NXT ENERGY SOLUTIONS INC.

Unaudited Condensed Consolidated Interim Financial Statements

For the three months ended
March 31, 2023

NXT ENERGY SOLUTIONS INC.

Condensed Consolidated Interim Balance Sheets

(Unaudited-expressed in Canadian dollars)

	March 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 467,539	$ 263,437
Accounts receivable	91,764	57,065
Prepaid expenses and deposits	42,110	36,157
	601,413	356,659
Long-term assets		
Deposits	246,138	246,589
Property and equipment	529,206	544,446
Right of Use Assets (Note 3)	1,116,286	1,259,092
Intellectual property (Note 4)	12,743,880	13,168,509
	$ 15,236,923	$ 15,575,295
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5, 14)	$ 1,059,385	$ 1,276,236
Current portion of long-term debt	111,111	111,111
Current portion of lease obligations (Note 6)	605,154	650,315
	1,775,650	2,037,662
Long-term liabilities		
Long-term debt	796,296	824,074
Long-term lease obligations (Note 6)	461,720	596,408
Asset retirement obligations	25,089	24,574
	1,283,105	1,445,056
	3,058,755	3,482,718
Shareholders' equity		
Common shares (Note 8): - authorized unlimited		
Issued: 77,599,131 (2022 - 68,949,109) common shares	98,077,636	96,423,648
Contributed capital	9,450,768	9,404,518
Deficit	(95,350,236)	(93,735,589)
	12,178,168	12,092,577
	$ 15,236,923	$ 15,575,295

Going Concern (Note 1)
Commitments (Note 7)
Subsequent event (Note 4)

Signed "John Tilson"
Director

Signed "Bruce G. Wilcox"
Director

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

NXT ENERGY SOLUTIONS INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited-expressed in Canadian dollars)

	For the three months ended March 31, 2023	2022
Revenue		
SFD® related revenue (Note 13)	$ -	$ -
Expenses		
SFD® related costs, net	301,634	437,282
General and administrative expenses (Notes 10, 14)	861,354	912,550
Amortization (Note 4)	439,868	442,437
	1,602,856	1,792,269
Other expenses (income)		
Interest expense, net	9,754	8,188
Foreign exchange loss (gain)	(5,241)	20,265
Intellectual property and other	7,278	20,146
	11,791	48,599
Loss before income taxes	(1,614,647)	(1,840,868)
Income tax expense	-	-
Net loss and comprehensive loss	$ (1,614,647)	$ (1,840,868)
Net loss per share (Note 9)		
Basic	$ (0.02)	$ (0.03)
Diluted	$ (0.02)	$ (0.03)

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NXT ENERGY SOLUTIONS INC.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited-expressed in Canadian dollars)

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Cash from (used in):		
Operating activities		
Net loss	$ (1,614,647)	$ (1,840,868)
Items not affecting cash:		
Stock based compensation expense (Note 10)	72,242	56,516
Amortization (Note 4)	439,868	442,439
Accretion expense	516	517
Non-cash lease costs	(1,734)	(3,023)
Change in carrying amount of right of use assets & lease liabilities	(34,649)	(13,787)
Unrealized foreign exchange loss	1,288	19,877
Loss on disposal of assets and lease modification	-	11,921
Change in non-cash working capital balances (Note 12)	(262,903)	413,267
	214,628	927,727
Net cash used in operating activities	(1,400,019)	(913,141)
Financing activities		
Proceeds from the Employee Share Purchase plan (Note 10)	9,854	16,106
Repayment of long-term debt	(27,778)	-
Net proceeds from Private Placement (Note 8)	1,622,057	-
Repayment of financial liability and lease obligation (Notes 3, 6)	-	(27,950)
Net cash from (used in) financing activities	1,604,133	(11,844)
Investing activity		
Proceeds used in short-term investments	-	(150,272)
Net cash used in investing activity	-	(150,272)
Effect of foreign exchange rate changes on cash and cash equivalents	(12)	(13,877)
Net increase (decrease) in cash and cash equivalents	204,102	(1,089,134)
Cash and cash equivalents, beginning of the period	263,437	2,257,855
Cash and cash equivalents, end of the period	$ 467,539	$ 1,168,721
Supplemental information		
Cash interest paid (received)	$ 9,738	$ (1,404)
Cash taxes paid	-	-

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

NXT ENERGY SOLUTIONS INC.

