NORTH ARROW MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

January 31, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

These condensed interim financial statements of North Arrow Minerals Inc. for the nine months ended January 31, 2023 have been prepared by and are the responsibility of the Company's Management.

The Company's independent auditors have not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

NORTH ARROW MINERALS INC.
STATEMENTS OF FINANCIAL POSITION
As at January 31, 2023
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		January 31, 2023		April 30, 2022
ASSETS				
Current				
Cash	$	**204,706**	$	1,032,414
Receivables (Note 5)		**13,906**		61,747
Marketable securities (Note 4)		**3,541**		10,000
Prepaid expenses		**10,553**		16,601
		232,706		1,120,762
Equipment (Note 6)		**29,281**		31,270
Right-of-use assets (Note 7)		**68,719**		95,595
Exploration and evaluation assets (Note 8)		**19,260,450**		18,888,590
	$	**19,591,156**	$	20,136,217
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 9 and 13)	$	**415,874**	$	490,069
Bank line of credit (Note 10)		**40,000**		40,000
Loan payable (Note 11)		**482,250**		430,408
Advance from Burgundy Diamond Mines Limited (Note 8)		**4,272**		731,289
Deferred premium		**-**		15,218
Current portion of lease liabilities (Note 7)		**34,796**		37,905
		977,192		1,744,889
Lease liabilities (Note 7**)**		**31,623**		56,972
SHAREHOLDERS' EQUITY				
Capital stock (Note 12)		**38,656,071**		38,168,252
Share-based payment reserve (Note 12)		**5,798,269**		5,452,097
Deficit		**(25,871,999)**		(25,285,993)
		18,582,341		18,334,356
	$	**19,591,156**	$	20,136,217

Nature and continuance of operations (Note 1)
Subsequent events (Note 17)
Approved and authorized on behalf of the Board on March 23, 2023

"D. Grenville Thomas" Director *"Blair Murdoch"* Director

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

NORTH ARROW MINERALS INC.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended January 31, 2023 and 2022
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three months January 31, 2023	Three months January 31, 2022	**Nine months January 31, 2023**	Nine months January 31, 2022
Advertising, promotion and travel	$ **46,210**	$ 68,260	$ **107,307**	$ 101,980
Amortization of bonus shares and warrants (Note 11)	**5,604**	17,543	**16,814**	59,461
Consulting (Note 13)	**2,250**	2,250	**6,750**	12,055
Depreciation	**10,682**	12,865	**33,056**	38,595
Office and miscellaneous (Note 13)	**33,951**	41,896	**98,624**	102,755
Professional fees	**2,994**	6,300	**37,892**	15,025
Property investigation costs	**26,119**	20,070	**46,254**	33,889
Regulatory and filing fees	**2,434**	1,257	**5,847**	5,980
Salaries and benefits (Note 13)	**82,323**	104,346	**235,612**	225,313
Shared-based compensation (Note 12)	**1,057**	14,677	**11,072**	75,659
	(213,624)	(289,464)	**(599,228)**	(670,712)
Interest and foreign exchange	**(120)**	838	**4,463**	1,140
Other income – deferred premium	**3,580**	922	**15,218**	27,204
Gain (loss) on marketable securities	**(209)**	(3,750)	**(6,459)**	(16,250)
	3,251	(1,990)	**13,222**	12,094
Net and comprehensive loss for the period	$ **(210,373)**	$ (291,454)	$ **(586,006)**	$ (658,618)
Basic and diluted loss per share	$ **(0.00)**	$ (0.00)	$ **(0.00)**	$ (0.01)
Weighted average number of common shares	**127,070,483**	120,898,744	**122,955,990**	119,872,940

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
STATEMENTS OF CASH FLOWS
For the Nine Months Ended January 31, 2023 and 2022
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**$ (586,006)**	$ (658,618)
Items not involving cash:		
Depreciation	**33,056**	38,595
Share-based compensation	**11,072**	75,659
Loss (gain) on marketable securities	**6,459**	16,250
Finance cost	**38,484**	33,320
Amortization of bonus shares	**16,814**	59,461
Other income – deferred premium	**(15,218)**	(27,204)
Changes in non-cash working capital items:		
Receivables	**47,841**	(60,645)
Prepaid expenses	**6,048**	13,118
Accounts payable and accrued liabilities	**30,591**	(26,963)
	(410,859)	(537,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets, net	**(476,646)**	80,892
Advance from Burgundy Diamond Mines Limited	**(727,017)**	457,060
Purchase of equipment	**(4,191)**	-
	(1,207,854)	537,952
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a private placement	**835,000**	1,014,420
Share issuance costs	**(12,081)**	(32,379)
Repayment of lease liabilities	**(31,914)**	(33,312)
	791,005	948,729
Change in cash during the period	**(827,708)**	949,654
Cash, beginning of the period	**1,032,414**	1,091,927
Cash, end of the period	**$ 204,706**	$ 2,041,581

