NATION GOLD

NATION GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

JULY 31, 2021 AND 2020

(UNAUDITED)

NATION GOLD CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	As at July 31, 2021 (Unaudited)	As at April 30, 2021 (Audited)
		$	$
ASSETS			
CURRENT			
Cash		271,021	436,149
Amounts receivable		8,338	6,119
Prepaid expenses		20,000	3,892
		299,359	446,160
EXPLORATION AND EVALUATION ASSET	4	136,225	136,225
		435,584	582,385
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	6	232,967	286,547
SHAREHOLDERS' EQUITY			
SHARE CAPITAL	5	670,886	670,886
SUBSCRIPTION RECEIVABLE	5	-	(3,750)
CONTRIBUTED SURPLUS	5	74,756	74,756
DEFICIT		(543,025)	(446,054)
		202,617	295,838
		435,584	582,385

NATURE OF BUSINESS AND CONTINUING OPERATIONS (Note 1)
SUBSEQUENT EVENT (Note 9)

Approved and authorized for issue on behalf of the Board on October 14, 2021

"Mark Bailey " Director *"Carson Sedun"* Director

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

NATION GOLD CORP.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JULY 31, 2021 AND 2020 (unaudited)
(Expressed in Canadian dollars)

	Three Months Ended July 31, 2021 $	2020 $
General and administration		
Office	14,201	3,249
Professional fees	56,147	5,621
Rent	6,000	-
Transfer agent and filing fees	20,623	-
Travel	-	253
Net and comprehensive loss	(96,971)	(9,123)
Basic and Diluted Loss Per Common Share	(0.01)	(0.00)
Weighted Average Number of Common Shares Outstanding	11,329,920	2,113,848

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

NATION GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED JULY 31, 2021 AND 2020 (unaudited)
(Expressed in Canadian dollars)

Three Months Ended July 31, 2020

	Common Shares					
	Number of Shares	**Amount**	**Subscription Receivable**	**Contributed Surplus**	**Deficit**	**Total**
		$	$	$	$	$
Balance, April 30, 2020	2,113,848	238,610	-	74,756	(227,039)	86,327
Net loss	-	-	-	-	(9,123)	(9,123)
Balance, July 31, 2020	2,113,848	238,610	-	74,756	(236,162)	77,204

Three Months Ended July 31, 2021

	Common Shares					
	Number of Shares	**Amount**	**Subscription Receivable**	**Contributed Surplus**	**Deficit**	**Total**
		$	$	$	$	$
Balance, April 30, 2021	11,329,920	670,886	(3,750)	74,756	(446,054)	295,838
Subscription received	-	-	3,750	-	-	3,750
Net loss	-	-	-	-	(96,971)	(96,971)
Balance, July 31, 2021	11,329,920	670,886	-	74,756	(543,025)	202,617

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

NATION GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JULY 31, 2021 AND 2020 (unaudited)
(Expressed in Canadian dollars)

	Three Months Ended July 31,	
	2021	**2020**
	$	$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss	(96,971)	(9,123)
Changes in non-cash working capital balances:		
Amounts receivable	(2,219)	(125)
Prepaid expenses	(16,108)	-
Accounts payable and accrued liabilities	(53,580)	9,230
	(168,878)	(18)
FINANCING ACTIVITY		
Subscription received	3,750	-
CHANGE IN CASH	(165,128)	(18)
CASH, BEGINNING OF PERIOD	436,149	1,498
CASH, END OF PERIOD	271,021	1,480
SUPPLEMENTAL CASH DISCLOSURES		
Interest paid	-	-
Income taxes paid	-	-

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

1. NATURE OF BUSINESS AND CONTINUING OPERATIONS

Nation Gold Corp. ("the Company") was incorporated on May 19, 2017 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 750-1095 West Pender Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at July 31, 2021, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had an accumulated deficit of $543,025 as at July 31, 2021, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the audited financial statements and notes for the year ended April 30, 2021, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's financial statements for the year ended April 30, 2021.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

2. BASIS OF PRESENTATION (continued)

The condensed interim 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. These condensed interim financial statements are presented in Canadian dollars, unless specifically indicated otherwise, which is the Company's functional currency.

3. NEW ACCOUNTING STANDARD ISSUED

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

4. EXPLORATION AND EVALUATION ASSET

	Acquisition Costs $	**Exploration Costs $**	**Total $**
Balance, April 30, 2020	35,000	85,599	120,599
Additions*	-	15,626	15,626
Balance, April 30, 2021	35,000	101,225	136,225
Additions	-	-	-
Balance, July 31, 2021	35,000	101,225	136,225

**Exploration costs include mapping costs of $15,626.*

Cattle Creek Property

Pursuant to an option agreement (the "Agreement") dated June 13, 2017, the Company was granted an option to acquire a 100% undivided interest in the Cattle Creek Property (the "Property") located in the Vernon Mining Division, British Columbia.