Condensed Consolidated Interim Statements of Shareholders' Equity

(Unaudited-expressed in Canadian dollars)

	For the three months ended March 31, 2023	2022
Common Shares		
Balance at beginning of the period	$ 96,423,648	$ 95,779,352
Issuance of common stock, net of share issuance costs for:		
Private placement (Note 8)	1,622,057	-
Employee Share Purchase Plan (Note 10)	17,458	28,837
Restricted Stock Unit Plan (Note 10)	14,473	-
Balance at end of the period	98,077,636	95,808,189
Contributed Capital		
Balance at beginning of the period	9,404,518	9,381,966
Recognition of stock based compensation expense (Note 10)	46,250	7,500
Balance at end of the period	9,450,768	9,389,466
Deficit		
Balance at beginning of the period	(93,735,589)	(87,002,515)
Net loss	(1,614,647)	(1,840,868)
Balance at end of the period	(95,350,236)	(88,843,383)
Total Shareholders' Equity at end of the period	$ 12,178,168	$ 16,354,272

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

1. The Company and going concern

NXT Energy Solutions Inc. (the "Company" or "NXT") is a publicly traded company based in Calgary, Alberta Canada.

NXT's proprietary Stress Field Detection ("SFD®") technology is an airborne survey system that utilizes quantum-scale sensors to detect gravity field perturbations in an airborne survey method which can be used both onshore and offshore to remotely identify traps and reservoirs with exploration potential in both the hydrocarbon and geothermal industries.

These condensed consolidated interim financial statements of NXT have been prepared by management in accordance with generally accepted accounting principles of the United States of America ("US GAAP”).

These condensed consolidated interim financial statements reflect adjustments, all of which are normal recurring adjustments that are, in the opinion of management, necessary to reflect fairly the financial position and results of operations for the respective periods.

These condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that NXT will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The events described in the following paragraphs highlight that there is substantial doubt about NXT’s ability to continue as a going concern within one year after the date that these condensed consolidated interim financial statements have been issued. The Company’s current cash position is not expected to be sufficient to meet the Company’s obligations and planned operations for a year beyond the date that these condensed consolidated interim financial statements have been issued.

The Company has deferred payment of operating costs, including payroll and other general and administrative costs. Further financing options that may or may not be available to the Company include issuance of new equity, debentures or bank credit facilities. The need for any of these options will be dependent on the timing of securing new SFD® related revenues and obtaining financing on terms that are acceptable to both the Company and the financier.

NXT continues to develop its pipeline of opportunities to secure new revenue contracts. However, the Company’s longer-term success remains dependent upon its ability to convert these opportunities into successful contracts, to continue to attract new client projects, expand its revenue base to a level sufficient to exceed fixed operating costs, and generate consistent positive cash flow from operations. The occurrence and timing of these events cannot be predicted with sufficient certainty.

The condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used. These adjustments could be material.

Use of Estimates and Judgements

In preparing these condensed consolidated interim financial statements, NXT is required to make estimates and assumptions that affect both the amount and timing of recording assets, liabilities, revenues and expenses since the determination of these items may be dependent on future events. The Company uses the most current information available and exercises careful judgment in making these estimates and assumptions. In the opinion of management, these condensed consolidated interim financial statements have been properly prepared within reasonable limits of materiality and within the framework of the Company's significant accounting policies. The estimates and assumptions used are based upon management's best estimate as at the date of the condensed consolidated interim financial statements. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the period when determined. Actual results may differ from those estimates.

Certain estimates and judgments have a material impact where the assumptions underlying these accounting estimates relate to matters that are highly uncertain at the time the estimate or judgment is made or are subjective. In 2023 and 2022, the estimates and judgments included the assessment of impairment indicators of intellectual property.

The Company reviews intellectual property for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. The Company considers both internal and external factors when assessing for potential indicators of impairment of its intellectual property, including the consideration of historical and forecasted SFD related revenues, market capitalization, control premiums, and the SFD related revenue multiples compared to industry peers. When indicators of impairment exist, the Company first compares the total of the estimated undiscounted future cash flows or the estimated sale price to the carrying value of an asset. If the carrying value exceeds these amounts, an impairment loss is recognized for the excess of the carrying value over the estimated fair value of the intellectual property.

