 2019, with no resulting change to its condensed interim financial statements, as no leases held had terms greater than one year.

IFRS 23 Uncertainty Over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 - Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. The Company adopted this standard on May 1, 2019, with no resulting change to its condensed interim financial statements.

There are no other relevant IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Northstar Gold Corp.**Notes to Condensed Interim Financial Statements****Three and Nine Months Ended January 31, 2020****(Expressed in Canadian Dollars)****(Unaudited)**

4. Property and Equipment

| Cost | Building | Furniture and Equipment | Vehicles | Computer | Total |
|----------------------|-----------------|------------------------------------|-----------------|-----------------|--------------|
| Balance, May 1, 2018 | \$ 1,500 | \$ 6,968 | \$ 13,132 | \$ 2,833 | \$ 24,433 |
| Additions | - | - | - | 1,994 | 1,994 |

| | | | | | |
|---|----------|----------|-----------|----------|-----------|
| Balance, April 30, 2019 and January 31, 2020 | \$ 1,500 | \$ 6,968 | \$ 13,132 | \$ 4,827 | \$ 26,427 |
|---|----------|----------|-----------|----------|-----------|

| Accumulated Depreciation | Building | Furniture and Equipment | Vehicles | Computer | Total |
|---------------------------------|-----------------|------------------------------------|-----------------|-----------------|--------------|
| Balance, May 1, 2018 | \$ 309 | \$ 2,420 | \$ 11,819 | \$ 2,721 | \$ 17,269 |
| Depreciation for the year | 60 | 909 | 393 | 311 | 1,673 |

| | | | | | |
|-----------------------------|--------|----------|-----------|----------|-----------|
| Balance, April 30, 2019 | \$ 369 | \$ 3,329 | \$ 12,212 | \$ 3,032 | \$ 18,942 |
| Depreciation for the period | 42 | 546 | 207 | 741 | 1,536 |

| | | | | | |
|---------------------------|--------|----------|-----------|----------|-----------|
| Balance, January 31, 2020 | \$ 411 | \$ 3,875 | \$ 12,419 | \$ 3,773 | \$ 20,478 |
|---------------------------|--------|----------|-----------|----------|-----------|

| Carrying value | Building | Furniture and Equipment | Vehicles | Computer | Total |
|---------------------------|-----------------|------------------------------------|-----------------|-----------------|--------------|
| Balance, April 30, 2019 | \$ 1,131 | \$ 3,639 | \$ 920 | \$ 1,795 | \$ 7,485 |
| Balance, January 31, 2020 | \$ 1,089 | \$ 3,093 | \$ 713 | \$ 1,054 | \$ 5,949 |

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

5. Exploration and Evaluation Assets

| | Boston Creek- Miller | Bryce | Temagami- Milestone | Total |
|----------------------------------|-------------------------|---------------------|------------------------|---------------------|
| Balance, April 30, 2018 | \$ 169,831 | \$ 4,247,822 | \$ 4,000 | \$ 4,421,653 |
| Balance, April 30, 2019 | \$ 169,831 | \$ 4,247,822 | \$ 4,000 | \$ 4,421,653 |
| Balance, January 31, 2020 | \$ 169,831 | \$ 4,247,822 | \$ 4,000 | \$ 4,421,653 |

(a) Boston Creek - Miller Project, Ontario

The Boston Creek-Miller Project is the Company's flagship property located in the Catherine, Pacaud, Boston and McElroy Townships in the Larder Lake mining division of Northeastern Ontario. All claims are 100% owned by the Company. These claims were acquired in 2013 and 2014 by issuing 500,000 common shares at a price of \$0.30 for a total of \$150,000 and cash payments of \$19,831.

