

# **Nevada King Gold Corp.**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED JUNE 30, 2022 AND 2021

*(Unaudited – Expressed in Canadian dollars)*

**Nevada King Gold Corp.**  
**Condensed Consolidated Interim Statements of Financial Position**  
*(Unaudited – Expressed in Canadian dollars)*

	Note	June 30, 2022	March 31, 2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		24,532,863	13,153,096
Receivables		62,787	16,232
Prepaid expenses		76,303	49,623
<b>Total current assets</b>		<b>24,671,953</b>	<b>13,218,951</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	4	62,006,989	59,105,879
Advances for exploration and evaluation assets		1,315,787	750,867
Reclamation bonds	4	936,815	908,462
Property, plant and equipment	5	774,191	763,330
		65,033,782	61,528,538
<b>TOTAL ASSETS</b>		<b>89,705,735</b>	<b>74,747,489</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	7	966,936	255,567
<b>Total Liabilities</b>		<b>966,936</b>	<b>255,567</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	130,527,979	114,849,977
Reserves	6	5,808,673	2,010,407
Deficit		(47,597,853)	(42,368,462)
<b>Total Shareholders' Equity</b>		<b>88,738,799</b>	<b>74,491,922</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>89,705,735</b>	<b>74,747,489</b>

**NATURE OF OPERATIONS (Note 1)**

These consolidated financial statements are authorized for issue by the Board of Directors on August 29, 2022. They are signed on the Company's behalf by:

"Craig Roberts" , Director

"William Hayden" , Director

**Nevada King Gold Corp.**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	Three Months Ended June 30,	
		2022	2021
		\$	\$
<b>EXPENSES</b>			
Consulting fees		70,662	63,500
Depreciation	5	6,369	4,986
Management and director fees	7	1,040,524	240,694
Marketing		167,912	115,101
Office and sundry		92,890	56,287
Professional fees		99,032	57,833
Stock based compensation	6,7	3,798,266	-
Transfer agent and regulatory fees		16,718	12,182
Travel		34,353	29,575
		(5,326,726)	(580,158)
<b>Other items</b>			
Foreign exchange gain		69,865	55,741
Interest income		27,470	14,357
		97,335	70,098
<b>Loss and comprehensive loss</b>		(5,229,391)	(510,060)
<b>Basic and diluted loss per common share</b>		(0.02)	(0.00)
<b>Weighted average number of common shares outstanding -</b>			
<b>basic and diluted</b>		264,728,822	223,232,718

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

**Nevada King Gold Corp.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended June 30,	
	2022	2021
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	(5,229,391)	(510,060)
Items not affecting cash:		
Depreciation	6,369	4,986
Stock based compensation	3,798,266	-
Unrealized foreign exchange	(43,292)	13,124
Changes in non-cash working capital items:		
Receivables	(46,555)	56,903
Prepaid expenses	(26,680)	(61,919)
Accounts payable and accrued liabilities	(29,793)	8,273
<b>Cash used in operating activities</b>	<b>(1,571,076)</b>	<b>(488,693)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash provided by acquisition of Nevada King Mining Ltd.	-	424,262
Release of restricted cash	-	18,043,796
Expenditures for exploration and evaluation assets, net of recoveries	(2,123,702)	(642,876)
Purchase of property, plant and equipment	(36,091)	-
Advances for exploration and evaluation assets	(567,366)	-
Purchase of reclamation bonds	-	(60,878)
<b>Cash provided by (used in) investing activities</b>	<b>(2,727,159)</b>	<b>17,764,304</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from private placements	15,750,000	3,600,000
Share issuance costs	(71,998)	(389,285)
<b>Cash provided by financing activities</b>	<b>15,678,002</b>	<b>3,210,715</b>
<b>Change in cash during the period</b>	<b>11,379,767</b>	<b>20,486,326</b>
<b>Cash, beginning of period</b>	<b>13,153,096</b>	<b>987,697</b>
<b>Cash, end of period</b>	<b>24,532,863</b>	<b>21,474,023</b>
<b>Supplemental Cash Flow Information:</b>		
Common shares issued for acquisition of Nevada King Mining Ltd.	-	50,558,343
Depreciation of capital equipment included in exploration and evaluation assets	19,190	-
Exploration expenditures included in accounts payable and accrued liabilities	951,671	159,090

