



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2021 AND 2020

TSXV: NGE
OTCQB: NVDEF

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
AS AT

	January 31, 2021	April 30, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,074,761	\$ 49,174
Accounts receivable (Note 3)	15,674	109,163
Prepaid expenses (Note 4)	196,086	9,349
Short term investments (Note 5)	31,028	8,503
Total current assets	2,317,549	176,189
Non-current assets		
Equipment and intangible assets (Note 7)	167,983	174,006
Deposits and bonds (Note 9)	75,413	98,314
Total non-current assets	243,396	272,320
Total assets	\$ 2,560,945	\$ 448,509
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 10)	\$ 111,196	\$ 315,929
Equity		
Capital stock (Note 11)	31,868,034	29,626,721
Reserves	4,640,671	3,398,405
Deficit	(34,058,956)	(32,892,546)
Total equity	2,449,749	132,580
Total liabilities and equity	\$ 2,560,945	\$ 448,509

Nature of operations, continuance of operations and going concern (Note 1)

Commitments (Notes 8 and 13)

Events after the reporting period (Note 16)

Approved and authorized on behalf of the Board on: March 25, 2021

“Wade Hodges” Director *“Dennis Higgs”* Director

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months ended January 31, 2021	Three months ended January 31, 2020	Nine months ended January 31, 2021	Nine months ended January 31, 2020
EXPENSES				
Amortization (Note 7)	\$ 20,565	\$ 19,962	\$ 63,819	\$ 59,050
Equipment and vehicles	2,963	18,099	(604)	36,137
Exploration and evaluation expenditures (Note 8)	352,733	608,477	597,787	2,159,210
Filing fees	42,041	10,632	54,299	62,325
Foreign exchange	711	3,661	4,844	4,400
Interest and bank charges	3,488	1,405	4,937	3,553
Investor relations	42,933	47,955	87,860	188,927
Office expenses and other	16,591	32,538	45,661	82,205
Professional fees and consultants (Note 6)	58,162	51,291	158,766	157,122
Rent	18,758	40,485	86,031	122,173
Salaries (Note 6)	87,901	117,076	272,346	344,565
Share-based payments (Note 6 and 11)	18,081	70,294	313,279	262,437
Travel	201	25,265	160	44,746
Total operating expenses	(665,128)	(1,047,140)	(1,689,195)	(3,526,850)
OTHER ITEMS				
Interest income	30	-	102	4,630
Loss on sale of equipment (Note 7)	-	-	(1,793)	-
Unrealized gain on short term investments (Note 5)	14,022	5,102	22,526	6,802
Total other items	14,052	5,102	20,835	11,432
Net loss for the period	(651,076)	(1,042,038)	(1,668,360)	(3,515,418)
OTHER COMPREHENSIVE LOSS				
Item that may be reclassified to profit or loss:				
Currency translation adjustment	(14,646)	5,650	(22,400)	(88)
Total comprehensive loss for the period	\$ (665,722)	\$ (1,036,388)	\$ (1,690,760)	\$ (3,515,506)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.04)
Weighted average number of common shares outstanding	111,311,366	93,363,617	107,499,668	89,650,220

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NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Capital Stock		Reserves					Total Equity
	Shares (Note 11)	Amount (Note 11)	Options (Note 11)	Warrants (Note 11)	Currency Translation	Total Reserves	Deficit	
Balance, May 1, 2019	87,331,559	\$ 27,306,958	\$ 1,633,261	\$ 1,015,688	\$ (35,889)	\$ 2,613,060	\$ (27,869,073)	\$ 2,050,945
Private placement	9,163,888	1,875,000	-	-	-	-	-	1,875,000
Relative fair value of unit warrants issued	-	(351,578)	-	351,578	-	351,578	-	-
Finder's unit shares	309,050	63,945	-	-	-	-	-	63,945
Finder's unit warrants	-	(11,696)	-	11,696	-	11,696	-	-
Share issuance costs	-	(85,642)	-	-	-	-	-	(85,642)
Options cancelled	-	-	(111,947)	-	-	(111,947)	111,947	-
Share-based payments	-	-	262,437	-	-	262,437	-	262,437
Warrants exercised	30,000	10,566	-	(1,566)	-	(1,566)	-	9,000
Currency translation adjustment	-	-	-	-	(88)	(88)	-	(88)
Net loss for the period	-	-	-	-	-	-	(3,515,418)	(3,515,418)
Balance, January 31, 2020	96,834,497	\$ 28,807,553	\$ 1,783,751	\$ 1,377,396	\$ (35,977)	\$ 3,125,170	\$ (31,272,544)	\$ 660,179
Balance, May 1, 2020	101,874,816	\$ 29,626,721	\$ 1,807,808	\$ 1,615,982	\$ (25,385)	\$ 3,398,405	\$ (32,892,546)	\$ 132,580
Private placements	28,948,000	3,806,000	-	-	-	-	-	3,806,000
Relative fair value of unit warrants issued	-	(1,337,668)	-	1,337,668	-	1,337,668	-	-
Finder's shares	639,734	79,968	-	-	-	-	-	79,968
Finder's warrants	-	(115,669)	-	115,669	-	115,669	-	-
Share-based payments	-	-	313,279	-	-	313,279	-	313,279
Share issuance costs	-	(191,318)	-	-	-	-	-	(191,318)
Options expired/forfeited	-	-	(501,950)	-	-	(501,950)	501,950	-
Currency translation adjustment	-	-	-	-	(22,400)	(22,400)	-	(22,400)
Net loss for the period	-	-	-	-	-	-	(1,668,360)	(1,668,360)
Balance, January 31, 2021	131,462,560	\$ 31,868,034	\$ 1,619,137	\$ 3,069,319	\$ (47,785)	\$ 4,640,671	\$ (34,058,956)	\$ (2,449,749)

