



SIXTY NORTH GOLD MINING LTD.

Financial Statements

For the years ended October 31, 2023 and 2022
(Expressed in Canadian dollars, unless otherwise stated)

SIXTY NORTH GOLD MINING LTD.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED OCTOBER 31, 2023 and 2022

Table of Contents

Independent Auditors' Report.....	1
Statements of Financial Position.....	4
Statements of Comprehensive Loss.....	5
Statements of Changes in Equity	6
Statements of Cash Flows	7
Notes to the Financial Statements.....	8-29

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Sixty North Gold Mining Ltd.

Opinion

We have audited the financial statements of Sixty North Gold Mining Ltd. (the "Company") which comprise the statements of financial position as at October 31, 2023 and 2022, the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended October 31, 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditors' report:

Assessment of Impairment Indicators on Exploration and Evaluation Assets

We draw attention to Notes 3 and 4 of the Financial Statements. The carrying amount of Exploration and Evaluation Assets amounted to \$7,699,264 as at October 31, 2023. Exploration and Evaluation Assets are assessed for impairment if (i) the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities, and (iv) sufficient data exists to determine technical feasibility and commercial viability.

We identified the assessment of impairment indicators of Exploration and Evaluation Assets as a key audit matter due to the significance of the Exploration and Evaluation Assets and the judgments made by management in their assessment of impairment indicators related to Exploration and Evaluation Assets, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the Exploration and Evaluation Assets.

Our audit response to the key audit matter was as follows:

- We assessed the status of the Company's rights to explore by discussing with management if any rights were not expected to be renewed and verified the status of the underlying claims comprising the Exploration and Evaluation Assets;
- We assessed the Company's ability and plans to make substantive expenditures on further exploration for and evaluation of mineral resources based on the Company's available funds and history of raising funds through private placements when needed;
- We assessed the Company's capacity and strategies for recovering and restoring assets damaged by wildfires to facilitate continued exploration for and evaluation of mineral resources; our assessment considered the Company's financial resources and the status of submitted insurance claims; and
- We assessed whether exploration and evaluation activities in areas of exploration have not led to the discovery of commercially viable quantities of mineral resources and assessed whether the Company has decided to abandon or discontinue exploration activities by inspecting Board of Directors minutes, reading press releases and relying on other evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Waseem Javed.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

February 26, 2024

SIXTY NORTH GOLD MINING LTD.

Statements of Financial Position
(Expressed in Canadian Dollars)
As at October 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash	\$ 37,247	\$ 114,180
GST receivable	3,202	5,900
Prepaid expenses	57,863	99,190
Total Current Assets	98,312	219,270
Exploration and evaluation assets (Note 4,9)	7,699,264	8,069,661
Reclamation deposit (Note 5)	427,540	427,540
Total Assets	\$ 8,225,116	\$ 8,716,471
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 4, 9)	\$ 392,171	\$ 531,355
Total Current Liabilities	392,171	531,355
Equity		
Share capital (Note 6)	11,819,700	11,009,235
Equity reserves	1,402,419	1,380,587
Deficit	(5,389,174)	(4,204,706)
Total Equity	7,832,945	8,185,116
Total Liabilities and Equity	\$ 8,225,116	\$ 8,716,471

Nature and Continuance of Operations (Note 1)
Commitments (Note 10)

On behalf of the Board:

“David R. Webb”

Director

“Tom MacNeill”

Director

The accompanying notes are an integral part of these financial statements.

SIXTY NORTH GOLD MINING LTD.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

For the years ended October 31, 2023 and 2022

	2023	2022
Expenses		
Consulting fees	\$ 210,000	\$ -
General and administration (Note 7)	61,575	31,351
Investor relations (Note 8)	141,389	138,025
Management fees (Note 9)	180,000	180,000
Professional fees	125,318	142,077
Share-based payments	10,582	34,096
Transfer agent and regulatory fees	34,616	30,814
Net loss before other items	(763,480)	(556,363)
Other items		
Impairment of exploration and evaluation assets (Note 4)	(436,000)	(110,403)
Gain on write-off of liabilities	15,000	-
Interest income	12	101
Net loss and comprehensive loss for the year	\$ (1,184,468)	\$ (666,665)
Loss per share, basic and diluted	\$ (0.05)	\$ (0.04)
Weighted average common shares outstanding, basic and diluted	23,975,498	17,205,006

The accompanying notes are an integral part of these financial statements.

