NORTH ARROW MINERALS INC.

FINANCIAL STATEMENTS

For the Years Ended APRIL 30, 2023 and 2022

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
North Arrow Minerals Inc.

Opinion

We have audited the accompanying financial statements of North Arrow Minerals Inc. (the "Company"), which comprise the statements of financial position as at April 30, 2023 and 2022, and the statements of loss and comprehensive loss, cash flows and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that as at April 30, 2023, the Company had an accumulated deficit of $29,528,938, incurred ongoing losses and has no source of recurring revenue. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined that the matter described below to be a key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 9 to the financial statements, the carrying amount of the Company's E&E Assets was $15,799,564 as of April 30, 2023. As more fully described in Note 3 to the financial statements, management reviewed for impairment for mineral property whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending confirmation requests to optionors to ensure good standing of agreements.
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

August 15, 2023

NORTH ARROW MINERALS INC.
STATEMENTS OF FINANCIAL POSITION
As at April 30,
(Expressed in Canadian Dollars)

		2023		2022
ASSETS				
Current				
Cash	$	**271,513**	$	1,032,414
Receivables (Note 6)		**16,148**		61,747
Marketable securities (Note 5)		**2,916**		10,000
Prepaid expenses		**5,552**		16,601
		296,129		1,120,762
Equipment (Note 7)		**27,221**		31,270
Right-of-use assets (Note 8)		**60,097**		95,595
Exploration and evaluation assets (Note 9)		**15,799,564**		18,888,590
	$	**16,183,011**	$	20,136,217
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 10 and 14)	$	**547,107**	$	490,069
Bank line of credit (Note 11)		**40,000**		40,000
Loan payable (Note 12)		**496,324**		430,408
Advance from Burgundy Diamond Mines Limited (Note 9)		**-**		731,289
Deferred premium		**-**		15,218
Current portion of lease liabilities (Note 8)		**33,333**		37,905
		1,116,764		1,744,889
Lease liabilities (Note 8)		**23,877**		56,972
		1,140,641		1,801,861
SHAREHOLDERS' EQUITY				
Capital stock (Note 13)		**38,773,039**		38,168,252
Share-based payment reserve (Note 13)		**5,798,269**		5,452,097
Deficit		**(29,528,938)**		(25,285,993)
		15,042,370		18,334,356
	$	**16,183,011**	$	20,136,217

Nature and continuance of operations (Note 1)
Subsequent events (Note 19)

Approved and authorized on behalf of the Board on August 15, 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 Years Ended April 30,
(Expressed in Canadian Dollars)

		2023		2022
Advertising, promotion and travel	$	**119,702**	$	128,342
Amortization of bonus shares and warrants (Note 12)		**18,685**		71,970
Consulting (Note 14)		**9,000**		9,000
Depreciation		**43,738**		50,521
Office, miscellaneous and rent (Note 14)		**147,943**		148,287
Professional fees		**71,517**		49,630
Property investigation costs		**64,773**		45,583
Regulatory and filing fees		**14,078**		13,598
Salaries and benefits (Note 14)		**340,484**		310,529
Share-based compensation (Note 13)		**11,072**		85,779
		(840,992)		(913,239)
Interest, foreign exchange and other income		**4,882**		1,141
Other income – deferred premium		**15,218**		30,892
Gain (loss) on marketable securities		**(7,084)**		(17,500)
Write-down of exploration and evaluation assets (note 9)		**(3,414,969)**		(800,921)
		(3,401,953)		(786,388)
Net and comprehensive loss for the year	$	**(4,242,945)**	$	(1,699,627)
Basic and diluted loss per share	$	**(0.03)**	$	(0.01)
Weighted average number of common shares		**126,713,758**		120,125,506