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

NEVADA EXPLORATION INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2021	Nine months ended January 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,668,360)	\$ (3,515,418)
Items not affecting cash:		
Amortization	63,819	59,050
Share-based payments	313,279	262,437
Loss on sale of equipment	1,793	
Proceeds on sale of equipment	31,497	
Unrealized gain on short term investments	(22,525)	(6,802)
Changes in non-cash working capital items:		
Accounts receivable	93,489	9,510
Prepaid expenses	(186,737)	(594)
Deposits	17,250	(19,863)
Accounts payable and accrued liabilities	(204,733)	25,895
Net cash used in operating activities	<u>(1,561,228)</u>	<u>(3,185,785)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	<u>(102,108)</u>	<u>(39,721)</u>
Net cash provided by (used in) investing activities	<u>(102,108)</u>	<u>(39,721)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placement	3,806,000	1,875,000
Share issuance costs	(111,350)	(21,697)
Proceeds from warrants exercised	-	9,000
Net cash provided by financing activities	<u>3,694,650</u>	<u>1,862,303</u>
Effect of foreign exchange	<u>(5,727)</u>	<u>3,564</u>
Change in cash and cash equivalents for the period	2,025,587	(1,359,639)
Cash and equivalents, beginning of period	<u>49,174</u>	<u>1,841,216</u>
Cash and equivalents, end of period	<u>\$ 2,074,761</u>	<u>\$ 481,577</u>
Supplemental cash flow information		
Issuance of shares for settlement of finders' fees	\$ <u>79,968</u>	\$ <u>63,945</u>

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

NEVADA EXPLORATION INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2021

1. NATURE OF OPERATIONS, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Nevada Exploration Inc. (the “Company” or “NGE”) was incorporated on April 6, 2006 under the Canada Business Corporations Act and is in the business of acquiring and exploring mineral properties.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “NGE” and on the OTCQB marketplace under the trading symbol “NVDEF”. The Company’s head office is located at Suite 1400 - 885 West Georgia Street, Vancouver, BC V6C 3E8. The Company’s registered and records office is located at 700 West Georgia St., 25th Floor, Vancouver, BC V7Y 1B3.

These condensed consolidated interim financial statements are authorized for issue on behalf of the Board of Directors on March 25, 2021.

Continuance of operations and going concern

These condensed consolidated interim financial statements have been prepared on a going-concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically and recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The Company has not produced revenues from its exploration activities and does not have a regular source of cash flow. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so there is no assurance it will be able to do so in the future. The Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties cast significant doubt on the Company’s ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, unregistered claims and noncompliance with regulatory and environmental requirements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (IFRICs). Accordingly, they do not include all of the information required for full annual financial statements by International Financial Reporting Standards (“IFRS”) for complete financial statements for year-end reporting purposes. These condensed consolidated interim financial statements should be read in conjunction with the Company’s financial statements for the year ended April 30, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company in its most recent annual audited consolidated financial statements as at and for the year ended April 30, 2020 as filed on SEDAR at www.sedar.com.

