
79NORTH INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND SIX MONTHS ENDED
MAY 31, 2022
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of 79North Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

79North Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at May 31, 2022	As at November 30, 2021
ASSETS		
Current assets		
Cash	\$ 196,432	\$ 1,251,425
Receivables and other assets (note 3)	21,262	28,143
	217,694	1,279,568
Property and equipment (note 4)	156,508	176,688
Total assets	\$ 374,202	\$ 1,456,256
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 5 and 11)	\$ 55,582	\$ 235,372
Total liabilities	55,582	235,372
Equity		
Share capital (note 6)	8,021,919	8,021,919
Reserve	2,944,543	2,936,404
Accumulated other comprehensive income	62,851	61,541
Deficit	(11,264,884)	(10,353,171)
Equity attributable to the shareholders of the Company	(235,571)	666,693
Non-controlling interest	554,191	554,191
Total equity	318,620	1,220,884
Total equity and liabilities	\$ 374,202	\$ 1,456,256

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

Nature of operations and going concern (note 1)

Event after the reporting date (note 13)

79North Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Operating expenses				
Exploration and evaluation expenditures (note 10)	\$ 391,725	\$ 361,168	\$ 521,523	\$ 647,516
Professional fees	64,068	91,284	128,499	146,601
Management and consultants compensation (note 11)	47,494	47,145	94,834	104,412
Travel	29,762	14,821	41,234	45,289
Office and general	43,221	48,147	85,541	94,940
Foreign exchange loss	3,230	11,365	5,779	15,859
Investor relations	15,520	50,967	26,164	156,401
Share-based payments (note 7)	8,139	23,000	8,139	23,000
Net loss for the period	(603,159)	(647,897)	(911,713)	(1,234,018)
Other comprehensive income (loss)				
Items that will be reclassified subsequently to profit or loss:				
Cumulative translation adjustment	456	-	1,310	-
Total comprehensive loss for the period	\$ (602,703)	\$ (647,897)	\$ (910,403)	\$ (1,234,018)
Basic and diluted net loss per share (note 9)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	91,547,241	85,878,941	91,547,241	85,878,941

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

79North Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Operating activities		
Net loss for the period	\$ (911,713)	\$ (1,234,018)
Adjustments for:		
Amortization	20,180	13,916
Share-based payments (note 7)	8,139	23,000
Changes in non-cash working capital items:		
Receivables and other assets	6,881	90,819
Accounts payable and accrued liabilities	(179,790)	(77,210)
Net cash used in operating activities	(1,056,303)	(1,183,493)
Investing activities		
Purchase of property and equipment	-	(30,385)
Net cash used in investing activities	-	(30,385)
Effect of exchange rate changes on cash held by foreign currency	1,310	-
Net change in cash	(1,054,993)	(1,213,878)
Cash, beginning of period	1,251,425	2,870,786
Cash, end of period	\$ 196,432	\$ 1,656,908

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

79North Inc.**Condensed Interim Consolidated Statements of Changes in Equity****(Expressed in Canadian Dollars)****Unaudited**

	Share capital	Reserve	Accumulated other comprehensive income	Deficit	Total attributable to shareholders of Company	Non- controlling interest	Total
Balance, November 30, 2020	\$ 7,360,896	\$ 2,809,710	\$ 61,485	\$ (7,791,598)	\$ 2,440,493	\$ 554,191	\$ 2,994,684
Share-based payments	-	23,000	-	-	23,000	-	23,000
Total comprehensive loss for the period	-	-	-	(1,234,018)	(1,234,018)	-	(1,234,018)
Balance, May 31, 2021	\$ 7,360,896	\$ 2,832,710	\$ 61,485	\$ (9,025,616)	\$ 1,229,475	\$ 554,191	\$ 1,783,666
Balance, November 30, 2021	\$ 8,021,919	\$ 2,936,404	\$ 61,541	\$ (10,353,171)	\$ 666,693	\$ 554,191	\$ 1,220,884
Share-based payments	-	8,139	-	-	8,139	-	8,139
Total comprehensive loss for the period	-	-	1,310	(911,713)	(910,403)	-	(910,403)
Balance, May 31, 2022	\$ 8,021,919	\$ 2,944,543	\$ 62,851	\$ (11,264,884)	\$ (235,571)	\$ 554,191	\$ 318,620

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

79North Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

79North Inc. (the "Company" or "79North") was incorporated under the Business Corporations Act (Ontario) on November 27, 2017. The Company is focused on the acquisition, exploration and development of properties which are prospective for gold and other metals. The Company is domiciled in Canada and its registered office is located at 82 Richmond Street East, Suite 306, Toronto, Ontario, M5C 1P1.