Supplemental disclosure with respect to cash flows (Note 14)

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share-based payment reserve	Deficit	Total
Balance, April 30, 2021	111,676,744	$ 37,232,321	$ 5,343,896	$ (23,586,366)	$ 18,989,851
Share-based compensation	-	-	75,659	-	75,659
Net loss	-	-	-	(658,618)	(658,618)
Private placement - net	9,222,000	935,931	-	-	935,931
Balance, January 31, 2022	120,898,744	$ 38,168,252	$ 5,419,555	$ (24,244,984)	$ 19,342,823
Balance, April 30, 2022	**120,898,744**	**$ 38,168,252**	**$ 5,452,097**	**$ (25,285,993)**	**$ 18,334,356**
Share-based compensation	**-**	**-**	**11,072**	**-**	**11,072**
Net loss	**-**	**-**	**-**	**(586,006)**	**(586,006)**
Private placement	**16,700,000**	**487,819**	**335,100**	**-**	**822,919**
Balance, January 31, 2023	**137,598,744**	**$ 38,656,071**	**$ 5,798,269**	**$ (25,871,999)**	**$ 18,582,341**

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

North Arrow Minerals Inc. (the "Company") was incorporated federally under the laws of the Canada Business Corporations Act. On January 25, 2023, the Company was continued into British Columbia, from the jurisdiction of Canada, under the Business Corporations Act.

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.The Company trades on the TSX Venture Exchange (TSXV – NAR) and its registered office address is Ste. #960-789 West Pender Street, Vancouver, BC, Canada V6C 1H2.

The Company's principal business activity is the acquisition and exploration of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At January 31, 2023, the Company had an accumulated deficit of $25,871,999 (April 30, 2022 - $25,285,993), incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

The Company's continuation as a going concern is dependent on the successful results from its mineral property exploration activities, its ability to reduce or defer discretionary expenditures and its continued ability to raise equity capital or borrowings sufficient to meet current and future obligations.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and specifically with IAS 34, Interim Financial Reporting. The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2022. These financial statements are presented in Canadian dollars unless otherwise noted.

b) Historical cost

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

c) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this period.

2. BASIS OF PRESENTATION – *continued*

c) Significant accounting judgments, estimates and assumptions - *continued*

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets and the valuations for share-based payments, marketable securities, deferred premiums, deferred tax amounts, right-of-use assets and lease liabilities.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) Valuation of share-based payments and warrants recorded as marketable securities
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants recorded as marketable securities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

(iii) Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

(iv) Valuation of deferred premiums and flow-through shares
On issuance the Company bifurcates the flow-through share into a flow-through share premium liability based on the estimated premium the investor pays for the flow through share and share capital. When qualifying expenses are incurred the Company derecognizes the liability and the premium is recognized as other income.

(v) Valuation of marketable securities
Marketable securities are valued at fair market value based on quoted prices in active markets. Changes in market prices can materially affect the fair value estimate and the Company's earnings.

(vi) Valuation of right-of-use assets and related lease liabilities
Lease liabilities are initially measured at the present value of the lease payments discounted using the Company's estimated incremental borrowing rate or the interest rate implicit in the lease. Lease payments are allocated between the lease liability and the finance cost. The finance cost is charged to profit or loss using the effective interest method.