In accordance with the Agreement, the Company has the option to acquire a 100% undivided interest in the Property by issuing a total of 500,000 common shares of the Company to the Optionors, making cash payments totaling $70,000, and incurring a total of $180,000 in exploration expenditures.

On June 13, 2019, the Company replaced the Agreement originally dated June 13, 2017 (the "New Agreement"). In accordance with the New Agreement, the Company purchased 100% interest in the Cattle Creek Property in consideration of a cash payment of $25,000.

5. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

5. SHARE CAPITAL (continued)

b) Escrow Shares

During the three months ended July 31, 2021, and year ended April 30, 2021, there are Nil common shares held in escrow.

c) Issued and Outstanding as at July 31, 2021: 11,329,920 (April 30, 2021: 11,329,920) common shares.

During the three months ended July 31, 2021, the Company did not issue any common shares.

During the year ended April 30, 2021, the Company had the following share capital transactions:

(i) On July 23, 2020, the board of directors authorized a 7-for-1 share consolidation. All share and per share information in these financial statements has been retrospectively adjusted to reflect the impact of the share consolidation.

(ii) On January 29, 2021, the Company completed a non-brokered private placement issuing 3,650,000 common shares at a purchase price of $0.005 per common share for gross proceeds of $18,250.

(iii) On April 19, 2021, the Company completed a non-brokered private placement issuing 5,566,072 common shares at a purchase price of $0.075 per common share for gross proceeds of $417,455. As at April 30, 2021, the Company had $3,750 in subscriptions receivable. Pursuant to the private placement, the Company paid $3,429 in share issuance costs.

d) Warrants

The Company did not have any warrants outstanding as at July 31, 2021 and April 30, 2021.

e) Options

On July 12, 2018, the Company adopted a Stock Option Plan (‘Plan’) for directors, officers, employees and consultants of the Company. The Company may grant options to individuals, options are exercisable over periods of up to ten years, as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

e) Options (continued)

The changes in options during the period ended July 31, 2021 and year ended April 30, 2021 are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2020	**207,143**	**1.05**
Granted	-	-
Expired	-	-
Cancelled	(207,143)	(1.05)
Balance, April 30, 2021 and July 31, 2021	**-**	**-**

On July 24, 2020, the Company cancelled a total of 207,143 stock options that were granted to the Company's directors and key management personnel on June 12, 2018.

During the period ended July 31, 2021, the Company did not issue any options.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company has identified its directors and senior officers as its key management personnel.

During the three months ended July 31, 2021, the Company paid consulting fees of $Nil (July 31, 2020 - $nil) from current and former key management personnel for services provided during the period.

As at July 31, 2021, $140,000 (April 30, 2021 - $146,746) was recorded in accounts payable and accrued liabilities for amounts owing to current and former officers, or to companies under their control. The amount is non-interest bearing, unsecured and payable on demand.

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair Values

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values because of their current nature.

The following table summarizes the carrying values of the Company's financial instruments as at July 31, 2021 and April 30, 2021:

	July 31, 2021		April 30, 2021	
	Fair value	**Carrying value**	**Fair value**	**Carrying value**
FVTPL (i)	$ 271,021	$ 271,021	$ 436,149	$ 436,149
Amortized cost (ii)	$ 232,976	$ 232,976	$ 286,547	$ 286,547

(i) Cash
(ii) Accounts payable

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value as at July 31, 2021 by level within the fair value hierarchy as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 271,021	$ -	$ -	$ 271,021

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of July 31, 2021 and April 30, 2021 equal $232,967 and $286,547 respectively. All the liabilities presented as accounts payable and accrued liabilities are due on demand. The Company intends to finance its operations over the next twelve months with loans from directors and companies controlled by directors and share private placements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at July 31, 2021, the Company is not exposed to significant market risk.

9. SUBSEQUENT EVENT

On June 15, 2021, the Company entered into an engagement agreement (the "Agreement") whereby the Agent (the "Agent") has agreed to raise on commercially reasonable efforts $1,995,000, which is the required minimum offering amount under the prospectus, in an initial public offering ("IPO") by the issuance of 6,650,000 common shares of the Company at a price of $0.30 per common share.

Pursuant to the terms of the Agreement, the Company has agreed to pay to the Agent a cash commission of 8% of the gross proceeds of the IPO. The Company has also agreed to grant to the Agent warrants (the "Agent's Warrant") which will entitle the Agent to purchase up to 8% of the common shares sold under the IPO, at a purchase price that is equal to the price per share offered in the IPO. The Agent's Options are exercisable until 24 months from the Listing date. In addition, the Company has agreed to pay a corporate finance fee of $30,000, the Agent's legal fees incurred and any other reasonable expenses pursuant to the IPO.