SIXTY NORTH GOLD MINING LTD.

Statements of Changes in Equity

(Expressed in Canadian Dollars)

For the years ended October 31, 2023 and 2022

	Number of Shares	Share Capital	Equity Reserves	Deficit	Total
Balance at October 31, 2021	14,478,410	8,466,160	1,335,954	(3,538,041)	6,264,073
Shares issued for cash (Note 6(b))	1,660,000	323,700	8,300	-	332,000
Shares issued for property acquisition (Note 4)	4,951,137	2,228,012	-	-	2,228,012
Share issuance costs (Note 6(b))	-	(8,637)	2,237	-	(6,400)
Share-based payments	-	-	34,096	-	34,096
Net loss and comprehensive loss for the year	-	-	-	(666,665)	(666,665)
Balance at October 31, 2022	21,089,547	\$ 11,009,235	\$ 1,380,587	\$ (4,204,706)	\$ 8,185,116
Shares issued for cash (Note 6(b))	4,804,291	596,515	20,000	-	616,515
Shares issued for settlement of liabilities (Note 9)	1,750,000	218,750	(8,750)	-	210,000
Share issuance costs	-	(4,800)	-	-	(4,800)
Share-based payments	-	-	10,582	-	10,582
Net loss and comprehensive loss for the year	-	-	-	(1,184,468)	(1,184,468)
Balance at October 31, 2023	27,643,838	\$ 11,819,700	\$ 1,402,419	\$ (5,389,174)	\$ 7,832,945

The accompanying notes are an integral part of these financial statements.

SIXTY NORTH GOLD MINING LTD.

Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended October 31, 2023 and 2022

	2023	2022
Cash Flows Used in Operating Activities		
Net loss for the year	\$ (1,184,468)	\$ (666,665)
Non-Cash Items:		
Share-based payments	10,582	34,096
Gain on write-off of liabilities	(15,000)	-
Impairment of exploration and evaluation assets	436,000	110,403
	(752,886)	(522,166)
Changes in Non-Cash Working Capital Items:		
GST receivable	2,698	14,397
Prepaid expenses	41,327	3,681
Accounts payable and accrued liabilities	167,344	259,717
Net Cash Flows Used in Operating Activities	(541,517)	(244,371)
Cash Flows Used in Investing Activities		
Exploration and evaluation expenditures, net	(147,131)	(1,033,198)
Reclamation deposit	-	(8,000)
Net Cash Flows Used in Investing Activities	(147,131)	(1,041,198)
Cash Flows from Financing Activities		
Issuance of common shares, net of share issuance costs	611,715	332,000
Net Cash Flows Provided by Financing Activities	611,715	332,000
Change in Cash During the Year	(76,933)	(953,569)
Cash, Beginning of Year	114,180	1,067,749
Cash, End of Year	\$ 37,247	\$ 114,180
Non-cash transactions in investing and financing activities:		
Fair value of agent warrants for share issuance costs	\$ -	\$ 2,237
Exploration expenditures included in accounts payable	\$ 108,995	\$ 190,523
Shares issuance costs in accounts payable	\$ -	\$ 6,400
Shares issued for settlement of liabilities	\$ 210,000	\$ -
Fair value of shares issued for property acquisition	\$ -	\$ 2,228,012

The accompanying notes are an integral part of these financial statements.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

Sixty North Gold Mining Ltd. (the "Company") was incorporated on July 7, 2016 in British Columbia under the laws of the Canada Business Corporations Act. On November 9, 2017, the Company became registered as an extra-territorial corporation under part XXI of the Business Corporations Act of the Northwest Territories. The Company's registered office is located at 3200-650 West Georgia Street, Vancouver, BC, V6B 4P7. The Company's shares are listed on the Canadian Securities Exchange under the symbol "SXTY". The Company also trades on the Frankfurt Stock Exchange under the symbol "2F4" and on the OTC Pink Sheet Market in the United States under the symbol "SXNTF".