2. BASIS OF PRESENTATION – *continued*

c) Significant accounting judgments, estimates and assumptions - continued

The right-of-use assets are initially measured at the cost or corresponding lease liability plus direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, bank line of credit, loan payable, advance from Burgundy Diamond Mines Limited and lease liabilities. Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities, loans, advances and bank line of credit approximate their fair values due to their immediate or short-term maturity. Marketable securities consisting of common shares are recorded at fair value based on the quoted market prices in active markets at the reporting date, which is consistent with Level 1 of the fair value hierarchy. Marketable securities consisting of warrants are recorded at fair value based on a Black Scholes pricing model consistent with Level 3 of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risks, foreign currency risk, and equity market risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its excess cash in short-term investments with investment grade ratings, issued by a Canadian chartered bank. The Company's receivables consist primarily of sales tax receivables due from the federal government and receivables from companies with which the Company has exploration agreements or options. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. It is management's opinion that the Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales or exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. Management and

(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – *continued*

the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding could cast significant doubt on the Company's ability to continue as a going concern. As at January 31, 2023, the Company had cash of $204,706 (April 30, 2022 - $1,032,414) available to settle current liabilities of $977,192 (April 30, 2022 - $1,744,889).

Foreign currency risk

The Company's activities are within Canada and accordingly the Company is not subject to significant foreign currency risk.

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, which are classified as fair value through profit (loss). The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

4. MARKETABLE SECURITIES

	Cost	Unrealized Gain (Loss) on AFS Securities	Cost of FVTPL Securities Sold	Gain (Loss) on FVTPL Securities Fair Valued	Fair Value
April 30, 2021	$ 379,012	$ (50,000)	$ (355,437)	$ 53,925	$ 27,500
- Rover Metals Corp. – 250,000 shares	-	-	-	(17,500)	(17,500)
April 30, 2022	**379,012**	**(50,000)**	**(355,437)**	**36,425**	**10,000**
- Rover Metals Corp. – 41,667 shares	**-**	**-**	**-**	**(6,459)**	**(6,459)**
January 31, 2023	**$379,012**	**$ (50,000)**	**$ (355,437)**	**$29,966**	**$ 3,541**

During the period ended January 31, 2023, Rover Metals Corp. consolidated its shares on a 6 old for 1 new basis.

5. RECEIVABLES

	January 31, 2023	April 30, 2022
HST/GST receivables	**$ 11,396**	$ 30,958
Other receivables	**2,510**	30,789
	$ 13,906	$ 61,747

(Expressed in Canadian Dollars)

6. EQUIPMENT

	Office and computer equipment	Field equipment	Total
Cost			
Balance, April 30, 2021	$ 71,701	$ 93,775	$ 165,476
Additions	-	-	-
Balance, April 30, 2022	**71,701**	**93,775**	**165,476**
Additions	**4,191**	**-**	**4,191**
Balance January 31, 2023	**$ 75,892**	**$ 93,775**	**$ 169,667**
Accumulated Depreciation			
Balance, April 30, 2021	$ 52,314	$ 71,649	$ 123,963
Additions	5,818	4,425	10,243
Balance April 30, 2022	**58,132**	**76,074**	**134,206**
Additions	**3,525**	**2,655**	**6,180**
Balance January 31, 2023	**$61,657**	**$78,729**	**$140,386**
April 30, 2022	$ 13,569	$ 17,701	$ 31,270
January 31, 2023	**$ 14,235**	**$ 15,046**	**$ 29,281**

7. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets		**Nine Months January 31, 2023**		Year ended April 30, 2022
Opening balance	**$**	**95,595**	**$**	32,408
Lease modification		**-**		103,465
Depreciation		**(26,876)**		(40,278)
Ending Balance	**$**	**68,719**	**$**	95,595

Lease Liabilities		**Nine Months January 31, 2023**		Year ended April 30, 2022
Opening balance	**$**	**94,877**	**$**	33,273
Additions		**-**		103,465
Lease payments		**(31,914)**		(44,859)
Finance cost		**3,456**		2,998
Ending Balance	**$**	**66,419**	**$**	94,877
Current	**$**	**34,796**	**$**	37,905
Long-term		**31,623**		56,972
	$	**66,419**	**$**	94,877