On June 12, 2020, the Company completed a reverse take-over transaction ("RTO Transaction") with 79North Ltd. wherein the Company acquired 100% of the issued and outstanding common shares of 79North Ltd. As a result of the share exchange, 79North Ltd. is considered to have control. While the Company is the legal acquirer, the accounting acquirer is 79North Ltd. and these financial statements are consolidated and presented with 79North Ltd. as the continuing entity. Concurrent with the RTO, the Company changed its name to 12 Exploration Inc. and began trading on the Canadian Securities Exchange ("CSE") under the symbol "TWLV". On August 19, 2020, the Company changed its name to 79North Inc. and began trading on CSE under the symbol "JQ". On March 5, 2021, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "SVNTF".

79North is at an early stage of exploring and acquiring gold properties and as is common with many small companies, it raises financing for its exploration and acquisition activities in discrete tranches. As at May 31, 2022, the Company has a working capital of \$162,112 (November 30, 2021 - working capital of \$1,044,196). For the six months ended May 31, 2022, the Company had a net loss and comprehensive loss of \$910,403 (six months ended May 31, 2021 - \$1,234,018) and had cash outflows from operations of \$1,056,303 (six months ended May 31, 2021 - cash outflows of \$1,183,493). These conditions indicate the existence of some uncertainty that may cast doubt regarding the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address its financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of July 20, 2022, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2022 could result in restatement of these unaudited condensed interim consolidated financial statements.

3. Receivables and other assets

	May 31, 2022	November 30, 2021
Amounts receivable	\$ 5,863	\$ 10,246
Prepaid expenses	15,399	17,897
	\$ 21,262	\$ 28,143

4. Property and equipment

Cost	Equipment	Vehicle	Total
Balance, November 30, 2020	\$ 133,148	\$ -	\$ 133,148
Additions	53,253	59,705	112,958
Balance, November 30, 2021 and May 31, 2022	\$ 186,401	\$ 59,705	\$ 246,106

Accumulated Depreciation	Equipment	Vehicle	Total
Balance, November 30, 2020	\$ 34,116	\$ -	\$ 34,116
Depreciation for the year	25,817	9,485	35,302
Balance, November 30, 2021	59,933	9,485	69,418
Depreciation for the period	12,646	7,534	20,180
Balance, May 31, 2022	\$ 72,579	\$ 17,019	\$ 89,598

Carrying Value	Equipment	Vehicle	Total
Balance, November 30, 2021	\$ 126,468	\$ 50,220	\$ 176,688
Balance, May 31, 2022	\$ 113,822	\$ 42,686	\$ 156,508

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	May 31, 2022	November 30, 2021
Accounts payable	\$ 30,582	\$ 99,741
Accrued liabilities	25,000	135,631
	\$ 55,582	\$ 235,372

6. Share capital

(a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued

	Number of common shares	Amount
Balance, November 30, 2020 and May 31, 2021	85,878,941	\$ 7,360,896
Balance, November 30, 2021 and May 31, 2022	91,547,241	\$ 8,021,919

79North Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three and Six Months Ended May 31, 2022****(Expressed in Canadian Dollars)****Unaudited**

7. Stock options

	Number of stock options	Weighted average exercise price
Balance, November 30, 2020	4,300,000	\$ 0.15
Granted (i)(ii)	350,000	0.15
Expired	(500,000)	0.15
Balance, May 31, 2021	4,150,000	\$ 0.15
Balance, November 30, 2021	3,750,000	\$ 0.15
Granted (iii)	400,000	0.15
Balance, May 31, 2022	4,150,000	\$ 0.15

(i) On March 29, 2021, the Company granted 150,000 stock options to a consultant of the Company. The stock options are exercisable at \$0.15 per share and expire in 5 years. The stock options vest 1/3 immediately and 1/3 each on first and second anniversaries of grant date. The grant date fair value of the options is estimated to be \$10,900 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.97%, and expected life of 5 years. For the three and six months ended May 31, 2022, \$nil (three and six months ended May 31, 2021 - \$10,900) was expensed to share-based payments.

(ii) On May 10, 2021, the Company granted an aggregate of 200,000 stock options to a director of the Company. The stock options are exercisable at \$0.15 per share and expire in 5 years. The stock options vest 1/3 immediately and 1/3 each on first and second anniversaries of grant date. The grant date fair value of the options is estimated to be \$12,100 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 0.88%, and expected life of 5 years. For the three and six months ended May 31, 2022, \$nil (three and six months ended May 31, 2021 - \$12,100) was expensed to share-based payments.