The Company's principal business activities include the acquisition, exploration and development of mineral property assets. The Company is exploring its mineral property assets for gold on the 100% owned Mon Property, 40 km north of Yellowknife, NWT (Note 4).

Recovery of the carrying value of the Company's investment in the Mon Property is dependent upon the existence of economically recoverable reserves, obtaining the necessary funding to complete exploration and development, and the attainment of future profitable production. The outcome of these matters cannot be predicted at this time and indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern.

These financial statements of the Company have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. If the going concern assumptions were not appropriate for these financial statements, then adjustments may be necessary to the carrying value of assets and liabilities, the reported expenses and the classifications used on the statement of financial position.

The Company will require further funding to continue as a going concern.

As at October 31, 2023, the Company had a deficit of \$5,389,174 (2022 - \$4,204,706) and a working capital deficiency of \$293,859. The Company has raised funds through private and public equity issuances to fund the project. There is no assurance that the Company will be able to obtain sufficient funding to continue exploration and development on the Mon Property. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. Statement of Compliance and Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC") for all periods presented. The significant accounting policies followed in these financial statements are presented in Note 3.

These financial statements were authorized for issue by the Company's Board of Directors on February 26, 2024.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

3. Significant Accounting Policies

Critical Accounting Estimates and Judgements

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates, which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and may affect both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Accounting Estimates and Assumptions (continued)

Site Closure and Reclamation Provisions

The Company assesses its reclamation provision at each reporting date or when new material information becomes available. Exploration, development, and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated. The Company's exploration work to date has resulted in no significant site disturbance and therefore the Company's reclamation provision is limited to the amount posted as a reclamation bond.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Share-Based Payments

Management uses valuation techniques in measuring the fair value of stock options granted. The fair value is determined using the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions for any stock options granted could have a material impact on the Company's financial statements.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognized in the statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Exploration and Evaluation Assets

Upon acquiring the legal right to explore an exploration and evaluation asset, costs related to the acquisition, exploration and evaluation are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized as expense in profit and loss statement. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets are written down to their estimated recoverable amount. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and evaluation, and future profitable production or proceeds from the disposition thereof.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments

(a) Classification and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at amortized cost, at fair value through other comprehensive income (loss) ("FVTOCI"), or at fair value through profit ("FVTPL").

Financial assets

The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets at amortized cost - Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any financial assets measured at amortized cost as at October 31, 2023.

Financial assets at FVTOCI - Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company does not have any financial assets classified as FVTOCI as at October 31, 2023.

Financial assets at FVTPL - This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statements of financial position at fair value which changes in fair value recognized in the statement of comprehensive loss. The Company has classified its cash as FVTPL.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

(a) Classification and measurement (continued)

Financial liabilities

All financial liabilities are initially recorded at fair value and classified as measured at amortized cost or FVTPL.

Financial liabilities at amortized cost - Financial liabilities are subsequently measured at amortized cost using the effective interest method except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments at below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. The Company's accounts payable are measured at amortized cost.

Financial liabilities at FVTPL - This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss. The Company did not hold any financial liabilities at FVTPL as at October 31, 2023.

(b) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i. e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

(c) De-recognition

A financial asset is derecognized when the contractual right to the asset's cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Share Capital

The Company's common shares, share warrants and options and flow-through shares are classified as equity instruments. Incremental costs directly related to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. For equity offerings of units consisting of a common share and warrants, when both instruments are classified as equity, the Company allocates the proceeds between the common share and warrants based on residual value. When warrants are exercised, the corresponding value is transferred from equity reserve to common stock.