The Boston Creek-Miller Project is subject to a 0.25% net smelter royalty (the "NSR"), with an option to buy out for \$250,000 on 16 hectares of land in Pacaud township. There is a 3% NSR on 32 hectares of the Campbell portion of the property. There is a 2% NSR on 96 hectares in Catharine Township with a 1% buy back for \$1,000,000 and a right of first refusal on the remaining 1% NSR. The remaining 240 hectares in Catharine Township also carries a 2% NSR, with a 1% buy back for \$1,000,000 and a right of first refusal on the remaining 1% NSR. The 32 hectares of freehold patents hold a 3% NSR. The remaining 698 hectares of the Miller Project are unencumbered and royalty free.

All exploration expenses during the periods, net of recoveries on sale of gold extracted from samples, relate to the above property.

(b) Bryce Project, Ontario

The Bryce Project is located in Bryce and Tudhope Township in the Larder Lake mining division of Northeastern Ontario. The Company owns 100% of the unpatented claims. The Company also has 100% ownership of the mining rights to patented ground contiguous with the rest of the Bryce Property. These claims were acquired in 2008, 2009 and 2010 by issuing 7,041,667 shares at a price of \$0.60 for a total of \$4,225,000 and cash payments of \$22,822.

The Bryce Project is subject to a 3% NSR on 672 hectares in Bryce Township with a right of first refusal on a buy out of the NSR. There is also a 3% NSR on another 176 hectares in Bryce with an option to buyback \$500,000 per 0.5% for a total of \$1,500,000 and a right of first refusal on the remaining 1.5%. The 80 hectares of patented land is subject to a 3% NSR, with a right of first refusal option to buy back 2% at a rate of \$100,000 per 0.5%, for a total of \$400,000 and a right of first refusal on the remaining 1%.

(c) Temagami-Milestone, Ontario

The Temagami-Milestone Project is located in Strathcona Township in Northeastern Ontario and is currently in the early stages of exploration. All claims are 100% owned by the Company. No royalties exist on the Property. These claims were acquired in 2012 for staking costs of \$4,000.

Title to Mineral Property Interests

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers, noncompliance with regulatory requirements or aboriginal land claims, and title may be affected by undetected defects.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements

Three and Nine Months Ended January 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

6. Related Party Transactions and Key Management Compensation

The Company has contracts for management and geological services plus costs incurred in providing these services with its key management, namely officers, administrators and directors and companies controlled by management. Transactions are recorded at their fair value, which is the agreed upon amount between the parties to provide the services.

- During the three and nine months ended January 31, 2020, the Company paid \$31,048 and \$81,832, respectively (three and nine months ended January 31, 2019 - \$23,235 and \$72,375, respectively) in fees to the Company's VP, exploration. Included in accounts payable is \$87 (April 30, 2019 - \$nil) in relation to these fees and reimbursable expenses.
- During the three and nine months ended January 31, 2020, the Company paid \$30,300 and \$80,300, respectively (three and nine months ended January 31, 2019 - \$nil) to the Company's Chief Executive Officer. Included in accounts payable is \$14,376 (April 30, 2019 - \$15,299) in relation to these fees and reimbursable expenses.
- During the nine months ended January 31, 2020, the Company received working capital advances from its directors of \$130,000, of which \$50,000 had been repaid as at January 31, 2020. These advances are unsecured, non-interest bearing and have no fixed terms for repayment.
- Stock-based compensation expense pertaining to directors and officers for the three and nine months ended January 31, 2020 was \$31,050 (three and nine months ended January 31, 2019 - \$nil)

During the three and nine months ended January 31, 2020, the Company expensed \$18,786 and \$48,489, respectively (three and nine months ended January 31, 2019 - \$nil) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

- (i) Robert D.B. Suttie to act as Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping and office support services;
- (iii) Corporate filing services
- (iv) Corporate secretarial service

The Marrelli Group is also reimbursed for out of pocket expenses.

Both Marrelli Support and DSA are private companies. Robert Suttie is the President of Marrelli Support.

As of January 31, 2020 the Marrelli Group was owed \$31,833 (April 30, 2019 - \$20,965) and these amounts were included in accounts payable and accrued liabilities.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

7. Share Capital

(a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares.