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

**Nevada King Gold Corp.**  
**Condensed Consolidated Interim Statements of Changes in Shareholders' Equity**  
*(Unaudited - Expressed in Canadian Dollars)*

	Note	Share Capital		Share subscriptions	Reserves				Total shareholders' equity
		Number of shares outstanding	Amount		Equity settled share-based payments	Contributed surplus	Total reserves	Deficit	
			\$	\$	\$	\$	\$	\$	\$
Balance at March 31, 2021		99,134,068	40,904,144	18,043,796	1,998,528	11,879	2,010,407	(32,553,353)	28,404,994
Issuance of common shares for acquisition of Nevada King Mining Ltd.	3,6	99,134,006	50,558,343	-	-	-	-	-	50,558,343
Issuance of common shares on conversion of subscription receipts	3,6	32,806,902	18,043,796	(18,043,796)	-	-	-	-	-
Issuance of common shares pursuant to private placement	6	6,000,000	3,600,000	-	-	-	-	-	3,600,000
Share issuance costs		-	(718,492)	-	-	-	-	-	(718,492)
Loss for the period		-	-	-	-	-	-	(510,060)	(510,060)
<b>Balance at June 30, 2021</b>		<b>237,074,976</b>	<b>112,387,791</b>	<b>-</b>	<b>1,998,528</b>	<b>11,879</b>	<b>2,010,407</b>	<b>(33,063,413)</b>	<b>81,334,785</b>
Issuance of common shares pursuant to reacquisition of mineral rights	6	6,500,000	2,470,000	-	-	-	-	-	2,470,000
Share issuance costs	6	-	(7,814)	-	-	-	-	-	(7,814)
Loss for the period		-	-	-	-	-	-	(9,305,049)	(9,305,049)
<b>Balance at March 31, 2022</b>		<b>243,574,976</b>	<b>114,849,977</b>	<b>-</b>	<b>1,998,528</b>	<b>11,879</b>	<b>2,010,407</b>	<b>(42,368,462)</b>	<b>74,491,922</b>
Issuance of common shares pursuant to private placements	6	35,000,000	15,750,000	-	-	-	-	-	15,750,000
Share issuance costs	6	-	(71,998)	-	-	-	-	-	(71,998)
Issuance of stock options	6	-	-	-	3,798,266	-	3,798,266	-	3,798,266
Loss for the period		-	-	-	-	-	-	(5,229,391)	(5,229,391)
<b>Balance at June 30, 2022</b>		<b>278,574,976</b>	<b>130,527,979</b>	<b>-</b>	<b>5,796,794</b>	<b>11,879</b>	<b>5,808,673</b>	<b>(47,597,853)</b>	<b>88,738,799</b>

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

## **Nevada King Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### **1. NATURE OF OPERATIONS**

Nevada King Gold Corp. (formerly Victory Metals Inc.) (the “Company”) was originally incorporated on October 20, 2000, under the Business Corporations Act in the Province of Alberta and, on May 25, 2012, the Company was continued as a British Columbia corporation under the Business Corporations Act in the Province of British Columbia. The address of the Company’s registered office is Suite 2200 – 885 West Georgia Street, Vancouver, BC, Canada V6C 3E8.

On April 7, 2021, the Company acquired all of the issued and outstanding shares of Nevada King Mining Ltd. (“Nevada King Mining”) and changed its name to Nevada King Gold Corp. (Note 3).

The Company is a mineral exploration company engaged in the acquisition, exploration and evaluation of resource properties in Nevada, United States of America. The Company’s exploration and evaluation assets presently have no proven or probable reserves, and on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. The recoverability of amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

At June 30, 2022, the Company had cash totalling \$24,532,863. The Company believes that it has adequate cashflow to meet obligations and carry out planned activities for the next twelve months.

On March 11, 2020, the World Health Organization declared the global outbreak of a novel coronavirus identified as “COVID-19” a global pandemic. In order to combat the spread of COVID-19, governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. Central banks and governments, including Canadian federal and provincial governments, 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 any interventions. Significant economic and social impacts have limited the Company’s ability to continue its exploration and evaluation activities as intended. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts of the pandemic and the war in the Ukraine to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Statement of compliance**

The Company’s condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as applicable to interim financial reports including International Accounting Standards 34 “Interim Financial Reporting”.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended March 31, 2022, which have been prepared in accordance with IFRS,

## Nevada King Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Statement of compliance (continued)

as issued by the International Accounting Standards Board (“IASB”) and included in Part I of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual financial statements and were consistently applied to all the periods presented.