Flow-through Shares

Current Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. The issue of flow-through shares is in substance an issue of ordinary shares and the sale of tax deductions. At the time the Company issues flow-through shares, the sale of tax deductions is deferred and presented as other liabilities in the statement of financial position to recognize the obligation to incur and renounce eligible resource exploration and evaluation expenditures. The tax deduction is measured as the difference between the current market price of the Company's common shares and the issue price of the flow-through share. Upon incurring and renouncing eligible resource exploration and evaluation expenditures, the Company recognizes the sale of tax deductions as a tax deduction recovery on the statement of comprehensive loss and reduces the other liability.

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Provision for Environmental Reclamation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. The cost of any rehabilitation program is recognized at the time that the environmental disturbance occurs. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset along with a corresponding liability, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect risks specific to the asset are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is adjusted each period for the unwinding of the discount rate, changes to the current market-based discount rate, and for the amount or timing of the underlying cash flows needed to settle the obligation. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is immaterial.

Income Taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the period end date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for used tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each period end date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

Foreign Currency Translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest method and payments are applied against the lease liability.

Other

A number of new standards and amendments to standards and interpretations, are not yet effective for the year ended October 31, 2023, and have not been applied in preparing these financial statements. The new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

Exploration and evaluation assets are comprised of:

	Mon Property (a)	Hangstone Property (b)	Total
Acquisition Costs:			
Balance, October 31, 2021	\$ 320,321	\$ 62,000	\$ 382,321
Advance royalty payment (Note 10)	25,552	-	25,552
Option payments	2,228,012	20,000	2,248,012
Impairment	-	(82,000)	(82,000)
Balance, October 31, 2022	2,573,885	-	2,573,885
Advance royalty payment (Note 10)	27,259	-	27,259
Balance, October 31, 2023	2,601,144	-	2,601,144
Exploration Costs:			
Balance, October 31, 2021	4,380,165	25,316	4,405,481
Additions	1,175,082	3,087	1,178,169
Impairment	-	(28,403)	(28,403)
Balance, October 31, 2022	5,555,247	-	5,555,247
Additions	38,344	-	38,344
Impairment	(436,000)	-	(436,000)
Balance, October 31, 2023	5,157,591	-	5,157,591
Grant from the Government of the Northwest Territories			
Balance, October 31, 2022 and October 31, 2023	(59,471)	-	(59,471)
Exploration and Evaluation Assets, net			
October 31, 2022	8,069,661	-	8,069,661
October 31, 2023	\$ 7,699,264	-	\$ 7,699,264

As at October 31, 2023, accounts payable and accrued liabilities include \$108,995 (2022 - \$190,523) payable to New Discovery Mines Ltd. for exploration expenditures.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

Exploration and evaluation costs were comprised of:

	Mon Property (a)	Hangstone Property (b)	Total
<i>For the year ended October 31, 2022</i>			
Administration	\$ 243,248	\$ -	\$ 243,248
Assays and laboratory	7,021	1,587	8,608
Camp costs	504,080	-	504,080
Equipment	105,421	-	105,421
Exploration advance	(187,620)	-	(187,620)
Geology and geophysics	16,150	-	16,150
License and permits	1,006	1,500	2,506
Storage and transport	258,783	-	258,783
Supplies	188,657	-	188,657
Travel and accommodation	38,336	-	38,336
Total	1,175,082	3,087	1,178,169
<i>For the year ended October 31, 2023</i>			
Administration	7,691	-	7,691
Assays and laboratory	46	-	46
Camp costs	9,604	-	9,604
Equipment	135	-	135
Geology and geophysics	10,538	-	10,537
License and permits	6,110	-	6,111
Supplies	13,200	-	13,200
Travel and accommodation	20	-	20
Recovery	(9,000)	-	(9,000)
Total	\$ 38,344	\$ -	\$ 38,344

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

(a) The Mon Property

On July 8, 2016, the Company signed a letter of intent with New Discovery Mines Ltd. ("NDM") and then entered into an option agreement ("Agreement") on September 2, 2016. The Mon Property (the "Property") includes three NDM claims and 11 Mon Property leases, comprised of an aggregate of 1,536.92 acres, and is located in the mining district of the Northwest Territories. On June 14, 2017, the Company and NDM entered into a restated mineral property earn-in agreement ("Restated Agreement") effective as of September 2, 2016, and further amended the Restated Agreement on October 21, 2019, April 24, 2020. NDM is a private company that is 50% owned and controlled by the President and CEO of the Company.