(iii) On May 16, 2022, the Company granted an aggregate of 400,000 stock options to a director of the Company. The stock options are exercisable at \$0.15 per share and expire in 5 years. The stock options vest 1/3 immediately and 1/3 each on first and second anniversaries of grant date. The grant date fair value of the options is estimated to be \$23,000 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 2.71%, and expected life of 5 years. For the three and six months ended May 31, 2022, \$8,139 (three and six months ended May 31, 2021 - \$nil) was expensed to share-based payments.

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Notes to Condensed Interim Consolidated Financial Statements Three and Six Months Ended May 31, 2022 (Expressed in Canadian Dollars) Unaudited

7. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of May 31, 2022:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
June 16, 2025	0.15	3.05	3,100,000	3,100,000
September 23, 2025	0.15	3.32	200,000	200,000
March 29, 2026	0.15	3.83	150,000	100,000
May 10, 2026	0.15	3.95	200,000	133,333
June 28, 2026	0.15	4.08	100,000	33,333
May 16, 2027	0.15	4.96	400,000	133,333
	0.15	3.34	4,150,000	3,699,999

8. Warrants

	Number of warrants	Weighted average exercise price
Balance, November 30, 2020	47,947,885	\$ 0.23
Expired	(320,000)	0.15
Balance, May 31, 2021	47,627,885	\$ 0.23
Balance, November 30, 2021 and May 31, 2022	50,462,035	\$ 0.23

The following table reflects the warrants issued and outstanding as of May 31, 2022:

Expiry date	Exercise price (\$)	Number of warrants outstanding
June 12, 2023 (i)	0.20	11,032,400
June 12, 2023 (i)(ii)	0.15	1,726,783
June 12, 2023	0.25	32,734,988
June 12, 2023 (iii)	0.15	2,133,714
August 17, 2024	0.25	2,834,150
	0.23	50,462,035

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

8. Warrants (continued)

(i) If the common shares of the Company trade on the CSE at a volume weighted average price of \$0.50 or more for ten consecutive trading days, the Company may, by notice to warrant holders, reduce the expiry date to not less than 20 business days from the date of such notice.

(ii) Exercisable into one unit, consisting of one common share of the Company and one-half of one common share purchase warrant. Each warrant shall be exercisable to acquire one additional common share at a price of \$0.20 per share.

(iii) Exercisable into one unit, consisting of one common share of the Company and one common share purchase warrant. Each warrant shall be exercisable to acquire one additional common share at a price of \$0.25 per share.

9. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended May 31, 2022 was based on the loss attributable to common shareholders of \$603,159 and \$911,713, respectively (three and six months ended May 31, 2021 - \$647,897 and \$1,234,018, respectively) and the weighted average number of common shares outstanding of 91,547,241 and 91,547,241, respectively (three and six months ended May 31, 2021 - 85,878,941 and 85,878,941, respectively). Diluted loss per share did not include the effect of warrants and stock options as they are anti-dilutive.

10. Exploration and evaluation expenditures

Three months ended May 31, 2022	Nassau Gold Project	Sela Creek Project	Project Generation	Total
Administrative	\$ 38,838	\$ -	\$ -	\$ 38,838
Amortization	10,090	-	-	10,090
Analysis	1,843	-	-	1,843
Camp costs	71,152	-	-	71,152
Consulting	-	-	2,440	2,440
Drilling	194,375	-	-	194,375
Labour costs	27,666	-	-	27,666
Professional fees	33,242	-	-	33,242
Supplies	4,242	-	-	4,242
Vehicle costs	7,837	-	-	7,837
Total exploration and evaluation expenditures	\$ 389,285	\$ -	\$ 2,440	\$ 391,725

Six months ended May 31, 2022	Nassau Gold Project	Sela Creek Project	Project Generation	Total
Administrative	\$ 66,137	\$ -	\$ -	\$ 66,137
Amortization	20,180	-	-	20,180
Analysis	9,013	-	-	9,013
Camp costs	71,724	-	-	71,724
Consulting	-	-	6,273	6,273
Drilling	211,340	-	-	211,340
Labour costs	91,535	-	-	91,535
Professional fees	33,242	-	-	33,242
Supplies	4,242	-	-	4,242
Vehicle costs	7,837	-	-	7,837
Total exploration and evaluation expenditures	\$ 515,250	\$ -	\$ 6,273	\$ 521,523

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

10. Exploration and evaluation expenditures (continued)

Three months ended May 31, 2021	Nassau Gold Project	Sela Creek Project	Project Generation	Total
Administrative	\$ 51,832	\$ -	\$ -	\$ 51,832
Amortization	7,030	-	-	7,030
Camp costs	25,661	1,370	-	27,031
Consulting	8,176	3,739	1,576	13,491
Drilling	62,040	-	-	62,040
Labour costs	96,055	45,304	-	141,359
Professional fees	28,567	-	-	28,567
Supplies	4,250	-	-	4,250
Surface exploration	492	-	-	492
Vehicle costs	25,076	-	-	25,076
Total exploration and evaluation expenditures	\$ 309,179	\$ 50,413	\$ 1,576	\$ 361,168