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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January 31, 2021

3. ACCOUNTS RECEIVABLE

The accounts receivable for the Company are as follows:

	January 31, 2021	April 30, 2020
GST receivable	\$ 15,674	\$ 14,467
Other receivables	-	94,696
Total	\$ 15,674	\$ 109,163

4. PREPAID EXPENSES

The prepaid expenses for the Company are as follows:

	January 31, 2021	April 30, 2020
Security deposit for rental of premises	\$ 7,517	\$ 8,182
Prepaid services	188,569	1,167
	\$ 196,086	\$ 9,349

5. SHORT TERM INVESTMENTS

	January 31, 2021		April 30, 2020	
	Number	Cost	Carrying Value	Carrying Value
Spruce Ridge Resources Ltd. - Shares	170,068	\$ 25,000	\$ 23,810	\$ 8,503
Canada Nickel Company - Shares	3,166	-	7,218	-
		\$ 25,000	\$ 31,028	\$ 8,503

During the period ended January 31, 2021, the Company received a dividend-in-kind from Spruce Ridge Resources of 3,166 shares of Canada Nickel Company, which is listed on the TSX Venture Exchange.

During the period ended January 31, 2021, the Company revalued the shares based on the market price at January 31, 2021, resulting in an unrealized gain of \$22,526 (January 31, 2020 – gain of \$6,802).

6. RELATED PARTY TRANSACTIONS

During the period ended January 31, 2021, the Company:

- i) paid or accrued \$58,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$90,000 in consulting fees to a company controlled by a director of the Company and to a consultant related to a director.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2021

6. RELATED PARTY TRANSACTIONS (cont'd)

- iii) recorded share-based payments of \$273,981 related to the fair value of stock options vesting through the period to officers, directors, and a consultant related to a director.
- iv) The Company sold a vehicle to a former officer for \$31,497.

During the period ended January 31, 2020, the Company:

- i) paid or accrued \$58,500 in consulting fees to a corporation of which the Chief Financial Officer is an employee.
- ii) paid or accrued \$90,000 in consulting fees to a company controlled by a director of the Company and to a consultant related to a director.
- iii) recorded share-based payments of \$164,273 related to the fair value of stock options vesting through the period to officers, directors, and a consultant related to a director.

The amounts included in accounts payable and accrued liabilities which are due to related parties are as follows:

	January 31, 2021	April 30, 2020
Due to a corporation of which the Chief Financial Officer is an employee	\$ 8,925	\$ 6,825
Due to key management	12,075	17,861
Due to officers, companies controlled by directors and a consultant related to a director	21,000	27,650
	<u>\$ 42,000</u>	<u>\$ 52,336</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's President, Chief Executive Officer and Chief Operating Officer.

Remuneration of key management of the Company is as follows:

	Nine Months Ended January 31, 2021	Nine Months Ended January 31, 2020
Salaries	\$ 236,389	\$ 305,890
Share-based payments	112,423	82,669
	<u>\$ 348,812</u>	<u>\$ 388,559</u>

NEVADA EXPLORATION INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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January 31, 2021

7. EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Exploration Equipment	Computer Equipment	Software	Total
Cost					
Balance – April 30, 2019	\$ 66,090	\$ 393,611	\$ 15,225	\$ -	\$ 474,926
Additions	39,721	-	-	-	39,721
Effect of translation	5,887	14,282	(313)	-	19,856
Balance – April 30, 2020	\$ 111,698	\$ 407,893	\$ 14,912	\$ -	\$ 534,503
Disposals	(39,687)	-	-	-	(39,687)
Additions	-	42,108	-	60,000	102,108
Effect of translation	(7,751)	(33,421)	(417)	-	(41,589)
Balance – January 31, 2021	\$ 64,260	\$ 416,580	\$ 14,495	\$ 60,000	\$ 555,335
Accumulated amortization					
Balance – April 30, 2019	\$ 66,090	\$ 184,582	\$ 15,015	\$ -	\$ 265,687
Amortization	2,725	78,367	207	-	81,299
Effect of translation	3,911	9,910	(310)	-	13,511
Balance – April 30, 2020	\$ 72,726	\$ 272,859	\$ 14,912	\$ -	\$ 360,497
Disposal	(6,396)	-	-	-	(6,396)
Amortization	3,824	58,995	-	1,000	63,819
Effect of translation	(5,894)	(24,257)	(417)	-	(30,568)
Balance – January 31, 2021	\$ 64,260	\$ 307,597	\$ 14,495	\$ 1,000	\$ 387,352
Carrying amounts					
As at April 30, 2020	\$ 38,972	\$ 135,034	\$ -	\$ -	\$ 174,006
As at January 31, 2021	\$ -	\$ 108,983	\$ -	\$ 59,000	\$ 167,983

During the period ended January 31, 2021, the Company sold a vehicle for \$31,497, resulting in a loss of \$1,793.