(b) Common Shares Issued

The following is a summary of common shares issued during periods ended January 31, 2020 and 2019:

| | Number of Common Shares | Amount |
|---|-------------------------------|----------------------|
| Balance, April 30, 2018 | 22,618,420 | \$ 11,187,919 |
| Private placement, net of share issuance costs | 1,717,334 | 509,012 |
| Proceeds allocated to warrants | - | (144,855) |
| Balance, January 31, 2019 | 24,335,754 | \$ 11,552,076 |
| Balance, April 30, 2019 | 25,014,032 | \$ 11,615,971 |
| Private placements, net of share issuance costs | 9,985,498 | 2,379,682 |
| issuance of broker warrants | - | (182,858) |
| Balance, January 31, 2020 | 34,999,530 | \$ 13,812,795 |

On December 31, 2019, the Company completed its Initial Public Offering, issuing 9,985,498 common shares for gross proceeds of \$2,995,649, at \$0.30 per common share. In connection with this financing, 998,549 broker warrants were issued with a term of 2 years at \$0.30, commencing on the date of listing (January 2, 2020). The fair value of these broker warrants was estimated at \$182,858 using the Black-Scholes option pricing model at \$0.06 per warrant, based on the following assumptions: underlying share price of \$0.30 per share, expected annualized volatility of 120% based on comparable companies; risk free interest rate of 1.66%; expected dividend yield of 0%; and expected life of 2 years. Cash issuance costs for this Initial Public Offering totaled \$615,968.

\$1,000,000 of the net proceeds raised in the Initial Public Offering is being held in trust, with these funds restricted to expenditure on the Company's drilling programs. As at January 31, 2020, the Company's drilling program had not commenced.

(c) Warrants

The following table reflects the continuity of warrants for the nine months ended January 31, 2020 and 2019:

| | Number of Warrants | Amount |
|---|-----------------------|-----------------------|
| Balance, April 30, 2018, Issued on private placement | - 1,728,027 | \$ - 144,855 |
| Balance, January 31, 2019 | 1,728,027 | \$ 144,855 |
| Balance, April 30, 2019 Issued on private placement | 2,191,400 998,549 | \$ 186,312 182,858 |
| Balance, January 31, 2020 | 3,189,949 | \$ 369,170 |

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

7. Share Capital (Continued)

(c) Warrants (Continued)

The following table reflects the warrants outstanding and exercisable as of January 31, 2020:

| Expiry Date | Exercise Price (\$) | Weighted Average Remaining Contractual Life (Years) | Number of Warrants Outstanding |
|------------------|---------------------|---|--------------------------------|
| July 4, 2020 | 0.54 | 0.43 | 266,667 |
| January 28, 2021 | 0.54 | 1.00 | 1,450,667 |
| January 28, 2021 | 0.30 | 1.00 | 10,693 |
| March 18, 2021 | 0.54 | 1.13 | 432,164 |
| March 18, 2021 | 0.30 | 1.13 | 12,320 |
| March 18, 2021 | 0.36 | 1.13 | 18,889 |
| January 2, 2022 | 0.30 | 1.92 | 998,549 |
| | 0.46 | 1.26 | 3,189,949 |

(d) Stock Options

The following table reflects the continuity of stock options for the nine months ended January 31, 2020 and 2019:

| | Number of Stock Options | Weighted Average Exercise Price (\$) |
|---|-------------------------|--------------------------------------|
| Balance, April 30, 2018, and January 31, 2019 | - | - |
| Balance, April 30, 2019 | 2,200,000 | 0.30 |
| Granted | 1,160,000 | 0.30 |
| Balance, January 31, 2020 | 3,360,000 | 0.30 |

As at January 31, 2020, 2,850,000 (April 30, 2019 - 2,200,000) issued and outstanding options were exercisable.