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	April 30, 2022	Expended During the Period	Write-offs During the Period	January 31, 2023
Diamond Properties				
Pikoo, Canada				
Exploration costs	1,272,804	44,477	-	1,317,281
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	220,979	1,251	-	222,230
Geological, data collection and assays	1,644,898	233,878	-	1,878,776
Office and salaries	719,332	90,421	-	809,753
Recoveries and contributions	(637,813)	-	-	(637,813)
	5,306,059	370,027	-	5,676,086
Loki, Canada				
Exploration costs	547,398	-	-	547,398
Drilling	687,226	-	-	687,226
Acquisition and tenure costs	80,004	316	-	80,320
Geological, data collection and assays	499,822	2,528	-	502,350
Office and salaries	363,381	20,800	-	384,181
Recoveries	(768,452)	-	-	(768,452)
	1,409,379	23,644	-	1,433,023
Naujaat, Canada				
Exploration costs	1,455,905	41,651	-	1,497,556
Drilling	1,464,020	-	-	1,464,020
Acquisition and tenure costs	436,166	22,960	-	459,126
Geological, data collection and assays	8,619,613	544,531	-	9,164,144
Office and salaries	1,855,848	121,316	-	1,977,164
Recoveries and contributions	(5,166,066)	(761,637)	-	(5,927,703)
	8,665,486	(31,179)	-	8,634,307
Mel, Canada				
Exploration costs	1,340,600	-	-	1,340,600
Drilling	465,004	-	-	465,004
Acquisition and tenure costs	306,260	24	-	306,284
Geological, data collection and assays	1,003,344	-	-	1,003,344
Office and salaries	414,463	4,774	-	419,237
Recoveries	(120,500)	-	-	(120,500)
	3,409,171	4,798	-	3,413,969
CSI, Canada				
Exploration costs	3,808	-	-	3,808
Acquisition and tenure costs	13,204	74	-	13,278
Geological, data collection and assays	61,818	-	-	61,818
Office and salaries	19,665	4,496	-	24,161
	98,495	4,570	-	103,065
TOTAL	$ 18,888,590	$ 371,860	$ -	$ 19,260,450

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS - *continued*

	April 30, 2021	Expended During the Year	Write-offs During the Year	April 30, 2022
Diamond Properties				
Lac de Gras, Canada				
Exploration costs	$ 235,404	$ -	$ 235,404	$ -
Acquisition and tenure costs	277,918	-	277,918	-
Geological, data collection and assays	153,559	-	153,559	-
Office and salaries	134,040	-	134,040	-
	800,921	-	800,921	-
Pikoo, Canada				
Exploration costs	1,262,325	10,479	-	1,272,804
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	219,864	1,115	-	220,979
Geological, data collection and assays	1,597,498	47,400	-	1,644,898
Office and salaries	681,107	38,225	-	719,332
Recoveries and contributions	(637,813)	-	-	(637,813)
	5,208,840	97,219	-	5,306,059
Loki, Canada				
Exploration costs	519,758	27,640	-	547,398
Drilling	296,657	390,569	-	687,226
Acquisition and tenure costs	79,029	975	-	80,004
Geological, data collection and assays	463,993	35,829	-	499,822
Office and salaries	310,198	53,183	-	363,381
Recoveries	(748,952)	(19,500)	-	(768,452)
	920,683	488,696	-	1,409,379
Naujaat, Canada				
Exploration costs	1,165,963	289,942	-	1,455,905
Drilling	1,464,020	-	-	1,464,020
Acquisition and tenure costs	430,290	5,876	-	436,166
Geological, data collection and assays	5,272,485	3,347,128	-	8,619,613
Office and salaries	1,157,704	698,144	-	1,855,848
Recoveries and contributions	(582,560)	(4,583,506)	-	(5,166,066)
	8,907,902	(242,416)	-	8,665,486
Mel, Canada				
Exploration costs	1,331,925	8,675	-	1,340,600
Drilling	465,004	-	-	465,004
Acquisition and tenure costs	305,896	364	-	306,260
Geological, data collection and assays	997,079	6,265	-	1,003,344
Office and salaries	399,750	14,713	-	414,463
Recoveries	-	(120,500)	-	(120,500)
	3,499,654	(90,483)	-	3,409,171
CSI, Canada				
Exploration costs	-	3,808	-	3,808
Acquisition and tenure costs	12,375	829	-	13,204
Geological, data collection and assays	5,991	55,827	-	61,818
Office and salaries	-	19,665	-	19,665
	18,366	80,129	-	98,495
TOTAL	$ 19,356,366	$ 333,145	$ (800,921)	$ 18,888,590

8. EXPLORATION AND EVALUATION ASSETS - *continued*

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of these assets are in good standing.