8. RESOURCE PROPERTIES

Resource properties expenditures for the period ended January 31,	2021	2020
South Grass Valley	\$ 193,132	\$ 1,904,384
Grass Valley	97,933	99,570
Kelly Creek	(1,044)	153,837
Awakening	166,896	1,419
Other	140,870	-
	\$ 597,787	\$ 2,159,210

South Grass Valley (SGV)

As at January 31, 2021, the Company's South Grass Valley Project consists of unpatented mining claims held directly by the Company.

Grass Valley Project (GV)

As at January 31, 2021, the Company's Grass Valley Project consists of unpatented mining claims held directly by the Company.

NEVADA EXPLORATION INC.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

January 31, 2021

8. RESOURCE PROPERTIES (cont'd...)**Kelly Creek (KC)**

The Company has combined its former Hot Pot Project into its Kelly Creek Project, the combination of which is now together referred to as the Kelly Creek Project.

As of January 31, 2021, the Company's Kelly Creek Project consists of:

- unpatented mining claims held directly by the Company;
- unpatented mining claims leased by the Company from Genesis Gold Corporation (Genesis") through a Mining Lease and Option to Purchase Agreement (the "Genesis Agreement); and
- private land leased by the Company under a Mining Lease Agreement (the "Hot Pot Lease").

The Company entered into the Genesis Agreement on October 1, 2009 and as amended on December 29, 2014, August 25, 2015 and July 25, 2019, to acquire a 100% interest in the Genesis's Hot Pot claims. Under the Genesis Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 100,000 common shares (issued) and USD\$1,500,000, subject to a 1.5% Net Smelter Return Royalty ("Royalty"), and the following advance royalty payments which have been paid on time:

1 st anniversary (October 1, 2010)	\$	5,000 USD	(paid)
2 nd anniversary (October 1, 2011)		10,000 USD	(paid)
3 rd anniversary (October 1, 2012)		10,000 USD	(paid)
4 th anniversary (October 1, 2013)		10,000 USD	(paid)
5 th to 8 th anniversary (October 1, 2014 to October 1, 2017)		10,000 USD	i) & ii)
9 th anniversary (October 1, 2018)		50,000 USD	(paid)
10 th anniversary (October 1, 2019)		Nil	iii)
11 th to 13 th anniversaries (October 1, 2020 – October 1, 2022)		20,000 USD	iii) (paid by Austin as detailed below)
14 th and subsequent anniversaries (October 1 st annually)		50,000 USD	

- i) During the year ended April 30, 2015, the Company issued 80,000 Common shares, plus agreed to pay \$10,000 USD to satisfy the October 1, 2014 payment (paid).
- ii) On August 25, 2015, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payments due on October 1, 2015 (paid); October 1, 2016 (paid); and October 1, 2017 (paid), from \$50,000 USD to \$10,000 USD, subject to each party's rights under the Genesis Agreement.
- iii) On July 25, 2019, the Company and Genesis agreed to amend the terms of the Genesis Agreement to reduce the annual payment due on October 1, 2019 from \$50,000 USD to \$Nil. Additionally, the annual payments due October 1, 2020 to October 1, 2022 have been reduced from \$50,000 USD to \$20,000 USD, whereby the Company may elect to deliver up to half of this payment in common shares of the Company. The payment due October 1, 2020 was paid by Austin.

The Company entered into the Hot Pot Lease on September 16, 2004, for an initial term of 10 years, as amended on September 2, 2011, February 25, 2016 and February 16, 2017. Any mineral production on the project is subject to a 3% Net Smelter Return Royalty (the "NSR") to the property owner, subject to the Company's right to reduce the Royalty from 3% to 2% for \$2,000,000 USD. Under the February 25, 2016, amendment, the term of the Hot Pot Lease was extended to 20 years, until September 16, 2024. Under the February 16, 2017, amendment, additional lands were added to the Hot Pot Lease, subject to the following payments:

Amendment Date (February 16, 2017)	\$	5,000 USD	(paid)
September 16, 2017	\$	25,000 USD	(paid)
October 8, 2018	\$	30,000 USD	(paid)
September 16, 2019	\$	30,000 USD	(paid)
September 16, 2020	\$	30,000 USD	(paid by Austin as detailed below)
Subsequent Anniversaries (September 16 th annually)	\$	30,000 USD	

8. RESOURCE PROPERTIES (cont'd...)

Kelly Creek (KC) (cont'd...)