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
STATEMENTS OF CASH FLOWS
For the Years Ended April 30,
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	**$ (4,242,945)**	$ (1,699,627)
Items not involving cash:		
Depreciation	**43,738**	50,521
Share-based compensation	**11,072**	85,779
Loss (gain) on marketable securities	**7,084**	17,500
Finance cost	**52,116**	45,397
Amortization of bonus shares and warrants	**18,685**	71,970
Other income – deferred premium	**(15,218)**	(30,892)
Write-down of exploration and evaluation assets	**3,414,969**	800,921
Changes in non-cash working capital items:		
Receivables	**45,599**	(43,818)
Prepaid expenses	**11,049**	13,279
Accounts payable and accrued liabilities	**105,402**	33,302
	(548,449)	(655,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets, net	**(336,307)**	(310,582)
Advance from Burgundy Diamond Mines Limited	**(731,289)**	(30,445)
Purchase of equipment	**(4,191)**	-
	(1,071,787)	(341,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a private placement	**835,000**	1,014,420
Share issuance costs	**(19,113)**	(32,379)
Proceeds on exercise of warrants	**86,000**	-
Repayment of lease liabilities	**(42,552)**	(44,859)
	859,335	937,182
Change in cash during the year	**(760,901)**	(59,513)
Cash, beginning of the year	**1,032,414**	1,091,927
Cash, end of the year	**$ 271,513**	$ 1,032,414

Supplemental disclosure with respect to cash flows (Note 16)

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
STATEMENTS OF CHANGES IN EQUITY
(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	-	-	85,779	-	85,779
Net loss	-	-	-	(1,699,627)	(1,699,627)
Warrants issued on extension of loan	-	-	22,422	-	22,422
Private placement – net of issuance costs	9,222,000	935,931	-	-	935,931
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	**-**	**-**	**-**	**(4,242,945)**	**(4,242,945)**
Private placement – net of issuance costs	**16,700,000**	**480,787**	**335,100**	**-**	**815,887**
Shares issued on exercise of warrants	**860,000**	**86,000**	**-**	**-**	**86,000**
Shares issued for acquisition of exploration and evaluation assets	**600,000**	**38,000**	**-**	**-**	**38,000**
Balance, April 30, 2023	**139,058,744**	**$ 38,773,039**	**$ 5,798,269**	**$ (29,528,938)**	**$ 15,042,370**

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 April 30, 2023, the Company had an accumulated deficit of $29,528,938 (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. There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic from March 2020 and political conflicts in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company's business or ability to raise capital.

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"). 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.

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.

2. BASIS OF PRESENTATION – *continued*

c) Significant accounting judgments, estimates and assumptions - continued

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.

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.

vii) Valuation of loan payable
The loan payable is initially recorded at the consideration given less any bonus shares and warrants granted. The bonus shares and warrants are amortized over the term of the loan.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21").

Any transactions in currencies other than the functional currency have been translated to the Canadian dollar in accordance with IAS 21. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company's presentation currency is the Canadian dollar ("$").

b) Loss per share

Basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the earnings (loss) per share. The calculation proved to be anti-dilutive for fiscal 2023 and 2022.

c) Share-based compensation and unit financings

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value of options granted to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured taking into account the terms and conditions upon which the share purchase options were granted. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Equity financing transactions may involve the issuance of common shares or units. A unit is comprised of a number of common shares and a number of warrants. Depending on the terms of each equity financing agreement the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the financing agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as share-based payments.

d) Equipment

Equipment is stated at cost less accumulated depreciation and any impairment in value.

3. SIGNIFICANT ACCOUNTING POLICIES – *continued*

d) Equipment - continued

The initial cost of an asset is comprised of its purchase price and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have improved the condition of the asset beyond the originally assessed standard of performance, the expenditures are capitalized as an additional cost of equipment.

Assets are depreciated at the following rates:

Office and computer equipment	30% declining balance
Field equipment	20% declining balance

The remaining useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at financial year-end to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of equipment.

The carrying values of equipment are reviewed for impairment at the end of each reporting period or when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of equipment are included in the statement of loss and comprehensive loss in the period of retirement or disposal.

e) Exploration and evaluation assets

Costs directly related to the acquisition, exploration and evaluation of mineral properties are capitalized once the legal rights to explore the properties have been obtained. When it is determined that such costs will be recouped through successful development and exploitation, expenditures are transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore reserves, while costs for the prospects abandoned are written off.