Diamond Properties, Canada

Lac de Gras project, Northwest Territories

In August 2011, the Company entered into an option agreement with Dominion Diamond Mines ("Dominion"), and Springbok Holdings Inc. ("Springbok"), to jointly explore Springbok and the Company's Lac de Gras property and Dominion's land holdings contiguous to Springbok and the Company's Lac de Gras property (collectively, the "JV Property"). Subsequently in accordance with the terms of the agreement, Dominion incurred more than $5,000,000 of exploration expenditures and earned a 55% interest in the joint venture and the Company and Springbok shared equally a 45% interest in the JV Property.

On October 24, 2012, the Company entered into an agreement to acquire Springbok's interest in the JV Property (the "Springbok Interests") for 1,000,000 shares in the Company issued at a value of $235,000. As additional consideration, in the event that the Company subsequently incurs $2 million in joint venture expenditures on the JV Property, the Company will issue to Springbok that number of common shares of the Company having a value of $1 million. A director of the Company is a principal of Springbok.

In October 2015, the Company and Dominion finalized a joint venture agreement having an effective date of June 1, 2015 to govern the ongoing evaluation, on the basis of a 45%/55% (North Arrow/Dominion) joint venture, of the JV Property. During 2020, Dominion filed for creditor protection under the regulations of the Companies' Creditor Arrangement Act ("CCAA") to allow time for the reorganization of its finances with respect to its operating mine and operations in the Northwest Territories. Effective February 3, 2021, Dominion sold its Ekati diamond mine and associated assets, including its interest in the joint venture and the JV property, to Arctic Canadian Diamond Company.

Subsequent to December 2015, the Company has elected not to contribute its proportionate share of costs to subsequent exploration programs and as a result holds an approximate 22% interest in the joint venture as at January 31, 2023.

During the year ended April 30, 2022, the company wrote down $800,921 of exploration and evaluation expenditures on the Lac de Gras project in recognition of the lack of significant planned exploration expenditures on the property.

Naujaat project, Nunavut

The Company maintains a 100% interest in the Naujaat diamond project. This interest is subject to a June 1, 2020 option agreement under which the Company granted Burgundy Diamond Mines Limited ("Burgundy") (previously EHR Resources Ltd.) an option to earn a 40% interest in the project by investing $5,600,000 to collect a 1,500 to 2,000 tonne preliminary bulk sample. The agreement provides that the Company, as operator, will receive a fee of 5% of costs incurred on the Naujaat project and the Company has recorded the fee as an exploration cost and a contribution to the project. As part of the agreement, Burgundy has, as at January 31, 2023, advanced $5,600,000 (received) to be used by the Company to conduct the bulk sample program. Subsequent to January 31, 2023, the Company delivered notice to Burgundy that Burgundy had earned a 40% interest in the Naujaat project. The Company and Burgundy have also entered into a non-binding letter of intent to negotiate a second option agreement under which Burgundy may elect to earn an additional 20% interest in the Q1-4 diamond deposit by funding the collection of a 10,000 tonne bulk sample. Subsequent to January 31, 2023, Burgundy indicated to the Company that it will elect not to proceed with the second option.

Subject to a February 15, 2017 agreement, the Company has agreed to pay Stornoway Diamond Corporation ("Stornoway") $2.5 million at the time the first royalty payments relating to the Naujaat project are payable. In addition,

8. EXPLORATION AND EVALUATION ASSETS - continued

Diamond Properties, Canada – continued

Stornoway retains a 0.5% gross overriding royalty ("GOR") and net smelter royalty ("NSR") on diamond, precious metal and base metal production from the Naujaat project.

The Naujaat project is also subject to an additional 3% NSR on metals and a 3% gross production royalty ("GPR") on industrial minerals, including diamonds. Effective November 21, 2016, the Company reached an agreement with the underlying royalty holder where each of the NSR and GPR may be reduced from 3% to 1% subject to future contingent cash payments totaling $5.15 million and future staged exploration expenditures totalling $20 million. During the year ended April 30, 2022, as a result of expenditures incurred, the NSR and GPR was reduced to 2.5%.

Pikoo project, Saskatchewan

The Company maintains a 100% interest in the Pikoo diamond project. This interest is subject to a February 15, 2017 agreement under which the Company agreed to pay Stornoway $1.25 million at the time the first royalty payments relating to the Pikoo project are payable. In addition, Stornoway retains a 1.0% GOR and NSR on diamond, precious metal and base metal production from the Pikoo project.