Six months ended May 31, 2021	Nassau Gold Project	Sela Creek Project	Project Generation	Total
Administrative	\$ 75,955	\$ -	\$ -	\$ 75,955
Amortization	13,916	-	-	13,916
Analysis	47,164	-	-	47,164
Camp costs	40,493	1,370	-	41,863
Consulting	60,451	3,739	1,840	66,030
Drilling	62,040	-	-	62,040
Labour costs	204,785	60,597	-	265,382
Professional fees	35,815	-	-	35,815
Supplies	9,437	-	-	9,437
Surface exploration	1,579	-	-	1,579
Vehicle costs	28,335	-	-	28,335
Total exploration and evaluation expenditures	\$ 579,970	\$ 65,706	\$ 1,840	\$ 647,516

79North Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

11. Related party transactions

Key management includes the CEO, the Chief Financial Officer ("CFO"), and the directors of the Company. The compensation paid or payable to key management for services during the periods ended May 31, 2022 and 2021 is as follows:

	Three Months Ended May 31, 2022	Three Months Ended May 31, 2021	Six Months Ended May 31, 2022	Six Months Ended May 31, 2021
Management compensation (a)	\$ 45,000	\$ 45,000	\$ 90,000	\$ 100,000
Professional fees (b)(c)	40,538	14,684	74,039	24,356
Rent (b)	3,800	5,700	9,500	11,400
Office and general (b)	1,780	4,973	5,553	5,573
Investor relations (b)	1,248	1,664	1,856	1,664
Share-based payments	8,139	12,100	8,139	12,100
	\$ 100,505	\$ 84,121	\$ 189,087	\$ 155,093

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the directors in strict adherence to conflict of interest laws and regulations.

(a) During the three and six months ended May 31, 2022, the Company incurred management compensation of \$45,000 and \$90,000, respectively (three and six months ended May 31, 2021 - \$45,000 and \$100,000, respectively) to the CEO of the Company. As at May 31, 2022, the CEO was owed \$1,120 (November 30, 2021 - \$109,099) and these amounts were included in accounts payable and other liabilities.

(b) During the three and six months ended May 31, 2022, the Company paid professional fees, rent, office and general totaling \$20,086 and \$40,448, respectively (three and six months ended May 31, 2021 - \$22,048 and \$42,993, respectively) to Marrelli Support Services Inc., and certain of its affiliates, together known as the "Marrelli Group", for: (i) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the CFO of the Company, (ii) bookkeeping, corporate secretarial services, escrow and regulatory filing services, and (iii) office rent. The Marrelli Group was owed \$2,869 (November 30, 2021 - \$6,441) and these amounts were included in amounts payable and accrued liabilities. The Company also had a \$1,900 deposit with Marrelli Capital Limited, a company within the Marrelli Group, as a deposit for last months rent.

(c) During the three and six months ended May 31, 2022, the Company incurred professional fees of \$25,500 and \$50,500, respectively (three and six months ended May 31, 2021 - \$nil) to a director of the Company.

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Notes to Condensed Interim Consolidated Financial Statements

Three and Six Months Ended May 31, 2022

(Expressed in Canadian Dollars)

Unaudited

12. Segmented information

The Company primarily operates in one reportable operating segment, being the exploration and evaluation of gold properties in Suriname. The Company has administrative offices in Toronto, Canada. Geographical information is as follows:

May 31, 2022

	Canada	Suriname	Total
Current assets	\$ 144,743	\$ 72,951	\$ 217,694
Non-current assets	4,429	152,079	156,508
	\$ 149,172	\$ 225,030	\$ 374,202

November 30, 2021

	Canada	Suriname	Total
Current assets	\$ 1,143,662	\$ 135,906	\$ 1,279,568
Non-current assets	4,941	171,747	176,688
	\$ 1,148,603	\$ 307,653	\$ 1,456,256

13. Event after the reporting period

On July 15, 2022, the Company completed the first tranche of a non-brokered private placement, consisting of 11,200,000 units of the Company at a price of \$0.05 per unit for aggregate gross proceeds of \$560,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at \$0.08 per common share until July 15, 2024. The warrants contain an acceleration clause whereby, after the expiration of the statutory hold period, if the common shares of the Company trade at a volume weighted average price of \$0.20 or more for 10 consecutive trading days, the Company will have the right to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

In connection with the closing of the first tranche of the non-brokered private placement, Mr. Jon North, Chairman, President and CEO of the Company, acquired ownership and control of 200,000 units.