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a single cash generating unit. An impairment review is undertaken at the end of each reporting period or when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices that render the project uneconomic;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable

3. SIGNIFICANT ACCOUNTING POLICIES - ***continued***

e) Exploration and evaluation assets - continued

are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.

Title to resource properties 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 resource properties. The Company has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties are in good standing.

f) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the period. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Marketable securities

Marketable securities are measured at fair value and consist of shares listed on the TSX Venture Exchange and warrants convertible into securities listed on the TSX Venture Exchange.

h) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortized cost

The determination of the classification of financial assets is made at initial recognition. Marketable securities that are held for trading are classified as FVTPL: for other marketable securities and investments, on the day of acquisition the Company can make an irrevocable election to classify them as FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

h) Financial instruments - continued

Financial assets - continued

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss for the period.

Financial assets at FVTOCI: Marketable securities and investments carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in the period.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection of contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Receivables	Amortized cost
Marketable securities	FVTPL

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: this category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes accounts payable and accrued liabilities, loan payable, bank line of credit, advance from Burgundy Diamond Mines Limited and lease liabilities, which are recognized at amortized cost using the effective interest method.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period.

Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

i) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statements of loss and comprehensive loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it will not be recognized.

The following temporary differences do not result in deferred tax assets or liabilities:

* the initial recognition of assets or liabilities that do not affect accounting or taxable profit
* goodwill
* differences relating to investment in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Environmental rehabilitation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets. The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit and loss for the period. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The Company has no material restoration, rehabilitation and environmental obligations as the disturbance to date is limited.

3. SIGNIFICANT ACCOUNTING POLICIES - *continued*

k) Flow-through shares

The Company can issue flow-through shares to finance exploration programs undertaken in Canada. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying mineral expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium liability, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

l) Right-of use assets and lease liabilities

The Company assesses whether a contract is a lease, at inception of the contract and recognizes a right-of-use asset and a corresponding liability with respect to all lease arrangements unless the lease is a low value lease or ends within 12 months. Mineral leases held by the Company are exempt from the provisions of IFRS 16.

The right-of-use assets comprise the initial measurement of the corresponding lease liabilities and any 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.

m) New accounting pronouncements

Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at April 30, 2023. The Company intends to adopt these standards and interpretations when they become effective but does not expect these amendments to have a significant effect on its financial statements.

4. 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. The carrying value of cash, 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

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – *continued*

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 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 April 30, 2023, the Company had cash of $271,513 (April 30, 2022 - $1,032,414) available to settle current liabilities of $1,116,764 (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.

5. 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	**-**	**-**	**-**	**(7,084)**	**(7,084)**
April 30, 2023	**$379,012**	**$ (50,000)**	**$ (355,437)**	**$ 29,341**	**$ 2,916**

During the year ended April 30, 2023, Rover Metals Corp. consolidated its share capital on a 6 old for 1 new basis.

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES - *continued*

During the year ended April 30, 2019, the Company completed the sale of certain assets to Rover Metals Corp. ("Rover") for consideration of 500,000 shares (received) having a fair value of $25,000. Subsequent to the acquisition date, should Rover disclose an inferred, indicated or measured mineral resource of 500,000 ounces of gold within an area of interest, the Company shall be entitled to an additional $100,000 payable in either cash or shares at the purchaser's discretion. In addition, should Rover disclose an inferred, indicated or measured mineral resource of 750,000 ounces of gold within the area, the Company shall be entitled to an additional $100,000 payable in either cash or shares at the purchaser's discretion.