Other accounting estimates and judgments that may have a material impact on the financial statements include: the forward looking assumptions related to the going concern assumption, the estimated useful lives of intellectual property and property and equipment, and the assumptions used to measure stock based compensation expense.

2. Significant Accounting Policies
Basis of Presentation

These condensed consolidated interim financial statements for the period ended March 31, 2023 have been prepared by management in accordance with US GAAP and by applying the same accounting policies and methods as used in preparing the consolidated financial statements for the fiscal year ended December 31, 2022. There are no new policies that were adopted on January 1, 2023.

(Expressed in Canadian dollars unless otherwise stated)

3. Right of use assets

			March 31, 2023
	Cost Base	Accumulated Amortization	Right of Use Assets
Aircraft	$1,847,617	$1,484,722	$ 362,895
Office Building	1,725,414	981,169	744,245
Printer	9,716	570	9,146
	3,582,747	2,466,461	1,116,286

			December 31, 2022
	Cost Base	Accumulated Amortization	Right of Use Assets
Aircraft	$1,847,617	$1,407,743	$ 439,874
Office Building	1,725,414	915,773	809,641
Printer	9,716	139	9,577
	3,582,747	2,323,655	1,259,092

Under the term of its Aircraft Leasing Agreement, should NXT want to repurchase the aircraft at the end of the extended term, the purchase price will be US$1.21 million.

4. Intellectual property

			March 31, 2023
	Cost Base	Accumulated amortization	Net book Value
SFD® Hydrocarbon Right acquired	$ 25,271,000	$ 12,776,317	$ 12,494,683
SFD® Geothermal Right acquired	275,610	26,413	249,197
	25,546,610	12,802,730	12,743,880

			December 31, 2022
	Cost Base	Accumulated amortization	Net book Value
SFD® Hydrocarbon Right acquired	$ 25,271,000	$ 12,355,134	$ 12,915,866
SFD® Geothermal Right acquired	275,610	22,967	252,643
	25,546,610	12,378,101	13,168,509

SFD® Hydrocarbon Right

During 2015, NXT acquired the rights to the SFD® technology for use in the exploration of hydrocarbons (“Hydrocarbon Right”) from Mr. George Liszicasz, the former President and CEO of NXT (“CEO”), and recorded the acquisition as an intellectual property asset on the balance sheet. The asset was recorded at the fair value of the consideration transferred, including the related tax effect of approximately $25.3 million.

The Hydrocarbon Right is being amortized on a straight line basis over its estimated useful life of 15 years. The annual amortization expense expected to be recognized is approximately $1.7 million per year for a 5 year aggregate total of $8.5 million.

SFD® Geothermal Right

The Company acquired the SFD® technology rights for geothermal resources (“Geothermal Right”) from the CEO on April 18, 2021. The consideration deliverable by the Company in connection with the acquisition of the Geothermal Right is set forth below:

1. US$40,000 (CAD$50,310) signature payment, which became due immediately and was paid on April 22, 2021;
2. 300,000 common shares, which were issued in December 2021;
3. CAD$15,000 signature milestone payment paid in August 2021;
4. US$200,000 milestone payment which will become due in the event that the Company's cash balance exceeds CAD$5,000,000 due to receipt of specifically defined funds from operations; and
5. US$250,000 milestone payment would have become due in the event that the Company executed and completed and received full payment for an SFD® contract valued at US$10,000,000 or greater, provided such contract was entered into and completed and payment of at least US$5,000,000 was received by April 18, 2023. This milestone expired as of April 18, 2023.

As of March 31, 2023, the Company has recognized $275,610 for the acquisition Geothermal Right which is the combination of the US$40,000 (CAD$50,310) and CAD$15,000 signature payments, the value of the 300,000 common shares of $207,300 and other costs of $3,000. The cost of the remaining milestone will be recognized when it is deemed probable that the milestone will be achieved by a special committee of the Board of Directors, comprised entirely of independent directors. The Board of Directors delegated authority to the special committee to determine when the milestones have been achieved. As of March 31, 2023 the remaining milestone is still deemed not probable of being achieved.