Pursuant to the amended Restated Agreement, the Company committed to incurring cumulative exploration expenditures of at least \$6,000,000 on the Property in order to earn an 80% interest in the Property. In the event that the Company earns its 80% interest in the Property, it will purchase the remaining 20% carried interest held by NDM by the issuance to NDM of the number of common shares of the Company equal to 25% of the total issued and outstanding shares of the Company at that time.

In April 2022, the Company entered into two additional amendments agreement with NDM (the "April 2022 Amendments"). Pursuant to the April 2022 Amendments, the Company acquired 100% interest in the Property by issuing to NDM 4,951,137 (49,511,367 pre-consolidation) common shares with a fair value of \$2,228,012. The shares are subject to escrow restrictions permitting the release of 10% upon closing of the acquisition, and further releases from escrow in instalments of 15% of the original number of shares every quarter for a period of 18 months.

The Property is subject to a pre-existing royalty agreement between NDM and Giauque Holdings Ltd. (the "Royalty Holder"), which provides for a 2.0% net smelter royalty ("NSR") reserved in favour of the Royalty Holder. The Company has committed to make minimum annual advanced royalty payment to the Royalty Holder of US\$20,000, which commenced in January 2017, and is payable on or before January 30th of each year. A deduction of 20% of all advance royalty payments may be made from the first year's NSR payments, and thereafter the balance of the advanced royalty payments may be deducted from future NSR payments. As of October 31, 2023, the Company has paid US\$140,000 (\$183,791) in advance royalty payments.

Subsequent development converted two of the Mon Property Mineral Claims to Mining Leases such that the property currently consists of one Mineral Claim and 13 Mining Leases. In August 2023, the Northwest Territories (NWT) wildfire impacted the Company's Mon Property. The Company recorded the impairment loss of certain equipment damaged due to wildfire amounting to \$436,000.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

(b) Hangstone Property

On November 17, 2020, the Company entered into an option agreement (the "Agreement") to acquire 100% interest in the Hangstone Property (the "Property"). The Property includes nine mineral claims comprised of an aggregate of 2,102 hectares, and is located in the mining district of the Northwest Territories. The vendor retains a 2% net smelter royalty ("NSR"), half of which may be purchased by the Company for \$1,000,000 any time prior to commercial production.

The Company may earn the 100% interest in the Property by:

- i) Paying \$15,000 in cash (paid), issuing 30,000 shares of the Company (issued), and incurring \$15,000 expenditures (incurred) on the Property upon signing the Agreement;
- ii) Paying \$20,000 in cash (paid), issuing 40,000 shares of the Company (issued), and incurring \$80,000 expenditures on the Property on or before first anniversary of the Agreement date;
- iii) Paying \$30,000 in cash, issuing 50,000 shares of the Company, and incurring \$120,000 expenditures on the Property on or before second anniversary of the Agreement date;
- iv) Paying \$60,000 in cash, issuing 50,000 shares of the Company, and incurring \$200,000 expenditures on the Property on or before third anniversary of the Agreement date;
- v) Paying \$150,000 in cash, issuing 70,000 shares of the Company, and incurring \$300,000 expenditures on the Property on or before fourth anniversary of the Agreement date; and
- vi) Incurring \$300,000 expenditures on the Property on or before fifth anniversary of the Agreement date.

During the year ended October 31, 2022, the Company determined to no longer pursue the exploration activities on the Property and recorded an impairment of exploration and evaluation assets of \$110,403.

5. Reclamation Deposit

As at October 31, 2023, the Company has placed security deposits of \$427,540 (October 31, 2022 - \$427,540) with the Department of Lands on behalf of the Government of the Northwest Territories, as required under the land use permit ("LUP") on the Mon Property.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

6. Share Capital

On October 18, 2022, the Company completed a 10:1 share consolidation. All share and per share amounts in the financial statements are stated on a post-consolidation basis for all periods presented.