Loki project, Northwest Territories

The Company maintains a 100% interest in the Loki diamond project subject to royalties ranging from 1.25% to 2.0% on diamonds and base and precious metals granted to Umgeni Holdings International Limited ("Umgeni") under the terms of a royalty purchase agreement. Umgeni is a private company of which a director of the Company is a beneficiary of the sole shareholder.

Mel project, Nunavut

The Company maintains a 100% interest in the Mel diamond project in Nunavut. This interest is subject to a 1% GOR payable to Anglo Celtic Exploration Ltd (the "ACEL GOR"), a private company controlled by a director. The Company retains the right to buy back one half of the ACEL GOR for $1,000,000 at any time.

Effective January 13, 2021, as amended effective August 9, 2021, the Company entered into an agreement with StrategX Elements Corp ("StrategX") to sell to StrategX the non-diamond mineral rights in the Mel Property for consideration of a 1% GOR on the non-diamond production and 100% of the rights to any diamond discoveries in a 435,000 ha area of interest surrounding the property ("StrategX AOI"). In addition, StrategX has assumed 100% of the responsibility for the Mel exploration camp, including the demobilization costs. StrategX retains a 2% GOR on any diamond production in the StrategX AOI, reduced to 1% wherever the ACEL GOR applies. The Company retains the right to purchase 50% of StrategX's GOR for $2,000,000. StrategX retains the right to purchase 50% of the North Arrow GOR for $1,000,000.

CSI Project, Nunavut

The CSI project consists of 3 claims that were acquired through staking during the year ended April 30, 2021.

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2023	April 30, 2022
Trade payables	**$ 256,374**	$ 317,269
Accrued liabilities	**159,500**	172,800
	$ 415,874	$ 490,069

Included in accrued liabilities is an initial provision of $120,500 (January 31, 2022 - $120,500) for estimated costs related to the demobilization of equipment in Nunavut

10. BANK LINE OF CREDIT

	January 31, 2023	April 30, 2022
Bank line of credit	**$ 40,000**	$ 40,000

During the year ended April 30, 2020, the Company received a 0% interest operating line of credit under the terms of the Canadian Emergency Business Account Program. If repaid in full by December 31, 2023, 25% of the balance may be forgiven. If not repaid by December 31, 2023, the Company will have the option for a 2 year term extension on the unpaid balance of the loan bearing interest at the rate of 5% per annum. The loan must be repaid in full by December 31, 2025.

11. LOAN PAYABLE

Effective February 17, 2021 the Company entered into an agreement with Anglo Celtic Exploration Ltd. ("Anglo"), a company controlled by a director, to provide the Company an unsecured loan of $400,000. Under the terms of the agreement the loan carries an interest rate of 10% per annum and is to be repaid February 16, 2022. As further consideration for agreeing to advance the loan, the Company issued to Anglo 1,000,000 bonus shares at a fair value of $85,000. The bonus shares cost was amortized over the original term of the loan. The unamortized portion of the cost the bonus shares was recorded as a reduction in the loan. Effective February 16, 2022, the loan was extended for a period of one year under the same terms and conditions. As consideration for granting the extension Anglo received 1,000,000 warrants. Each warrant entitles Anglo to purchase one share at a price of $0.12 per share for a period of one year. The warrants granted had a total fair value of $22,422. The warrants cost is amortized over one year. The unamortized portion of the cost of the warrants was recorded as a reduction in the loan. Subsequent to January 31, 2023, the warrants expired unexercised.
The fair value of warrants granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Risk-free interest rate	1.00%
Expected dividend yield	Nil
Expected stock price volatility	30.34%
Expected life	1 year
Expected forfeiture rate	Nil

Effective December 19, 2022, the Company made a limited security agreement in favour of Anglo, under which the Company secured the payment and performance of its obligations to Anglo in accordance with the loan by granting Anglo a security interest in the Company's interests in the mineral claims comprising each of the Pikoo Property, Loki Property and CSI Property.

Effective February 16, 2023, the loan was extended for an additional period of one year under the same terms and conditions.

(Expressed in Canadian Dollars)

12. CAPITAL STOCK AND RESERVES

Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

Share issuances

On May 31, 2021 the Company completed a 9,222,000 unit flow through financing at a price of $0.11 per share for gross proceeds of $1,014,420. Each unit consisted of a flow through share and one half of a transferable non-flow-through warrant. Each whole warrant will entitle the holder to purchase one additional non-flow through share at a price of $0.18 for a period of two years. The flow through shares were issued at a premium which was determined to be $46,110 and this has been recorded as a deferred premium liability. During the nine months ended January 31, 2023, the Company incurred eligible exploration expenditures and credited other income of $15,218 to operations. Finders' fees and costs of $32,379 were payable in connection with this private placement.