The current book value of the Geothermal Right is being amortized on a straight line basis over its estimated useful life of 20 years. The annual amortization expense expected to be recognized is approximately $13,781 per year for a 5 year aggregate total of approximately $68,902.

(Expressed in Canadian dollars unless otherwise stated)

5. Accounts payable and accrued liabilities

	March 31, 2023	December 31, 2022
Accrued liabilities related to:		
Consultants and professional fees	$ 204,192	$ 533,863
Payroll	485,076	397,500
Board of director's fees	156,731	162,500
Vacation accrued	67,922	62,413
	913,921	1,156,276
Trade payables and other	145,464	119,960
	1,059,385	1,276,236

6. Lease obligation

	March 31, 2023	December 31, 2022
Aircraft	$ 296,479	$ 378,769
Office Building	761,249	858,378
Printer	9,146	9,576
	1,066,874	1,246,723
Current portion of lease obligations	605,154	650,315
Long-term lease obligations	461,720	596,408

Maturity of lease liabilities:		Weighted Average Remaining Lease Term
2023	$ 532,491	2.1 years
2024	382,758	1.7 years
2025	259,528	0.8 years
2026	3,139	0.9 years
Total lease payments	1,177,916	
Less imputed interest	(111,042)	
Total discounted lease payments	1,066,874	
Current portion of lease obligations	605,154	
Non-current portion of lease obligations	461,720	

	Lease Term Till	Option to Extend	Incremental Borrowing Rate
Aircraft	April 2024	Executed	11.2%
Office Building	September 2025	No	6.1%
Printer	November 2026	No	10.8%

The Company's total lease expenditures for the period ended March 31, 2023 was $177,230 (2022 - $260,205).

(Expressed in Canadian dollars unless otherwise stated)

7. Commitments

The table below is the non-lease operating cost components associated with the costs of the building lease.

For the fiscal period ending December 31,	Office Premises
2023	$ 168,941
2024	225,255
2025	168,941
	563,137

8. Common shares

The Company is authorized to issue an unlimited number of common shares, of which the following are issued and outstanding:

	For the three months ended March 31,			
	2023		2022	
	# of shares	$ amount	# of shares	$ amount
As at the beginning of the period	68,949,109	$96,423,648	65,250,710	$95,779,352
Private placement, net of issuance costs	8,510,000	1,622,057	-	-
Employee Share Purchase Plan	87,849	17,458	51,262	28,837
Restricted Stock Units	52,173	14,473	-	-
As at the end of the period	77,599,131	98,077,636	65,301,972	95,808,189

On December 22, 2022 the Company announced a multi-tranche private placement (the “Private Placement”) at $0.195 per share. At December 22, 2022 the Company issued 1,148,282 common shares for gross proceeds of $223,915 in the first tranche, less issuance costs of $7,732. On January 25, 2023, the Company closed the Private Placement by issuing an additional 8,510,000 common shares, at $0.195 per common share, for additional aggregate gross proceeds of approximately $1,659,450, less issuance costs of $37,393.

(Expressed in Canadian dollars unless otherwise stated)

9. Loss per share

	For the three months ended March 31,	
	2023	**2022**
Net loss for the period	$(1,614,647)	$(1,840,868)
Weighted average number of shares outstanding for the period:		
Basic	76,452,260	65,282,940
Diluted	76,452,260	65,282,940
Net loss per share – Basic	$(0.02)	$(0.03)
Net loss per share – Diluted	$(0.02)	$(0.03)

In periods in which a loss results, all outstanding stock options are excluded from the diluted loss per share calculations as their effect is anti-dilutive.

10. Share based compensation

The Company has an equity compensation program in place for its executives, employees and directors. Executives and employees are given equity compensation grants that vest based on a recipient's continued employment. The Company's stock-based compensation awards outstanding as at March 31, 2023, include stock options, restricted stock units ("RSUs"), deferred share units ("DSUs") and the employee share purchase plan ("ESP Plan"). The following tables provide information about stock option, RSU, DSU, and ESP Plan activity.