6. RECEIVABLES

	April 30, 2023	April 30, 2022
HST/GST receivables	**$ 12,073**	$ 30,958
Other receivables	**4,075**	30,789
	$ 16,148	$ 61,747

7. EQUIPMENT

	Office and computer equipment	**Field equipment**	**Total**
Cost			
Balance, April 30, 2022 and 2021	$71,701	$93,775	$ 165,476
Additions	**4,191**	**-**	**4,191**
Balance April 30, 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	**4,700**	**3,540**	**8,240**
Balance April 30, 2023	**$ 62,832**	**$ 79,614**	**$ 142,446**
April 30, 2022	$ 13,569	$ 17,701	$ 31,270
April 30, 2023	**$ 13,060**	**$ 14,161**	**$ 27,221**

(Expressed in Canadian Dollars)

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets		Year ended April 30, 2023		Year ended April 30, 2022
Opening balance	$	**95,595**	$	32,408
Lease modification		**-**		103,465
Depreciation		**(35,498)**		(40,278)
Ending Balance	$	**60,097**	$	95,595

Lease Liabilities		Year ended April 30, 2023		Year ended April 30, 2022
Opening balance	$	**94,877**	$	33,273
Additions		**-**		103,465
Lease payments		**(42,552)**		(44,859)
Finance cost		**4,885**		2,998
Ending Balance	$	**57,210**	$	94,877
Current	$	**33,333**	$	37,905
Long-term		**23,877**		56,972
	$	**57,210**	$	94,877

9. EXPLORATION AND EVALUATION ASSETS

	April 30, 2022	Expended During the Year	Write-offs During the Year	April 30, 2023
Lithium Properties				
DeStaffany				
Exploration costs	$ -	$ 2,042	$ -	$ 2,042
Acquisition and tenure costs	-	51,872	-	51,872
Geological, data collection and assays	-	1,793	-	1,793
Office and salaries	-	38,269	-	38,269
	-	93,976	-	93,976
Bathurst				
Exploration costs	-	2,248	-	2,248
Acquisition and tenure costs	-	25,025	-	25,025
Office and salaries	-	10,169	-	10,169
	-	37,442	-	37,442

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS - continued

	April 30, 2022	Expended During the Year	Write-offs During the Year	April 30, 2023
Diamond Properties				
Pikoo, Canada				
Exploration costs	1,272,804	44,582	-	1,317,386
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	220,979	2,274	-	223,253
Geological, data collection and assays	1,644,898	266,591	-	1,911,489
Office and salaries	719,332	95,444	-	814,776
Recoveries and contributions	(637,813)	-	-	(637,813)
	5,306,059	408,891	-	5,714,950
Loki, Canada				
Exploration costs	547,398	-	-	547,398
Drilling	687,226	-	-	687,226
Acquisition and tenure costs	80,004	33,296	-	113,300
Geological, data collection and assays	499,822	96,576	-	596,398
Office and salaries	363,381	36,412	-	399,793
Recoveries	(768,452)	(374,000)	-	(1,142,452)
	1,409,379	(207,716)	-	1,201,663
Naujaat, Canada				
Exploration costs	1,455,905	47,240	-	1,503,145
Drilling	1,464,020	-	-	1,464,020
Acquisition and tenure costs	436,166	24,815	-	460,981
Geological, data collection and assays	8,619,613	550,069	-	9,169,682
Office and salaries	1,855,848	132,339	-	1,988,187
Recoveries and contributions	(5,166,066)	(775,101)	-	(5,941,167)
	8,665,486	(20,638)	-	8,644,848
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	5,774	(420,237)	-
Recoveries	(120,500)	-	120,500	-
	3,409,171	5,798	(3,414,969)	-
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	8,116	-	27,781
	98,495	8,190	-	106,685
TOTAL	$ 18,888,590	$ 325,943	$(3,414,969)	$ 15,799,564

(Expressed in Canadian Dollars)

9. 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

9. 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.

Lithium Properties, Canada

DeStaffany Project, Northwest Territories

During the year ended April 30, 2023, the Company acquired a 100% interest in the DeStaffany lithium property. Under the terms of an agreement dated January 25, 2023 the Company acquired its interest from Panarc Resources Ltd. ("Panarc") for the reimbursement of staking costs of $18,000 (paid) and 500,000 share of the Company issued at a fair value of $32,500. Panarc retains a 2% net smelter return royalty on future metal production from the property. One-half of the royalty can be purchased at any time for $2 million.