On July 8, 2020, the Company entered into an Exploration and Option to Enter Joint Venture Agreement (the “Agreement”) with Austin American Corporation (“Austin”), for an earn in and joint venture agreement on its district-scale Kelly Creek Project (the “Project”) within the Kelly Creek Basin in north-central Nevada. Under the Agreement, Austin has the right to earn a 51% interest in the joint venture by spending \$5,000,000 over four years, with the election to then earn an additional 19% by delivering a prefeasibility study. Due to delays and ongoing uncertainty surrounding Covid-19, subsequent to the period ended January 31, 2021, the Company and Austin agreed to extend all deadlines under the Agreement by 12 months and to reduce the exploration expenditures required during the first year of the Agreement by 25%, which effectively reduces the exploration expenditures required to earn a 51% interest in the Project from \$5,000,000 to \$4,750,000. Under the amended Agreement, to earn a 51% joint venture interest in the Project, Austin must spend \$4,750,000 in exploration expenditures, as follows (the “Earn In”):

- \$750,000 in aggregate by September 1, 2022, which represents a firm commitment,
- \$1,750,000 in aggregate by June 1, 2023,
- \$3,250,000 in aggregate by June 1, 2024, and
- \$4,750,000 in aggregate by June 1, 2025.

During the Earn In, Austin will be the operator of the Project. Upon completing the Earn In, Austin has a one-time option to elect to earn an additional 19% interest in the joint venture, for a total of 70% (the “Additional Option”), by spending \$1,500,000 per year during the first three years of the Additional Option, and by delivering a prefeasibility study prior to June 1, 2029. At the Company’s election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Austin will be obligated to provide the Company’s portion of any debt financing or arrange for third party financing of the Company’s portion of any debt financing required to construct a mine on the Project described in the feasibility study in consideration for the transfer by the Company to Austin of a 5% interest in the joint venture. If a party is diluted to a 10% interest in the joint venture, its interest will be converted to a 10% net profits interest.

Additionally, Austin is responsible for the payment of all annual claim maintenance fees as well as annual Hot Pot and Genesis lease payments as detailed above, as long as the Agreement is maintained.

The majority of the Company’s mineral interests at Kelly Creek are subject to a 1.25% NSR to Royal Gold, Inc.

Awakening (AW)

As at January 31, 2021, the Company’s Awakening Project consists of unpatented mining claims held directly by the Company.

9. DEPOSITS AND BONDS

	January 31, 2020	April 30, 2020
Security deposits ⁽¹⁾	\$ 11,500	\$ 28,750
Reclamation bond deposits ⁽²⁾	63,913	69,564
	<u>\$ 75,413</u>	<u>\$ 98,314</u>

- ⁽¹⁾ Security deposits consisted of \$11,500 guaranteed investment certificate (“GIC”) and bearing interest at prime less 2% to a minimum of 0%. The GIC was used to secure the credit limit on a credit card.
- ⁽²⁾ Reclamation bond deposits are required by the U.S. Bureau of Land Management (“BLM”) to ensure that any reclamation and clean-up work required on the Company’s properties will be completed to the satisfaction of the BLM.

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(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
January 31, 2021

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are as follows:

	January 31, 2021	April 30, 2020
Trade payables	\$ 69,196	\$ 238,593
Due to related parties (Note 6)	42,000	52,336
Accrued liabilities	-	25,000
Total	\$ 111,196	\$ 315,929

11. CAPITAL STOCK

a) Authorized share capital:

As at January 31, 2021, the authorized share capital of the Company was:
Unlimited number of common shares without par value;
Unlimited number of preferred shares without par value; and
All issued shares are fully paid

b) Issued share capital:

During the period ended January 31, 2021, the Company:

- Completed a private placement on December 24, 2020 of 26,448,000 units at a price of \$0.125 for total gross proceeds of \$3,306,000. Each unit consists of one common share and one non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.18 per share for 30 months. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.25 for 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Warrant holders of such acceleration. The securities issued at closing of the private placement will be subject to a four month plus one day hold period expiring April 25, 2021.
- In connection with the private placement closed on December 24, 2021, the Company paid finders fees in cash totalling \$72,848 and issued 639,744 finders shares and 1,222,524 finders warrants. The warrants have the same terms as the units described above. The finder's shares granted were estimated to have a fair value of \$79,968. The finder's warrants granted were estimated to have a fair value of \$115,669 and were accounted for as a share issuance cost.
- Completed a private placement on July 8, 2020 of 2,500,000 units at a price of \$0.20 for total gross proceeds of \$500,000. Each unit consists of one common share and one-half non-transferrable share purchase warrant entitling the holder to purchase one additional common share at an exercise price of \$0.50 per share for 30 months. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Warrant holders of such acceleration. The securities issued at closing of the private placement will be subject to a four month plus one day hold period expiring November 8, 2020.