	For the three months ended March 31,	
	2023	**2022**
Stock Option Expense	$ 46,250	$ 7,500
Restricted Stock Units	18,388	36,285
Employee Share Purchase Plan	7,604	12,731
Total stock based compensation expense	72,242	56,516

(Expressed in Canadian dollars unless otherwise stated)

Stock Options:
The following is a summary of stock options which are outstanding as at March 31, 2023.

Exercise price per share	# of options outstanding	# of options exercisable	Average remaining life (in years)
$0.174	69,200	69,200	4.6
$0.216	2,005,200	55,200	4.8
$0.260	52,650	52,650	4.8
$0.264	177,200	177,200	4.8
$0.440	21,360	21,360	3.3
$0.510	16,000	16,000	2.5
$0.520	100,000	100,000	1.3
$0.550	30,000	30,000	1.8
$0.590	150,000	150,000	0.6
$0.620	18,050	18,050	3.8
$0.680	14,750	14,750	3.5
$0.680	17,500	17,500	4.2
$0.720	24,460	24,460	4.2
	2,696,370	746,370	4.3

A continuity of the number of stock options which are outstanding at the end of the current period and as at the prior fiscal year ended December 31, 2022 are as follows:

	For the three months ended March 31, 2023		For the year ended December 31, 2022	
	# of stock Options	weighted average exercise price	# of stock Options	Weighted Average exercise price
Options outstanding, start of the period	461,320	$0.51	358,660	$0.56
Granted	2,335,050	$0.22	134,060	$0.40
Forfeited	(100,000)	$(0.22)	-	-
Cancelled	-	-	(31,400)	$(0.51)
Options outstanding, end of the period	2,696,370	$0.27	461,320	$0.51
Options exercisable, end of the period	746,370	$0.41	461,320	$0.51

Stock options granted generally expire, if unexercised, five years from the date granted and entitlement to exercise them generally vests at a rate as determined by the Board of Directors.

Stock based compensation expense (“SBCE”) is calculated based on the fair value attributed to grants of stock options using the Black-Scholes valuation model and utilizing the following weighted average assumptions:

(Expressed in Canadian dollars unless otherwise stated)

	For the three months ended	For the year ended
For the year ended	**March 31, 2023**	**December 31, 2022**
Expected dividends paid per common share	Nil	Nil
Expected life in years	5.0	5.0
Weighted average expected volatility in the price of common shares	75%	75%
Weighted average risk free interest rate	3.23%	3.05%
Weighted average fair market value per share at grant date	$0.22	$0.40

On January 6, 2023 the Company announced the grant of 2,050,000 incentive stock options at a price of $0.216 to employees, officers and directors. These incentive stock options will vest upon receipt of cash for SFD® services performed: 1/3 upon collection of US$6.5 million, 1/3 upon the collection of the next US$7.0 million and the final 1/3 upon collection of an additional US$7.5 million.

Deferred Stock Units:

A continuity of the number of DSUs which are outstanding at the end of the current period and as at the prior fiscal years ended December 31, 2022 are as follows:

Opening balance	For the three months ended March 31, 2023	For the year ended December 31, 2022
Opening balance	37,354	37,354
Granted	-	-
Closing balance	37,354	37,354

The DSUs plan is a long-term incentive plan that permits the grant of DSUs to qualified directors. DSUs granted under the DSUs plan are to be settled at the retirement, resignation or death of the Board member holding the DSUs.

Restricted Stock Units:

RSUs entitle the holder to receive, at the option of the Company, either the underlying number of shares of the Company's Common Stock upon vesting of such units or a cash payment equal to the value of the underlying shares. The RSUs vest at a rate of one-third at the end of each of the first three years following the date of grant. In the third quarter of 2022, the Company settled the RSUs that vested with shares and cash, and intends to continue to settle the RSUs in shares and cash.

A continuity of the number of RSUs, including fair value ("FV") which are outstanding at the end of the current period and as the end of the prior fiscal year ended December 31, 2022 are as follows:

(Expressed in Canadian dollars unless otherwise stated)

	For the three months ended March 31, 2023		For the year ended December 31, 2022	
	# of RSUs	FV/Unit	# of RSUs	FV/Unit
RSUs outstanding, start of the period	348,334	$0.21	696,666	$0.61
Granted	-	-	-	-
Common shares issued	(52,173)	($0.28)	(212,304)	($0.58)
Settlement of payroll withholdings	507	$0.42	(136,028)	($0.58)
RSUs outstanding, end of the period	296,668	$0.18	348,334	$0.21

Employee Share Purchase Plan:

The ESP Plan allows employees and other individuals determined by the Board to be eligible to contribute a minimum of 1% and a maximum of 10% of their earnings to the plan for the purchase of common shares in the capital of the Company, of which the Company will make an equal contribution. Common shares contributed by the Company may be issued from treasury or acquired through the facilities of the TSX. During 2023 and 2022 the Company has elected to issue common shares from treasury.