Bathurst Project, Nunavut

During the year ended April 30, 2023, the Company entered into an option agreement to acquire a 100% interest in the Bathurst Inlet lithium property. Under the terms of an agreement dated February 23, 2023 the Company paid Panarc for the reimbursement of staking costs of $16,515 and issued 100,000 shares of the Company valued at $5,500 during the year ended April 30, 2023. In order to complete the acquisition, the Company is required to issue and additional 500,000 shares prior to September 30, 2023. 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. Panarc will retain a 2% net smelter return royalty on future metal production from the property. One-half of the royalty can be purchased at any time for $2 million.

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 ("Arctic").

9. EXPLORATION AND EVALUATION ASSETS - continued

Lac de Gras project, Northwest Territories - continued

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.

Subsequent to April 30, 2023. The Company concluded an agreement with Arctic under which the Lac de Gras joint venture was terminated and the Company acquired Arctic's joint venture interest in the Lac de Gras Property. As a result the Company retains a 100% interest in the Lac de Gras Property.

Naujaat project, Nunavut

Prior to February 2023, the Company maintained a 100% interest in the Naujaat diamond project. This interest was 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 which the Company has recorded as an exploration cost and a contribution to the project. As part of the agreement, Burgundy has, as at April 30, 2023, advanced $5,600,000 to be used by the Company to conduct the bulk sample program.

Effective February 3, 2023, Burgundy acquired a 40% interest in the Naujaat project with the completion of a preliminary bulk sample program.

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, 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 2.0% on diamonds and base and precious metals granted to Umgeni Holdings International Limited ("Umgeni") under the terms of a January 25, 2016 royalty purchase agreement as amended July 31, 2019. Umgeni is a private company of which a director of the Company is a beneficiary of the sole shareholder.

During the year ended April 30, 2023, the Company reached an agreement with Umgeni under which Umgeni increased its royalty interest in the Loki project from 2.0% to 2.5% in exchange for the payment of $374,000 (received).

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS - continued

Loki project, Northwest Territories - continued

The Company retains 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 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 with the property.

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. North Arrow 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.

During the year ended April 30, 2023, the Company wrote-down $3,414,969 of exploration and evaluation on the Mel project in recognition of the lack of significant planned exploration expenditures on the property.

CSI Project, Nunavut

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

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2023	April 30, 2022
Trade payables	**$ 358,707**	$ 317,269
Accrued liabilities	**188,400**	172,800
	$ 547,107	$ 490,069

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

11. BANK LINE OF CREDIT

	April 30, 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.

(Expressed in Canadian Dollars)

12. 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 was 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 entitled 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 was amortized over one year. During the year ended April 30, 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.

13. 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 year ended April 30, 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 $20,213 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:

(Expressed in Canadian Dollars)

13. CAPITAL STOCK AND RESERVES - continued

Share issuances - continued

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

During the year ended April 30, 2023, the Company issued 600,000 common shares at a fair value of $38,000 for the acquisition of mineral properties.

Stock options and warrants

At the Company's Annual General Meeting held on December 17, 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 April 30, 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**	

* Subsequent to April 30, 2023, 4,740,000 options expired unexercised.

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, April 30, 2023	**9,135,000**	**$ 0.17**

Share-based compensation

During the year ended April 30, 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 year ended April 30, 2023, the Company recognized share-based compensation of $11,072 (2022 – $85,779) relating to options vested during the year.

(Expressed in Canadian Dollars)

13. CAPITAL STOCK AND RESERVES - continued

Share-based compensation - continued

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

	April 30, 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	**(27,481,717)**	**0.23**
Exercised	**(860,000)**	**0.10**
Issued	**16,790,000**	**0.10**
Balance April 30, 2023	**38,445,286**	**$0.11**

At April 30, 2023 the following warrants were outstanding:

Number of Warrants	**Exercise Price**	**Expiry Date**
17,044,286	$ 0.10	July 31, 2024
4,611,000	$ 0.18	*May 31, 2023
16,790,000	$ 0.10	December 28,2024
38,445,286	$ 0.11	

*Subsequent to April 30, 2023, 4,611,000 warrants expired unexercised.