During the year ended April 30, 2020, the Company:

- Issued 30,000 common shares as a result of warrants exercised for gross proceeds of \$9,000.

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11. CAPITAL STOCK (cont'd...)

a) Issued share capital (cont'd...)

- Completed a private placement on February 26, 2020 of 4,931,819 units at a price of \$0.22 per unit, for total gross proceeds of \$1,085,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire an additional common share of the Company at an exercise price of \$0.40 per common share for 24 months. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.70 for 10 consecutive trading days, the Company may accelerate the expiry date of the Warrants to the 30th day after the date on which the Company gives notice to the Warrant holders of such acceleration. All securities are subject to a four month plus one day hold period expiring June 27, 2020.
- Completed a private placement on January 2, 2020 of 1,850,000 units at a price of \$0.20 per unit, for total gross proceeds of \$370,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of \$0.50 per share. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring May 3, 2020.
- In connection with the private placement closed on January 2, 2020, the Company paid finders fees totalling 7,000 units on the same terms as the units described above. The finder's units granted were estimated to have a fair value of \$1,400. The finder's warrants granted were estimated to have a fair value of \$287 and were accounted for as a share issuance cost.
- Completed a private placement on December 5, 2019 of 5,625,000 units at a price of \$0.20 per unit, for total gross proceeds of \$1,125,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of \$0.50 per share. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring April 6, 2020.
- In connection with the private placement closed on December 5, 2019, the Company paid finders fees totalling 216,650 units on the same terms as the units described above. The finder's units granted were estimated to have a fair value of \$43,300. The finder's warrants granted were estimated to have a fair value of \$8,124 and were accounted for as a share issuance cost.
- Completed a private placement on September 12, 2019 of 1,688,888 units at a price of \$0.225 per unit for gross proceeds of \$380,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of 30 months at a price of \$0.50 per share. If the closing price of the common shares of the Company quoted on the TSX Venture Exchange is greater than \$0.90 for 10 consecutive trading days, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration. All securities issued are subject to a four month plus one day hold period expiring January 13, 2020.
- The Company paid finders fees totalling 85,400 units on the same terms as the units described above. The finder's units granted were estimated to have a fair value of \$19,215. The finder's warrants granted were estimated to have a fair value of \$3,285 and were accounted for as a share issuance cost.

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11. CAPITAL STOCK (cont'd...)

c) Options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

In the absence of a reliable measurement of the services received from the consultants, the following stock option grants have been measured at the fair value of the stock options issued.

During the period ended January 31, 2021 the Company:

Granted 1,525,000 stock options on October 20, 2020 to officers, directors and consultants of the Company. The options are exercisable at \$0.185 per share for a period of ten years from the date of grant, expiring October 20, 2030. The options vest 100% upon grant and the total value recorded for options vested throughout the period is \$230,587.

Granted 250,000 stock options on December 23, 2020 to a consultant of the Company. The options are exercisable at \$0.13 per share for a period of ten years from the date of grant, expiring December 23, 2030. The options vest 50% upon grant and 50% after 1 year. The total value recorded for options vested throughout the period is \$17,575.

During the year ended April 30, 2020, the Company:

Granted 150,000 stock options on May 30, 2019 to consultants of the Company. The options are exercisable at \$0.23 per share for a period of ten years from the date of grant, expiring May 30, 2029. 100,000 of these options were subsequently cancelled. The options were initially valued at \$32,950 and the vested value recorded during the period is \$457.

Granted 300,000 stock options on November 1, 2019 to consultants of the Company. The options are exercisable at \$0.18 per share for a period of ten years from the date of grant, expiring October 31, 2029. 100,000 of these options were subsequently cancelled. The options were initially valued at \$53,443 and the vested value recorded during the period is \$49.