(a) Authorized Shares

The Company is authorized to issue an unlimited number of common shares with no par value per share.

(b) Issued and Outstanding

As of October 31, 2023, 27,643,838 common shares (October 31, 2022 – 21,089,547) were issued and outstanding.

During the year ended October 31, 2023, the Company had the following transactions:

On June 8, 2023, the Company closed a non-brokered private placement of 4,304,291 units at \$0.12 per unit to raise gross proceeds of \$516,515. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.18 per common share for two years from the issue date. The shares issued have a hold period of four months and one day restricting resale. In connection with this private placement, the Company has recorded a cash commission payable of \$4,800.

On June 8, 2023, the Company issued a total of 1,750,000 common shares with a fair value of \$218,750 to settle \$210,000 in accrued management fees (Note 9).

On November 14, 2022, the Company closed a non-brokered private placement of 500,000 units at \$0.20 per unit to raise gross proceeds of \$100,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.30 per common share for two years from the issue date. The shares issued have a hold period of four months and one day restricting resale. Of the \$100,000 proceeds of the private placement, a value of \$80,000 was allocated to the common shares and \$20,000 to the warrants as per the residual value method.

During the year ended October 31, 2022, the Company had the following transactions:

On October 28, 2022, the Company closed a non-brokered private placement of 1,660,000 units at \$0.20 per unit to raise gross proceeds of \$332,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.30 per common share for two years from the issue date. Certain insiders of the Company participated in the private placement. The shares issued have a hold period of four months and one day restricting resale. Of the \$332,000 proceeds of the private placement, a value of \$323,700 was allocated to the shares and \$8,300 to the warrants as per the residual value method.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(b) Issued and Outstanding (continued)

In connection with this private placement, the Company has recorded a cash commission payable of \$6,400 and issued agent's compensation warrants to purchase up to 32,000 common shares, exercisable at \$0.30 per common share for two years from the issue date. The fair value of agent's warrants recorded as share issuance costs was estimated at \$2,237 using the Black-Scholes pricing model assuming an expected life of 2 years, a risk-free interest rate of 3.79% and expected volatility of 85.48%.

On April 14, 2022, the Company issued 4,951,137 (49,511,367 pre-consolidation) common shares with a fair value of \$2,228,012 to NDM pursuant to the April 2022 Amendments (Note 4a). The shares issued are subject to escrow restrictions permitting the release of 10% upon closing of the acquisition, and further releases from escrow in instalments of 15% of the original number of shares every quarter for a period of 18 months. NDM is a private company that is 50% owned and controlled by the President and CEO of the Company.

(c) Warrants

A summary of the Company's outstanding warrants at October 31, 2023 and 2022, and the changes for the years then ended is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2021	8,511,892	\$0.90	1.51
Issued for private placements	1,660,000	\$0.30	1.99
Issued for brokers' warrants	32,000	\$0.30	1.99
Expired warrants	(683,690)	\$0.84	-
Balance, October 31, 2022	9,520,202	\$0.79	0.92
Issued for private placements	4,804,291	\$0.19	1.55
Expired warrants	(7,192,202)	\$0.89	-
Balance, October 31, 2023	7,132,291	\$0.29	1.35

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(c) Warrants (continued)

As of October 31, 2023, the outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date
636,000	\$1.00	August 30, 2024
1,692,000	\$0.30	October 28, 2024
500,000	\$0.30	November 14, 2024
4,304,291	\$0.18	June 8, 2025
7,132,291		

(d) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

A summary of the Company's outstanding stock options at October 31, 2023 and 2022, and the changes for the periods then ended is presented below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Life
Balance, October 31, 2021	765,000	\$ 1.20	2.85
Options granted	405,000	\$ 1.00	0.88
Options expired	(30,000)	\$ 1.00	-
Balance, October 31, 2022	1,140,000	\$ 1.05	1.56
Options granted	-	-	-
Options expired/cancelled	(535,000)	\$ 0.85	-
Balance, October 31, 2023	605,000	\$ 0.94	1.40