#### a) Basis of presentation

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

#### b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Big Casino Corp.	Delaware, USA	Exploration company
Desert Hawk Resources Ltd.	Delaware, USA	Exploration company
Battle Mountain Gold LLC	Nevada, USA	Exploration company
2656065 Ontario Ltd.	Ontario, Canada	Holding company
1226065 B.C. Ltd.	British Columbia, Canada	Holding company
Brownstone Ventures (US) Inc.	Delaware, USA	Exploration company
Nevada King Mining Ltd.	British Columbia, Canada	Holding company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the financial statements. Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

#### c) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

## **Nevada King Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **c) Significant accounting estimates and judgments (continued)**

##### **Critical accounting estimates**

- The net carrying value of each exploration and evaluation asset is reviewed regularly for conditions that suggest impairment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is made, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

##### **Critical accounting judgments**

- The determination of tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, management interprets tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. Management also makes estimates of future earnings which affect the extent to which potential future tax benefits may be used. The Company is subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. Management provides for such differences where known based on the best estimate of the probable outcome of these matters.
- Presentation of the condensed consolidated interim financial statements as a going concern which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiaries, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- Management is required to assess impairment in respect to the Company's intangible mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. Management has determined that there were no indicators of impairment as at June 30, 2022.

#### **d) Changes in accounting standards and interpretations**

As of the date of authorization of these condensed consolidated interim financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments are either not adopted or are not expected to have a material impact on the Company's condensed consolidated interim financial statements.



## Nevada King Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### 3. ACQUISITION OF NEVADA KING MINING

On April 7, 2021, the Company completed the purchase of all of the issued and outstanding common shares of Nevada King Mining in exchange for 99,134,006 common shares of the Company with a fair value of \$50,558,343 (Note 6). The acquisition was accounted for as an asset acquisition under IFRS 2. The acquired assets and liabilities were recorded at their fair value.

The completion of the acquisition was subject to the completion of a minimum \$8 million non-brokered private placement by the Company. Accordingly, the Company issued 32,806,902 subscription receipts at a price of \$0.55 per subscription receipt for gross proceeds of \$18,043,796 in the last fiscal quarter of 2021. Each subscription receipt entitled the holder to receive one post-acquisition share of the Company immediately after closing of the acquisition. The gross proceeds were held in escrow until the completion of the acquisition on April 7, 2021, at which time the subscription receipts were converted into 32,806,902 common shares of the Company and the proceeds were released from escrow (Note 6).

The Company incurred finders' fees of \$662,487 and other share issuance costs of \$40,255 in connection with the private placement and \$560,580 in transaction costs associated with the acquisition. The transaction costs were capitalized as part of the consideration paid for the net assets of Nevada King Mining.

At March 31, 2021, other assets included finders' fees and share issuance costs of \$344,364 in connection with the private placement and transaction costs of \$539,786 in connection with the acquisition of Nevada King Mining.

The fair value of the net assets acquired at April 7, 2021 are as follows:

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<b>Net assets (liabilities) of the Company acquired (assumed)</b>	<b>April 7, 2021</b>
	\$
Cash	424,262
GST receivable	9,426
Prepaid expenses	6,361
Exploration and evaluation assets	49,045,176
Advances for exploration and evaluation assets	795,448
Property, plant and equipment	650,259
Reclamation bonds	404,078
Accounts payable	(216,087)
	<hr/>
	51,118,923

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The excess of the consideration paid of \$41,618,840 over the net book value of the assets of Nevada King Mining acquired was allocated on a pro-rata basis across the exploration and evaluation assets acquired.

## Nevada King Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. EXPLORATION AND EVALUATION ASSETS

The schedules below summarize the carrying costs of acquisition and exploration costs incurred to date for each exploration and evaluation asset.