A Continuity of share purchase options for the period January 31, 2021 is as follows:

Expiry date	Exercise price	April 30, 2020	Granted	Expired/ Forfeited	January 31, 2021	Exercisable
October 19, 2020	0.185	1,625,000	-	(1,625,000)	-	-
December 31, 2020	0.315	125,000	-	(125,000)	-	-
August 3, 2026	0.47	1,470,000	-	(220,000)	1,250,000	1,250,000
November 27, 2027	0.40	350,000	-	-	350,000	350,000
July 4, 2028	0.15	300,000	-	-	300,000	300,000
October 1, 2028	0.26	2,555,000	-	(430,000)	2,125,000	2,125,000
October 26, 2028	0.35	150,000	-	-	150,000	150,000
February 21, 2029	0.30	250,000	-	-	250,000	250,000
May 30, 2029	0.23	83,333	-	(33,333)	50,000	33,334
October 31, 2029	0.18	250,000	-	(50,000)	200,000	200,000
October 20, 2030	0.185	-	1,525,000	-	1,525,000	1,525,000
December 23, 2030	0.13	-	250,000	-	250,000	125,000
Total		7,158,333	1,775,000	(2,483,333)	6,450,000	6,308,334
Weighted average exercise price		\$ 0.30	\$ 0.18	\$ 0.19	\$ 0.28	\$ 0.29

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11. CAPITAL STOCK (cont'd...)

c) Options (cont'd...)

A continuity of share purchase options for the year April 30, 2020 is as follows:

Expiry date	Exercise price	April 30, 2019	Granted	Expired/ Forfeited	April 30, 2020	Exercisable
October 19, 2020	0.185	1,625,000	-	-	1,625,000	1,625,000
December 31, 2020	0.315	125,000	-	-	125,000	125,000
August 3, 2026	0.47	1,720,000	-	(250,000)	1,470,000	1,470,000
November 27, 2027	0.40	350,000	-	-	350,000	350,000
July 4, 2028	0.15	300,000	-	-	300,000	300,000
October 1, 2028	0.26	2,555,000	-	-	2,555,000	1,703,333
October 26, 2028	0.35	150,000	-	-	150,000	100,000
February 21, 2029	0.30	250,000	-	-	250,000	166,667
May 30, 2029	0.23	-	150,000	(66,667)	83,333	50,000
October 31, 2029	0.18	-	300,000	(50,000)	250,000	150,000
Total		7,075,000	450,000	(366,667)	7,158,333	6,040,000
Weighted average exercise price		\$ 0.30	\$ 0.23	\$ 0.39	\$ 0.29	\$ 0.30

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the options granted.

	January 31, 2021	April 30, 2020
Share price	\$0.151	\$0.20
Risk-free interest rate	0.63%	1.47%
Expected life of options	9.93 years	9.33 years
Annualized volatility based on historical volatility	143.90%	147.17%
Forfeiture rate	0.00%	0.00%
Dividend rate	0.00%	0.00%
Fair value per options	\$ 0.15	\$0.19

d) Warrants

During the period ended January 31, 2021, the Company issued a total of 28,920,524 common share purchase warrants in connection to private placements and associated brokers warrants.

During the year ended April 30, 2020, the Company had 30,000 common share purchase warrants exercised and issued a total of 7,297,386 common share purchase warrants in connection to private placements and associated finders fee units.

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d) Warrants (cont'd)

A continuity of share purchase warrants for the period ended January 31, 2021 is as follows:

Expiry date	Exercise Price	April 30, 2020	Issued	Exercised	Expired/ Forfeited	January 31, 2021	Exercisable
February 28, 2021 ^b	\$ 0.30	5,235,450	-	-	-	5,235,450	5,235,450
March 7, 2021 ^c	0.30	2,959,600	-	-	-	2,959,600	2,959,600
July 14, 2021	0.45	1,351,945	-	-	-	1,351,945	1,351,945
October 10, 2021	0.50	4,036,750	-	-	-	4,036,750	4,036,750
March 11, 2022	0.50	887,144	-	-	-	887,144	887,144
June 4, 2022	0.50	2,920,825	-	-	-	2,920,825	2,920,825
July 1, 2022	0.50	928,500	-	-	-	928,500	928,500
February 25, 2022	0.40	2,560,917	-	-	-	2,560,917	2,560,917
January 7, 2023	0.50	-	1,250,000 ^a	-	-	1,250,000	1,250,000
June 23, 2023	0.18	-	27,670,524 ^a	-	-	27,670,524	27,670,524
Total		20,881,131	28,920,524	-	-	49,801,655	49,801,655
Weighted average exercise price		\$ 0.37	\$ 0.19	\$ -	\$ -	\$ 0.28	\$ 0.28

- a) Warrants granted are subject to the acceleration features discussed in Note 11(b).
b) Subsequent to year end, the Company announced that it received TSX Venture Exchange acceptance to extend the expiry date of 5,235,450 warrants to February 28, 2022 from February 28, 2021.
c) Subsequent to year end, the Company announced that it received TSX Venture Exchange acceptance to extend the expiry date of 2,959,600 warrants to March 7, 2022 from March 7, 2021.