During the year ended October 31, 2023, the Company recorded a share-based payment expense of \$10,582 (2022 - \$34,096) for stock options granted and vested on the statement of comprehensive loss.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

6. Share Capital (continued)

(d) Stock Options (continued)

On March 1, 2022, the Company granted 200,000 (2,000,000 pre-consolidation) options to a consultant of the Company. These stock options have an exercise price of \$0.80 per share and expire on March 1, 2023. The stock options fully vested on the date of grant. The fair value of the stock options was estimated at \$10,948, using the Black-Scholes pricing model assuming risk-free interest rate of 1.17%, expected life of 1 year and expected volatility of 64.22%.

On March 1, 2022, the Company granted 200,000 (2,000,000 pre-consolidation) stock options to a consultant of the Company. These stock options have an exercise price of \$1.20 per share and expire on March 1, 2024. The stock options will vest in four equal tranches over a period of one year from the date of grant. The fair value of the stock options was estimated at \$31,920, using the Black-Scholes pricing model assuming risk-free interest rate of 1.32%, expected life of 2 years and expected volatility of 99.93%.

On March 1, 2022, the Company granted 5,000 (50,000 – pre-consolidation) stock options to consultants of the Company. These stock options have an exercise price of \$0.80 per share and expire on March 1, 2027. The stock options fully vested on the date of grant. The fair value of the stock options was estimated at \$1,810, using the Black-Scholes pricing model assuming risk-free interest rate of 1.47%, expected life of 5 years and expected volatility of 107.79%.

As of October 31, 2023, the outstanding and exercisable options are as follows:

Number of Outstanding Options	Number of Exercisable Options	Exercise Price	Expiry Date
200,000	200,000	\$1.20	March 1, 2024
50,000	50,000	\$0.50	June 20, 2024
25,000	25,000	\$0.75	October 18, 2024
210,000	210,000	\$0.80	August 24, 2025
115,000	115,000	\$1.00	August 31, 2026
5,000	5,000	\$0.80	March 1, 2027
605,000	605,000		

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

7. General and Administration

	Years ended October 31,	
	2023	2022
Foreign Exchange	\$ -	\$ 137
Insurance	36,211	12,768
Interest and bank charges	9,394	2,465
Office expense	14,307	13,401
Meals and entertainment	1,663	2,580
	<u>\$ 61,575</u>	<u>\$ 31,531</u>

8. Investor Relations

	Years ended October 31,	
	2023	2022
Marketing and communication	\$ 140,400	\$ 109,143
Consulting fees	-	23,059
Annual general meeting	989	1,455
Shows and conferences	-	4,368
	<u>\$ 141,389</u>	<u>\$ 138,025</u>

9. Related Party Transactions and Balance

Related Party Transactions

The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them. Officers of the Company include the president, chief executive officer ("CEO"), chief financial officer ("CFO") and the vice president of corporate development ("VP Corporate Development"). During the year ended October 31, 2023 and 2022, the Company incurred the following key management compensation charges:

	Years ended October 31,	
	2023	2022
Management fees		
Company controlled by the VP Corporate Development	\$ 60,000	\$ 60,000
CFO and former director	60,000	60,000
Company controlled by the President & CEO	60,000	60,000
Total	<u>\$ 180,000</u>	<u>\$ 180,000</u>

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

9. Related Party Transactions and Balance (continued)

During the year ended October 31, 2023, the Company incurred the following exploration and evaluation assets expenditures with related parties:

- a) The Company paid \$27,259 (US \$20,000) (2022 - \$25,552) in annual advance royalty payments to Giauque Holdings Ltd (“Giauque”), a company controlled by the President and CEO.
- b) The Company paid \$8,348 (2022 - \$87,519) in Mon Property exploration expenditures to DRW Geological Consultants Ltd. (“DRW”), a company controlled by the President and CEO.
- c) The Company paid \$1,951 (2022 - \$64,064) in administration fee for Mon Property exploration expenditures to NDM, a company 50% owned by the President and CEO.