	Evana	Crescent Valley	Carico Lake	Horse Mountain	Kobeh Valley	Lewis- Hilltop	Iron Point	Buffalo Valley	Atlanta	Pancake	Other	Total
Period ended June 30, 2022	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition Costs</b>												
Balance as at March 31, 2022 and June 30, 2022	1,554,835	1,232,843	4,373,651	5,318,705	8,843,198	9,165,536	5,074,391	5,550,230	12,329,717	-	1,570,169	55,013,275
<b>Exploration costs</b>												
Balance as at March 31, 2022	2,316	-	-	7,559	905	784,878	1,447,110	489	63	-	1,849,284	4,092,604
Assays and sampling	-	-	-	-	-	31,265	123,900	-	-	-	45,802	200,967
Depreciation (Note 5)	-	-	-	-	-	-	19,190	-	-	-	-	19,190
Drilling	-	-	-	-	-	25,018	1,383,583	-	-	-	464,516	1,873,117
Geophysics	-	-	-	-	-	-	2,321	-	-	-	205,259	207,580
GIS	-	-	-	-	-	574	128	-	-	2,809	2,522	6,033
Metallurgy	-	-	-	-	-	-	-	-	-	-	23,147	23,147
PEA/Resource estimate	-	-	-	-	-	-	-	-	-	-	13,607	13,607
Reclamation	-	-	-	-	-	-	9,172	-	-	-	34,319	43,491
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	25,476	25,476
Salaries and consulting	-	-	-	-	-	38,741	129,775	-	-	7,471	243,116	419,103
Staking	-	-	-	-	-	-	-	-	-	69,399	-	69,399
Balance as at June 30, 2022	2,316	-	-	7,559	905	880,476	3,115,179	489	63	79,679	2,907,048	6,993,714
<b>Exploration and evaluation assets</b>												
<b>June 30, 2022</b>	<b>1,557,151</b>	<b>1,232,843</b>	<b>4,373,651</b>	<b>5,326,264</b>	<b>8,844,103</b>	<b>10,046,012</b>	<b>8,189,570</b>	<b>5,550,719</b>	<b>12,329,780</b>	<b>79,679</b>	<b>4,477,217</b>	<b>62,006,989</b>

## Nevada King Gold Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. EXPLORATION AND EVALUATION ASSETS (continued)

	Evana	Crescent Valley	Carico Lake	Horse Mountain	Kobeh Valley	Lewis- Hilltop	Iron Point	Buffalo Valley	Atlanta	Other	Total
Year ended March 31, 2022	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition Costs</b>											
Balance as at March 31, 2021	-	-	-	-	-	-	1,091,728	-	-	-	1,091,728
Acquisition of Nevada King Mining (Note 3)	1,528,397	1,229,733	4,132,942	5,114,181	8,425,077	8,727,719	968,780	5,285,465	12,197,347	1,435,534	49,045,175
Reacquisition of mineral rights	-	-	-	-	-	-	2,470,000	-	-	-	2,470,000
Mineral claim and option payments	26,438	3,110	240,709	204,524	418,121	437,817	543,883	264,765	132,370	134,635	2,406,372
Balance as at March 31, 2022	1,554,835	1,232,843	4,373,651	5,318,705	8,843,198	9,165,536	5,074,391	5,550,230	12,329,717	1,570,169	55,013,275
<b>Exploration costs</b>											
Balance as at March 31, 2021	-	-	-	-	-	-	7,014,953	-	-	-	7,014,953
Assays and sampling	-	-	-	2,652	-	197,645	164,912	-	285,879	-	651,088
Cost recovery	-	-	-	-	-	-	(7,522)	-	-	-	(7,522)
Depreciation (Note 5)	-	-	-	-	-	-	28,262	-	-	-	28,262
Drilling	-	-	-	-	-	284,818	995,006	-	1,042,265	-	2,322,089
Environmental	-	-	-	-	-	-	3,940	-	-	-	3,940
Geophysics	-	-	-	-	-	-	-	-	64,317	-	64,317
GIS	1,410	-	-	1,128	-	8,054	1,097	-	13,162	63	24,914
Metallurgy	-	-	-	-	-	-	35,385	-	54,725	-	90,110
Other	-	-	-	-	-	-	-	-	34,659	-	34,659
PEA/Resource estimate	-	-	-	-	-	-	25,955	-	107,061	-	133,016
Reclamation	-	-	-	-	-	873	14,934	-	10,767	-	26,574
Repairs and maintenance	-	-	-	-	-	-	-	-	31,268	-	31,268
Salaries and consulting	906	-	-	3,779	905	293,489	259,096	489	205,181	-	763,845
Staking	-	-	-	-	-	-	71,181	-	-	-	71,181
Impairment of vanadium assets	-	-	-	-	-	-	(7,160,090)	-	-	-	(7,160,090)
Balance as at March 31, 2022	2,316	-	-	7,559	905	784,879	1,447,109	489	1,849,284	63	4,092,604
<b>Exploration and evaluation assets</b>											
<b>March 31, 2022</b>	1,557,151	1,232,843	4,373,651	5,326,264	8,844,103	9,950,415	6,521,500	5,550,719	14,179,001	1,570,232	59,105,879