A continuity of share purchase warrants for the year ended April 30, 2020 is as follows:

Expiry date	Exercise Price	April 30, 2019	Issued	Exercised	Expired/ Forfeited	April 30, 2020	Exercisable
February 28, 2021	\$ 0.30	5,265,450	-	(30,000) ^a	-	5,235,450	5,235,450
March 7, 2021	0.30	2,959,600	-	-	-	2,959,600	2,959,600
July 14, 2021	0.45	1,351,945	-	-	-	1,351,945	1,351,945
October 10, 2021	0.50	4,036,750	-	-	-	4,036,750	4,036,750
March 11, 2022	0.50	-	887,144 ^a	-	-	887,144	887,144
June 4, 2022	0.50	-	2,920,825 ^a	-	-	2,920,825	2,920,825
July 1, 2022	0.50	-	928,500 ^a	-	-	928,500	928,500
Feb 25, 2022	0.40	-	2,560,917 ^a	-	-	2,560,917	2,560,917
Total		13,613,745	7,297,386	(30,000)	-	20,881,131	20,881,131
Weighted average exercise price		\$ 0.37	\$ 0.46	\$ 0.30	\$ -	\$ 0.41	\$ 0.41

- a) The weighted average share price on the date of exercise was \$0.34.

The following weighted average inputs and assumptions were used for the Black-Scholes valuation of the warrants granted:

	January 31, 2021	April 30, 2020
Share price	\$0.15	\$0.28
Risk-free interest rate	0.25%	1.54%
Expected life of options	2.5 years	2.34 years
Annualized volatility based on historical volatility	115.03%	108.88%
Forfeiture rate	0.00%	0.00%
Fair value per warrant	\$0.09	\$0.14

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12. SEGMENTED INFORMATION

The Company operates in one industry segment, being the acquisition, exploration, and development of resource properties. Geographic information is as follows:

	January 31, 2021	April 30, 2020
Current assets:		
United States	\$ 148,331	\$ 105,265
Canada	2,169,218	70,924
	<u>\$ 2,317,549</u>	<u>\$ 176,189</u>
Non-current assets:		
United States		
Equipment and intangible assets	\$ 108,983	\$ 174,006
Deposits and bonds	63,913	69,564
Canada		
Equipment and intangible assets	59,000	-
Deposits and bonds	11,500	28,750
	<u>\$ 243,396</u>	<u>\$ 272,320</u>

13. COMMITMENTS

As January 31, 2021, the Company has total office lease commitments of \$52,135 as follows:

- a) Total office lease payments of \$27,156 ending December 31, 2021.
- b) Total office lease payments of \$24,979 ending February 28, 2022.

14. FINANCIAL RISK MANAGEMENT**Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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 or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Short term investments are measured at level 1 of the fair value hierarchy. The fair value of short-term investments is measured at the market price of the common shares held at the measurement date. The carrying value of cash and cash equivalents, other receivables, deposits and bonds, finance lease obligations, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

14. FINANCIAL RISK MANAGEMENT (cont'd)

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and deposits and bonds. Management believes that the credit risk concentration with respect to cash and cash equivalents, deposits and bonds is remote as it maintains accounts with highly-rated financial institutions.

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 manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at January 31, 2021, the Company had a cash and cash equivalent balance of \$2,074,761 (April 30, 2020 - \$49,174) to settle current liabilities of \$72,544 (April 30, 2020 - \$315,929). The Company believes that there is minimal liquidity risk as at January 31, 2021.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

(a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents, deposits and bonds and on the Company's finance lease obligations are not considered significant.

(b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. Net assets denominated in foreign currency and the Canadian dollar equivalents as at January 31, 2021 are as follows:

	USD	CDN
Current assets	\$ 116,065	\$ 148,331
Non-current assets	135,284	172,896
Current liabilities	(30,244)	(38,652)
	\$ 221,105	\$ 282,575

Based on the above net exposures as at January 31, 2021, and assuming all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of USD\$22,111 in comprehensive loss.

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15. CAPITAL MANAGEMENT

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and incentive stock options. In the management of capital, the Company includes the components of equity as well as cash and cash equivalents.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest any excess cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing equity financings to fund further exploration. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period ended January 31, 2021.

16. EVENTS AFTER THE REPORTING PERIOD

On February 18, 2021, the Company extended the expiry date of 5,235,450 warrants originally set to expire February 28, 2021 and 2,959,600 warrants originally set to expire March 7, 2021 to February 28, 2022 and March 7, 2022, respectively.