On December 28, 2022, the Company completed a 16,700,000 unit private placement at a price of $0.05 per unit for gross proceeds of $835,000. Each unit consisted of one common share and one common share purchase warrant. At December 28, 2022, the Company's market price was $0.03 per share; accordingly $334,000 of the proceeds were assigned to the value of the warrants under the residual method. Finders fees and costs of $13,181 were paid in connection with this private placement. Included in finder's fees were 90,000 warrants valued at $1,100. The fair value of warrants issued as finders fees was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

Risk-free interest rate	4.00%
Expected dividend yield	Nil
Expected stock price volatility	126.31%
Expected life	2 year
Expected forfeiture rate	Nil

Stock options and warrants

At the Company's Annual General Meeting held on December 15, 2022, the shareholders ratified the stock option plan (the "Plan"). The Plan gives the directors the authority to grant options to directors, officers, employees and consultants. The maximum number of shares to be issued under the Plan is 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option granted shall not be less than the market price at the date of grant less a discount up to 25% in accordance with the policies of the TSX Venture Exchange ("TSXV").

Options granted typically have a term up to 5 years with vesting provisions determined by the directors in accordance with TSXV policies for Tier 2 Issuers, with a typical vesting period of 25% upon grant and 25% every six months thereafter.

As at January 31, 2023, the following stock options were outstanding:

Number of options	Exercise Price	Number of Options vested	Expiry Date
2,070,000	$ 0.27	**2,070,000**	May 10, 2023
2,670,000	$ 0.20	**2,670,000**	July 12, 2023
2,970,000	$ 0.10	**2,970,000**	November 8, 2024
400,000	$ 0.10	**400,000**	December 17, 2025
1,025,000	$ 0.12	**1,025,000**	June 3, 2026
9,135,000		**9,135,000**	

(Expressed in Canadian Dollars)

12. CAPITAL STOCK AND RESERVES – *continued*

Stock options and warrants – continued

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2021	**10,370,000**	$0.20
Options granted	**1,025,000**	0.12
Balance, April 30, 2022	**11,395,000**	**0.19**
Options expired	**(2,260,000)**	**0.27**
Balance, January 31, 2023	**9,135,000**	**$0.17**

Share-based compensation

During the nine months ended January 31, 2023, the Company granted nil stock options (2022 – 1,025,000) having a total fair value of $nil (2022 - $90,394) and a weighted average grant-date value of $nil (2022 – $0.09) per option. During the nine months ended January 31, 2023, the Company recognized share-based compensation of $11,072 (2022 – $75,659) relating to options vested during the period.

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	January 31, 2023	April 30, 2022
Risk-free interest rate	-	1.00%
Expected dividend yield	-	Nil
Expected stock price volatility	-	116.00%
Expected life	-	5 years
Expected forfeiture rate	-	Nil

A summary of the Company's warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2021	44,386,003	$ 0.18
Issued	5,611,000	0.17
Balance, April 30, 2022	**49,997,003**	**0.18**
Expired	**(26,481,717)**	**0.23**
Issued	**16,790,000**	**$0.10**
Balance, January 31, 2023	**40,305,286**	**$0.11**

(Expressed in Canadian Dollars)

12. CAPITAL STOCK AND RESERVES – *continued*

Stock options and warrants – continued

At January 31, 2023 the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
17,904,286	$ 0.10	*July 31, 2024
4,611,000	$ 0.18	May 31, 2023
1,000,000	$ 0.12	**February 16, 2023
16,790,000	$ 0.10	December 28, 2024
40,305,286		

* Subsequent to January 31, 2023, 860,000 warrants were exercised.
** Subsequent to January 31, 2023 1,000,000 warrants expired unexercised.

13. RELATED PARTY TRANSACTIONS

Details of the transactions between the Company and related parties not disclosed elsewhere in the financial statements are disclosed below.