## Nevada King Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

#### 4. EXPLORATION AND EVALUATION ASSETS (continued)

##### Lewis-Hilltop Project

On April 7, 2021, through the acquisition of Nevada King Mining (Note 3), the Company became party to an option agreement to purchase a 100% interest in additional claims in the Lewis mining project area with the following required payments:

Payment due date	Amount US\$
Five days from March 28, 2018 (paid prior to acquisition)	20,000
March 28, 2019 (paid prior to acquisition)	25,000
March 28, 2020 (paid prior to acquisition)	25,000
March 28, 2021 (paid)	25,000
March 28, 2022 (paid)	30,000
March 28, 2023	30,000
March 28, 2026	250,000

The claims are subject to a 1% net smelter return royalty (“NSR”).

##### Atlanta Project

On April 7, 2021, through the acquisition of Nevada King Mining (Note 3), the Company acquired a 100% in the Atlanta Gold Mine and lode claims located in Lincoln County, Nevada (USA).

##### Carico Lake

On August 3, 2021, the Company entered into an option agreement with two third parties to earn a 100% interest in additional claims in the Carico Lake project area for a total cost of US \$650,000 with payments required as follows:

Payment due date	Amount US\$
Five days from August 3, 2021 (paid)	20,000
August 3, 2022 (paid subsequent to June 30, 2022)	25,000
August 3, 2023	25,000
August 3, 2024	25,000
August 3, 2025	30,000
August 3, 2026	30,000
August 3, 2027	30,000
August 3, 2028	40,000
August 3, 2029	425,000

The claims are subject to a 2% NSR with an option to reduce the NSR to 1% upon the payment of US\$500,000.

## Nevada King Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

#### 4. EXPLORATION AND EVALUATION ASSETS (continued)

##### Iron Point Project

As at June 30, 2022, the Company owns unpatented lode claims located in the Iron Point mining district, in Humboldt County, Nevada (USA).

On October 10, 2018, the Company entered into an option agreement with a third party to earn a 100% interest in an unpatented Claim (Silver Coin). The Company agreed to the following payments:

Payment due date	Amount US\$
Five days from October 10, 2018 (paid)	50,000
October 24, 2019 (paid)	50,000
October 24, 2020 (paid)	50,000
October 24, 2021 (paid)	150,000

On October 24, 2018, the Company entered into an option agreement with Canarc Resources Corp. to earn a 100% interest in additional patented Claims (Silver King). The Company agreed to grant a 2% NSR upon commencement of commercial production for minerals from these claims. Required payments under the agreement are as follows:

Payment due date	Amount US\$
Five days from October 24, 2018 (paid)	12,000
October 24, 2019 (paid)	12,000
October 24, 2020 (paid)	12,000
October 24, 2021 (paid)	12,000
October 24, 2022	12,000
October 24, 2023	12,000
October 24, 2024	12,000
October 24, 2025	12,000
October 24, 2026	12,000
October 24, 2027	12,000
October 24, 2028	120,000

The Company has the option of purchasing half of the 2% NSR for US\$1,000,000.

On May 16, 2019, the Company entered into an option agreement (the "Agreement") with Ethos Gold Corp. ("Ethos"), whereby Ethos could spend \$5,000,000 over three years, with minimum expenditures of \$1,000,000 to be spent prior to the end of the first anniversary of the Agreement, to earn an undivided 50% interest in the precious metal rights at the Iron Point Vanadium Project ("Iron Point"), Nevada. Once Ethos had incurred \$5,000,000, a 50%/50% joint venture would be formed between the Company and Ethos, specific to the precious metal rights.

During the year ended March 31, 2021, the Agreement was amended whereby Ethos could spend \$5,000,000 over five years with expenditures in an aggregate amount equal to at least US\$250,000 each year over the term of the Agreement.

On September 7, 2021, the Company completed an agreement with Ethos, issuing 6,500,000 common shares of the Company with a fair value of \$2,470,000, in exchange for Ethos renouncing all of its rights under the earn-in agreement on the Iron Point project.