Related Party Balance

As at October 31, 2023, accounts payable and accrued liabilities include \$80,000 (October 31, 2022 - \$210,000) payable to directors, officers, and companies controlled by directors and officers for accrued fees.

As at October 31, 2023, accounts payable and accrued liabilities include \$118,549 (October 31, 2022 - \$190,523) payable to NDM for exploration expenditures which includes \$9,554 payable to DRW Geological Consultants Ltd. (“DRW”), a company controlled by the President and CEO.

On April 14, 2022, the Company issued 4,951,137 (49,511,367 pre-consolidation) common shares with a fair value of \$2,228,012 to NDM for acquisition of the Mon Property pursuant to the April 2022 Amendments. The shares are subject to escrow restrictions permitting the release of 10% upon closing of the acquisition, and further releases from escrow in instalments of 15% of the original number of shares every quarter for a period of 18 months.

Other transactions

Fees of \$105,000 to the Chief Financial Officer were settled by the issuance of 875,000 common shares (Note 6b).

Fees of \$105,000 to the Vice-President, Corporate Development were settled by the issuance of 875,000 common shares (Note 6b).

The common shares issued to settle liabilities with the related parties were recorded at a fair value of \$218,750. The \$8,750 difference between the fair value of the common shares issued and carrying value of the amounts payable was recorded to equity reserves as a capital transaction because the settlement occurred with related parties and shareholders.

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The above related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

10. Commitments

Pursuant to the Restated Agreement between the Company and NDM, the Company is required to make annual payments of US\$20,000 for the advanced NSR to Giauque commencing on January 30, 2017. These advance payments can be credited towards the royalty payments after commencement of commercial production with 20% of the aggregate payments received from the advanced NSR deductible from the royalty payments, commencing in the first completed calendar year of commercial production. (Note 4)

11. Financial Instruments and Risks

Fair Values and Classification

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	October 31, 2023	October 31, 2022
Cash	FVTPL	\$ 37,247	\$ 114,180
Accounts payable	Amortized cost	\$ 217,671	\$ 264,447

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable approximate their respective carrying values because of their immediate or short-term nature.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

11. Financial Instruments and Risks (continued)

Financial Instrument Risk Exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, currency risk and liquidity risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing these financial instruments with reputable and major financial institutions.

(b) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

(c) Liquidity risk

Liquidity risk is associated with the inability to meet obligations as they become due and is minimized by maintaining sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period.

12. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company manages and adjusts the capital structure based on:

- available funds in order to support the exploration and development of mineral properties and for general operating costs; and
- in light of changing economic conditions and the Company's working capital requirements.

The Company will continue to rely on capital markets to support continued growth. There are no external restrictions on capital.

SIXTY NORTH GOLD MINING LTD.

Notes to the Financial Statements

For the years ended October 31, 2023 and 2022

(Expressed in Canadian Dollars)

13. Income Tax

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended October 31,	
	2023	2022
Loss before income taxes	\$ (1,184,468)	\$ (666,665)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory tax rate	(319,806)	(180,000)
Permanent and other differences	1,797	32,537
Change in valuation allowance	318,009	147,463
Income tax expense	\$ -	\$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	October 31, 2023	October 31, 2022
Non-capital loss carry-forwards	\$ 1,261,527	\$ 1,037,635
Exploration and evaluation assets	90,019	(30,123)
Share issuance costs	23,875	49,900
	1,375,421	1,057,412
Less: Unrecognized deferred tax assets	(1,375,421)	(1,057,412)
Income tax expense	\$ -	\$ -

As at October 31, 2023, the Company has available non-capital losses of approximately \$4,672,000 for deduction against future taxable income. The non-capital losses, if not utilized, will expire as follows:

2036	\$ 53,000
2037	391,000
2038	690,000
2039	614,000
2040	650,000
2041	780,000
2042	665,000
2043	829,000
	<u>\$ 4,672,000</u>