The Company incurred the following transactions in the normal course of operations in connection with companies which have an officer and/or director in common during the nine months ended January 31, 2023.

a) Paid or accrued consulting fees of $6,750 (2022 - $6,750) to the Corporate Secretary of the Company. This amount is included in salaries disclosed below.
b) Charged related parties $15,310 (2022 - $4,860) for fees, rent, office, and administrative costs.
c) Included in accounts payable is $147,500 (2022 - $74,120) due to directors and officers.
d) Interest of $35,028 (2022 - $31,540) has been accrued on a loan from a company controlled by a director.

The remuneration of directors and key management personnel during the nine months ended January 31, 2023 was as follows:

	January 31, 2023	January 31, 2022
Salaries[1]	**$ 158,348**	$ 147,273
Salaries in exploration costs[1]	**62,152**	69,227
Share-based compensation[2]	**7,633**	52,953
Total	**$ 228,133**	$ 269,453

1 – When key management is working specifically on mineral properties their time is capitalized against the mineral property.
2 – Share-based compensation is the fair value of options that have been granted to directors and key management personnel.

During the year ended April 30, 2016, the Company entered into an employment agreement with a senior employee and officer for his services requiring a minimum annual payment of $225,000. In addition, the employment agreement contains clauses which could provide for a payment or payments in excess of $450,000 on termination of employment or conclusion of a change in control or similar transaction.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the nine months ended January 31, 2023 were:

a) The Company incurred exploration and evaluation expenditures of $222,098 (April 30, 2022 - $326,884) that are included in accounts payable and accrued liabilities at January 31, 2023.

b) The Company issued nil (April 30, 2022 – 1,000,000) warrants valued at $nil (April 30, 2022 - $22,422) as consideration for a one-year extension of the $400,000 loan a company controlled by a director made to the Company. The unamortized cost of the warrants of $1,871 has been charged to the loan payable at January 31, 2023.

c) Included in right-of-use assets is $271,491 (April 30, 2022 - $271,491) representing the capitalized portion of leased real estate and equipment assets.

d) Included in lease liabilities is $271,491 (April 30, 2022 - $271,491) of capitalized lease payments and $3,456 (January 31, 2022 - $1,780) of effective interest expense.

15. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities. There have been no changes to the management of capital during the fiscal year.

The Company's exploration and evaluation assets are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings to finance its operations. In order to carry out the Company's planned exploration programs and to pay for administrative costs, the Company will have to raise additional funds as required. To effectively manage the Company's capital requirements, the Company's management has in place a planning and budgeting process.

16. SEGMENTED INFORMATION

The Company operates in Canada in a single operating segment – the acquisition and exploration of mineral properties in Canada.

17. SUBSEQUENT EVENTS

a) Subsequent to January 31, 2023, the Company received TSX-V approval for the acquisition of a 100% interest in the DeStaffany lithium property, NWT. Under the terms of the agreement the Company will reimburse Panarc Resources Ltd. ("Panarc") for staking costs of $18,000 (paid) and issue Panarc 500,000 shares of the Company (issued). In addition, Panarc will retain a 2% net smelter returns royalty on future metal production from the property. One half of the royalty can be purchased at any time for $2 million.

b) Subsequent to January 31, 2023 the Company entered into an agreement with Panarc to acquire a 100% interest in the Bathurst Inlet lithium property, Nunavut, for the reimbursement of $16,515 of staking costs, issuing 100,000 shares on receiving TSX-V approval and issuing a further 500,000 shares prior to September 30, 2023. Panarc will retain a 2% net smelter returns royalty on future mineral and metal production on the property. One half of the royalty can be purchased at any time for $2 million. In addition, the Company will issue a further 2,000,000 shares to Panarc within 15 days of the Company's first public disclosure of a new mineral resource on the property.

17. SUBSEQUENT EVENTS - *continued*

c) Subsequent to January 31, 2023, the Company reached an agreement with Umgeni Holdings International Limited ("Umgeni") under which Umgeni will increase its royalty interests in the Loki Project from 2.0% to 2.5% in exchange for the payment of $374,000. The Company will have the option to purchase 0.5% of the royalties by paying Umgeni $5,000,000 any time up to 24 months after the start of commercial production from a mine on the property. In addition, the Company will issue to Umgeni 1,000,000 shares upon the announcement of a new kimberlite discovery on the property and will issue a further 5,000,000 shares upon the announcement of a mineral resource in respect of a kimberlite within the property. Umgeni is a private company of which Christopher Jennings, a director of the Company, is a beneficiary of the sole shareholder.