## Nevada King Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

#### 4. EXPLORATION AND EVALUATION ASSETS (continued)

##### Iron Point Project (continued)

As at June 30, 2022, the Company has paid \$936,815 (March 31, 2022 - \$908,462) for reclamation bonds with the Bureau of Land Management (“BLM”). These bonds provide surface reclamation coverage for operations conducted by the Company on lands administered by the BLM. These bonds are fully refundable when the deposit is no longer needed.

At March 31, 2022, the Company decided to discontinue vanadium exploration at Iron Point and focus on gold exploration. As such, the Company impaired the exploration and evaluation expenditures incurred to explore vanadium and recorded an impairment of \$7,160,090 in the consolidated statement of loss and comprehensive loss for the year ended March 31, 2022.

##### Other Projects

During the year ended March 31, 2022, the Company acquired the Evana, Crescent Valley, Horse Mountain, Kobeh Valley, Buffalo Valley and other claims through the acquisition of Nevada King Mining (Note 3). The Company holds a 100% interest in these claims.

#### 5. PROPERTY, PLANT AND EQUIPMENT

In connection with the acquisition of Nevada King Mining, the Company acquired land with a fair value of \$102,242 and a building with a fair value of \$548,017.

	Land	Building	Drill Casing	Equipment	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at March 31, 2020 and 2021	-	-	-	-	-
Acquisition of Nevada King Mining (Note 3)	102,242	548,017	-	-	650,259
Additions	-	12,017	151,238	-	163,255
Foreign exchange	-	-	(410)	-	(410)
Balance at March 31, 2022	102,242	560,034	150,828	-	813,104
Additions	-	6,666	-	29,425	36,091
Foreign exchange	-	-	-	329	329
Balance at June 30, 2022	102,242	566,700	150,828	29,754	849,524
<b>Amortization</b>					
Balance at March 31, 2020 and 2021	-	-	-	-	-
Additions (Note 4)	-	21,512	28,262	-	49,774
Balance at March 31, 2022	-	21,512	28,262	-	49,774
Additions (Note 4)	-	5,639	19,190	730	25,559
Balance at June 30, 2022	-	27,151	47,452	730	75,333
<b>Net book value</b>					
Balance at March 31, 2022	102,242	538,522	122,566	-	763,330
Balance at June 30, 2022	102,242	539,549	103,376	29,024	774,191

## **Nevada King Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### **6. SHARE CAPITAL AND RESERVES**

#### *Authorized Share Capital*

At June 30, 2022 and March 31, 2022, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### *Details of Issues of Common Shares in the Period ended June 30, 2022*

On April 22, 2022, the Company completed a private placement financing, issuing 25,000,000 common shares at \$0.45 per share for gross proceeds of \$11,250,000. Share issuance costs of \$47,798 were incurred in connection with the private placement financing.

On June 10, 2022, the Company completed a private placement financing, issuing 10,000,000 common shares at \$0.45 per share for gross proceeds of \$4,500,000. Share issuance costs of \$24,200 were incurred in connection with the private placement financing.

#### *Details of Issues of Common Shares in Fiscal 2022*

On April 7, 2021, the Company completed the purchase of all of the issued and outstanding common shares of Nevada King Mining in exchange for 99,134,006 common shares of the Company with a fair value of \$50,558,343 (Note 3).

In connection with the purchase of Nevada King Mining, the Company completed a private placement of 32,806,902 subscription receipts at a price of \$0.55 per subscription receipt for gross proceeds of \$18,043,796 during the year ended March 31, 2021. On April 7, 2021, the subscription receipts were converted into 32,806,902 common shares of the Company. The Company incurred finders' fees of \$662,487 and other share issuance costs of \$40,255 in connection with the private placement.

On June 18, 2021, the Company completed a private placement financing, issuing 6,000,000 common shares at \$0.60 per share for gross proceeds of \$3,600,000. The Company incurred share issuance costs of \$23,564 in connection with the private placement financing.

On September 7, 2021, the Company completed an agreement with Ethos, issuing 6,500,000 common shares of the Company with a fair value of \$2,470,000, in exchange for Ethos renouncing all of its rights under the earn-in agreement on the Iron Point project (Note 4).

#### *Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX-V. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of up to five years with a maximum term of ten years.