(Expressed in Canadian Dollars)

14. 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.

a) Paid or accrued consulting fees of $9,000 (2022 - $9,000) to the Corporate Secretary of the Company. This amount is included in salaries disclosed below.
b) Charged related parties $20,880 (2022 - $6,540) for rent, office and administrative costs.
c) Included in accounts payable is $166,295 (2022 - $93,720) due to directors and officers.
d) Interest of $47,231 (2022 - $42,399) has been accrued on an unsecured loan from a company controlled by a director.

The remuneration of directors and key management personnel during the year ended April 30, 2023 was as follows:

		April 30, 2023		April 30, 2022
Salaries[1]	**$**	**219,352**	$	199,686
Salaries in exploration costs[1]		**74,648**		100,314
Share-based compensation[2]		**7,633**		60,036
Total	**$**	**301,633**	$	360,036

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.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2023		2022
Net loss for the year	$	(4,242,945)	$	(1,699,627)
Expected income tax (recovery)	$	(1,146,000)	$	(459,000)
Change in statutory rates, foreign tax and other		86,000		260,000
Permanent differences		5,000		17,000
Share issue costs		(5,000)		(9,000)
Adjustment to prior years provision vs. statutory tax returns		291,000		(248,000)
Change in unrecognized deductible temporary differences		769,000		439,000
Total income tax expense	**$**	-	**$**	-

(Expressed in Canadian Dollars)

15. INCOME TAXES - continued

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	2023	**Expiry Date Range**	2022
Temporary Differences			
Exploration and evaluation assets	$ 2,207,000	No expiry date	$ 2,103,000
Investment tax credit	192,000	2028 to 2042	192,000
Property and equipment	151,000	No expiry date	143,000
Share issue costs	40,000	2022 to 2047	54,000
Marketable securities	10,000	No expiry date	3,000
Non-capital losses available for future period	11,017,000	2029 to 2043	10,954,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the year ended April 30, 2023 were:

a) the Company incurred exploration and evaluation expenditures of $278,520 (2022 - $326,884) that are included in accounts payable and accrued liabilities at year end.

b) The Company issued 600,000 (2022 – nil) shares at a fair value of $38,000 (2022 – $nil) for the acquisition of two mineral properties.

c) the Company issued nil (2022 – 1,000,000) warrants valued at $nil (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 $nil (2022 - $18,685) has been charged to the loan payable.

17. 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.

18. SEGMENTED INFORMATION

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

19. SUBSEQUENT EVENTS

Subsequent April 30, 2023, the Company:

a) Completed two financings consisting of a non-flow through unit financing and a flow through unit financing for gross proceeds of $2,423,940 as follows:
   i) The non-flow through financing consisted of 22,976,999 units at a price of $0.06 per unit. Each non-flow through unit consisted of one share and one transferable common share purchase warrant. Each non-flow through warrant entitles the holder to purchase one share at a price of $0.10 for a period of 24 months.
   ii) The flow through unit financing consisted of 13,066,500 units at a price of $0.08 per unit. Each flow through unit consisted of one flow through share and one half of a transferrable non-flow through share purchase warrant. Each whole flow through warrant entitles the holder to purchase a non-flow through share at a price of $0.12 for a period of 24 months.

   In connection with these financings the Company paid finders fees of $77,255 and 676,620 finders warrants. Each finders' warrant has the same terms as the non-flow through warrants.

b) Granted 8,625,000 incentive stock options to officers, employees, directors and advisors. The stock options are exercisable at a price of $0.08 per share and can be exercised until June 1, 2028.

c) Issued 200,000 common shares of the Company for the purchase of exploration data related to historic lithium exploration in the Northwest Territories.