A continuity of the number of commons shares under the ESP Plan which are outstanding at the end of the current period and as at the prior fiscal year ended December 31, 2022 are as follows:

	For the three months ended March 31,2023		For the year ended December 31, 2022	
	# of shares	$ amount	# of shares	$ amount
Purchased by employees	49,604	$ 9,854	105,221	$ 49,738
Matched by the Company	38,245	7,604	83,412	39,389
Bonus match by the Company	-	-	-	-
Total common shares issued	87,849	17,458	188,633	89,127

11. Financial instruments

Non-derivative financial instruments:

The Company's non-derivative financial instruments consist of cash and cash equivalents, accounts receivable, deposits, accounts payables and accrued liabilities, long-term debt and lease obligations. The carrying value of these financial instruments, excluding lease obligations and long-term debt, approximates their fair values due to their short terms to maturity.

Credit Risk

Credit risk arises from the potential that the Company may incur a loss if counterparty to a financial instrument fails to meet its obligation in accordance with agreed terms. The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The carrying value of cash and cash equivalents and accounts receivable reflects management's assessment of maximum exposure to credit risk. At March 31, 2023, cash and cash equivalents included balances in bank accounts placed with financial institutions with investment grade credit ratings. The Company manages Accounts Receivable credit risk by requiring advance payments before entering into certain contract milestones and when possible, accounts receivable insurance.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk in relation to its holding of significant US$ balances in cash and cash equivalents, deposits, accounts payables, accrued liabilities, and lease obligations, and entering into United States dollar revenue contracts. The Company does not currently enter into hedging contracts, but to mitigate exposure to fluctuations in foreign exchange the Company uses strategies to reduce the volatility of United States Dollar assets including converting excess United States dollars to Canadian dollars. As at March 31, 2023, the Company held net U.S. dollar liabilities totaling US$137,360. Accordingly, a hypothetical 10% change in the value of one United States dollar expressed in Canadian dollars as at March 31, 2023 would have had an approximately $18,574 effect on the unrealized foreign exchange gain or loss for the period. As at March 31, 2022, the Company held net U.S. dollar assets totaling US$803,028. Accordingly, a hypothetical 10% change in the value of one United States dollar expressed in Canadian dollars as at March 31, 2022 would have had an approximately $100,234 effect on the unrealized foreign exchange gain or loss for the period.

12. Change in non-cash operating working capital

The changes in non-cash operating working capital balances are comprised of:

	For the three months ended March 31,	
	2023	**2022**
Accounts receivable	$ (34,699)	$ 264,760
Prepaid expenses and deposits	(5,953)	9,260
Accounts payable and accrued liabilities	(222,251)	139,247
	(262,903)	413,267

13. Geographic information

The Company generates revenue from its SFD® survey system that enables the clients to focus their exploration decisions concerning land commitments, data acquisition expenditures and prospect prioritization on areas with the greatest potential. NXT conducts all of its survey operations from its head office in Canada, and occasionally maintains administrative offices in foreign locations if and when needed. Revenue fluctuations are a normal part of SFD® survey system sales and can vary significantly year-over-year. There were no SFD® revenues in the quarters ended March 31, 2023 and 2022.

(Expressed in Canadian dollars unless otherwise stated)

14. Other related party transactions

One of the members of NXT's Board of Directors is a partner in a law firm which provides legal advice to NXT. Accounts payable and accrued liabilities includes a total of $41,434 ($76,843 as at December 31, 2022) payable to this law firm.

Accounts payable and accrued liabilities includes $156,731 ($162,500 as at December 31, 2022) for Board of Director's fees.

	For the three months ended March 31,	
	2023	**2022**
Legal Fees	$ 32,678	$ 10,965