## Nevada King Gold Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

#### 6. SHARE CAPITAL AND RESERVES (continued)

Option transactions for the three months ended June 30, 2022, and the year ended March 31, 2022, and options outstanding at June 30, 2022 and March 31, 2022 are as follows:

Expiry date	Exercise price	March 31, 2022	Granted	June 30, 2022	Options exercisable
January 31, 2024	\$ 0.35	5,900,000	-	5,900,000	5,900,000
June 17, 2024	\$ 0.63	560,000	-	560,000	560,000
May 10, 2027	\$ 0.60	-	16,250,000	16,250,000	15,080,000
		6,460,000	16,250,000	22,710,000	21,540,000
Weighted average exercise price					
		\$ 0.37	\$ 0.60	\$ 0.54	\$ 0.53

Expiry date	Exercise price	March 31, 2020	Exercised	Cancelled/ expired	March 31, 2021 and 2022	Options exercisable
January 31, 2021	\$ 0.35	2,500,000	(2,500,000)	-	-	-
February 5, 2021	\$ 0.35	70,000	-	(70,000)	-	-
January 31, 2024	\$ 0.35	5,900,000	-	-	5,900,000	5,900,000
June 17, 2024	\$ 0.63	560,000	-	-	560,000	560,000
		9,030,000	(2,500,000)	(70,000)	6,460,000	6,460,000
Weighted average exercise price						
		\$ 0.37	\$ 0.35	\$ 0.35	\$ 0.37	\$ 0.37

The Company did not have any warrants outstanding as at June 30, 2022 or March 31, 2022.

#### 7. RELATED PARTY BALANCES AND TRANSACTIONS

##### Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Management compensation was as follows:

Period ended	June 30, 2022	June 30, 2021
	\$	\$
Management fees paid to a company controlled by the Executive Chairman	81,217	73,864
Management fees paid to a company controlled by the Chief Executive Officer	853,433	66,452
Management fees paid to the Chief Financial Officer	60,874	55,378
Director fees	45,000	45,000
Share-based compensation paid to officers and directors	3,120,913	-
	4,161,437	240,694

Included in accounts payable and accrued liabilities at June 30, 2022 are payables of \$6,144 related to expense reimbursements (March 31, 2022 - \$5,809) for officers and directors of the Company. Related party payables are unsecured, non-interest bearing and have no specified terms of repayment.



## **Nevada King Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### **8. SEGMENTED INFORMATION**

The Company's operations are limited to a single reportable segment, being mineral exploration and evaluation. All of the Company's long-term assets are located in Nevada, USA.

### **9. FINANCIAL INSTRUMENTS**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### **(a) Fair Values**

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company does not have financial instruments carried at fair value. The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values due to their short-term maturity.

#### **(b) Financial Instrument Risk Exposure**

##### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company does not have financial instruments that potentially subject the Company to credit risk. The Company's receivables consist mainly of goods and services tax receivable from the Government of Canada and the Company places its cash with financial institutions with high credit ratings therefore credit risk is minimal. The Company's credit risk has not changed significantly from the prior year. The carrying amount of financial assets represents the maximum credit risk exposure.

##### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to fund exploration programs and may require doing so again in the future. The Company has \$966,936 in accounts payable and accrued liabilities that are due within one year of the date of the condensed consolidated interim statement of financial position.

## **Nevada King Gold Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended June 30, 2022 and 2021

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

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### **9. FINANCIAL INSTRUMENTS (Continued)**

#### *Market risk*

##### *(i) Currency risk*

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuation include cash and accounts payable and accrued liabilities denominated in US dollars. The sensitivity of the Company's net earnings and other comprehensive income to a change in the exchange rate between the United States dollar and the Canadian dollar at June 30, 2022 would change the Company's loss by \$6,629 as a result of a 10% change in the value of the Canadian dollar relative to the US dollar.

##### *(ii) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company deposits its cash in interest-bearing bank accounts with variable interest rates, therefore, the Company is minimally exposed to interest rate risk.

##### *(iii) Price risk*

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's property has exposure to predominantly gold. Commodity prices greatly affect the value of the Company and the potential value of its property and investments.

### **10. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are:

- To safeguard its ability to continue as a going concern in order to develop and operate its current projects;
- To pursue strategic growth initiatives; and
- To maintain a flexible capital structure which lowers the cost of capital.

In assessing its capital structure, the Company includes in its assessment the components of shareholders' equity. In order to facilitate the management of capital requirements, the Company prepares annual expenditure budgets and continuously monitors and reviews actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors. To maintain or adjust the capital structure, the Company may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets.

The Company is not subject to any capital requirements imposed by any regulator.

There were no changes in the Company's approach to capital management during the period ended June 30, 2022.