On January 27, 2020, the Company granted 1,160,000 options to consultants, directors and officers of the Company, exercisable for a period of 5 years at \$0.30. The options were assigned a fair value of \$276,910 using the Black-Scholes valuation model with the following assumptions: 5 year expected life, volatility of 120%, risk-free interest rate of 1.32%, and a dividend yield and forfeiture rate of 0%. 650,000 options issued to consultants vested immediately upon grant, with the remaining 510,000 issued to officers and directors vesting over a period of three years at a rate of 25% upon grant, and 25% on each successive grant date anniversary.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

7. Share Capital (Continued)

(d) Stock Options (Continued)

The following table reflects the stock options issued and outstanding as of January 31, 2020:

| Expiry Date | Exercise Price (\$) | Weighted Average Remaining Contractual Life (years) | Number of Options Outstanding |
|--------------------|----------------------------|--|--------------------------------------|
| February 9, 2024 | 0.30 | 4.03 | 2,200,000 |
| January 27, 2025 | 0.30 | 4.99 | 1,160,000 |
| | 0.30 | 4.36 | 3,360,000 |

8. Loss per Share

The calculation of basic and diluted loss per share for the nine months ended January 31, 2020 and 2019 were based on the loss attributable to common shareholders of \$924,643 (nine months ended January 31, 2019 - \$339,097) and the weighted average number of common shares outstanding of 26,135,592 (nine months ended January 31, 2019 - 22,838,053). Diluted loss per share did not include the effect of warrants and stock options as they are anti-dilutive.

9. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended January 31, 2020 or 2019. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at January 31, 2020 totaled \$6,098,824 (April 30, 2019 - \$4,457,570). The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to sustain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification and development of precious metal and base metal deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Northstar Gold Corp.

Notes to Condensed Interim Financial Statements
Three and Nine Months Ended January 31, 2020
(Expressed in Canadian Dollars)
(Unaudited)

10. Financial Instruments and Risk Management

The Company has determined the fair value of its financial instruments as follows:

The carrying values of cash and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments and their market rates of interest.

Credit Risk

The Company is not exposed to major credit risk attributable to customers. Additionally, the Company's cash is held with a highly rated Canadian financial institution in Canada.

Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due.

The Company's liquidity and operating results may be adversely affected if its access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company has historically generated cash flow from its financing activities. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in note 9. At January 31, 2020, the Company's current liabilities, which comprise accounts payable and accrued liabilities total \$168,366. The Company will require additional funding to maintain corporate and administrative functions and to fund its continuing exploration activities and commitments.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity prices. The Company is not exposed to any significant interest rate risk volatility or exchange rate volatility.

11. Subsequent Events

1. Subsequent to January 31, 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results, ability to finance, carrying value of assets and condition of the Corporation and its operating subsidiaries in future periods. On April 6, 2020, the Company temporarily suspended its drilling program as it no longer felt that these activities could be carried out in a way that was safe to the Company's employees and contractors. Operations will recommence once it is considered safe for the Company's employees and contractors.
2. On March 30, 2020, the Company closed a non-brokered private placement of units ("Units") for gross proceeds of \$989,509 (the "Offering"). The Offering consisted of the issuance of an aggregate of 3,412,101 Units at a price of \$0.29 per Unit. Each Unit consists of one common share designated as a flow-through share ("Common Share") under the Income Tax Act (Canada) and one-half common share purchase warrant ("Warrant"), with each full Warrant entitling the holder to acquire one Common Share at a price of \$0.43 per Common Share, for a period of 24 months from the closing of the Offering. The Company engaged Canaccord Genuity Corp. and Haywood Securities Inc. to act as its financial advisors ("Financial Advisors") under the Offering. In connection with the Offering, the Company paid aggregate cash commissions of approximately \$77,057 and issued 265,713 finder warrants ("Finder Warrants"). Each Finder Warrant is exercisable for a period of 24 months from the closing of the Offering to acquire one Common Share at a price of \$0.43 per Common Share. In addition, the Company agreed to pay the Financial Advisors a work fee of \$25,000 payable via the issuance of 86,207 Common Shares at an issue price of \$0.29 per Common Share.