NORTH ARROW MINERALS INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 2010

(Unaudited – Prepared by Management)

Reader's Note: These interim consolidated financial statements for North Arrow Minerals Inc. ("North Arrow"), for the three months ended July 31, 2010 have been prepared by management and have not been subject to review by North Arrow's auditor.

NORTH ARROW MINERALS INC.
INTERIM CONSOLIDATED BALANCE SHEET

	July 31, 2010 (Unaudited)	April 30, 2010 (Audited)
ASSETS		
Current		
Cash and equivalents	$ 887,107	$ 1,126,124
Receivables	367,686	2,021
Prepaid expenses	31,844	25,014
	1,286,637	1,153,159
Equipment (Note 4)	2,094	2,264
Mineral properties (Note 5)	2,519,104	2,207,651
	$ 3,807,835	$ 3,363,074
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 503,855	$ 115,227
Due to related parties (Note 7)	49,467	76,610
	553,322	191,837
Shareholders' equity		
Capital stock (Note 6)	9,004,501	8,755,602
Contributed surplus (Note 6)	622,434	607,963
Deficit	(6,372,422)	(6,192,328)
	3,254,513	3,171,237
	$ 3,807,835	$ 3,363,074

Nature and continuance of operations (Note 1)
Subsequent event (Note 12)

On behalf of the Board:

"D. Grenville Thomas" Director *"Kenneth A. Armstrong"* Director

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

NORTH ARROW MINERALS INC.
INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	For the Three Months Ended July 31, 2010	For the Three Months Ended July 31, 2009
EXPENSES		
Advertising, promotion and travel	$ 35,597	$ 26,599
Amortization	170	243
Office, miscellaneous and rent	22,086	18,516
Professional fees	21,243	25,413
Regulatory and filing fees	4,376	2,023
Salaries and benefits	49,117	39,852
Stock-based compensation (Note 6)	40,770	19,564
Loss before other items	(173,359)	(132,210)
OTHER ITEMS		
Foreign exchange loss	(1,969)	-
Write-off of mineral properties	(5,561)	-
Interest income	795	-
Loss for the period	(180,094)	(132,210)
Deficit, beginning of period	(6,192,328)	(3,437,221)
Deficit, end of period	$ (6,372,422)	$ (3,569,431)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding	44,513,920	29,563,540

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

	For the Three Months Ended July 31, 2010	For the Three Months Ended July 31 2009
Loss for the period	$ (180,094)	$ (132,210)
Other comprehensive loss	-	-
Comprehensive loss for the period	$ (180,094)	$ (132,210)

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

NORTH ARROW MINERALS INC.
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited – Prepared by Management)

	For the Three Months Ended July 31, 2010	July 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (180,094)	$ (132,210)
Items not involving cash:		
Amortization	170	243
Stock-based compensation	40,770	19,564
Write-off of mineral properties	5,561	-
Changes in non-cash working capital items:		
Increase in receivables	(2,078)	(3,483)
Increase in prepaid expenses	(6,830)	(20,559)
Decrease in accounts payable and accrued liabilities	11,233	6,284
Increase (decrease) in due to related parties	(23,411)	27,802
Net cash used in operating activities	(154,679)	(102,359)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	500,000
Proceeds from the exercise of warrants	108,150	358,688
Subscription receipts from a private placement (Note 12)	116,100	-
Share issue costs	(1,650)	(8,849)
Net cash provided by financing activities	222,600	849,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on mineral properties, net	(306,938)	(207,435)
Net cash used in investing activities	(306,938)	(207,435)
Change in cash and equivalents during the period	(239,017)	540,045
Cash and equivalents, beginning of period	1,126,124	200,486
Cash and equivalents, end of period	$ 887,107	$ 740,531
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

North Arrow Minerals Inc. (the "Company") was incorporated on February 27, 2007 and is in the business of mineral property exploration. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete the development of its mineral properties and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has a history of losses and no current source of revenue. Continued operations of the Company are dependent on the Company's ability to complete equity financings or generate profitable operations in the future. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

	July 31, 2010	April 30, 2010
Deficit	**$ (6,372,422)**	$ (6,192,328)
Working capital	**$ 733,315**	$ 961,322

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles for interim financial information using the same accounting policies and methods of application as the audited financial statements of the Company for the year ended April 30, 2010. These unaudited interim financial statements do not include all of the information and note disclosures required by generally accepted accounting principles for annual financial statements of the Company and should therefore be read in conjunction with the audited financial statements of the Company as at April 30, 2010. The accounting policies followed by the Company in preparing these interim consolidated financial statements are consistent with the accounting policies used by the Company, as set out in the consolidated audited financial statements for the year ended April 30, 2010.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements.

Recent Accounting Pronouncements

Business combinations

In January 2009, the CICA issued the new handbook Section 1582 - *Business Combinations* ("Section 1582"), 1601 – *Consolidated Financial Statements* ("Section 1601") and 1602 – *Non-controlling Interests* ("Section 1602") which replaces CICA Handbook Section 1581 – *Business Combinations* and 1600 – *Consolidated Financial Statements.* Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after February 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning February 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D…)

Recent Accounting Pronouncements (cont'd…)

International financial reporting standards

The Canadian Accounting Standards Board has confirmed that IFRS will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions. The Company will be required to prepare fully IFRS compliant financial statements for the year ended April 30, 2012, with the first interim financial statements prepared under IFRS for the three-month period ended July 31, 2011.

The Company's conversion plan consists of four phases: scoping and planning, detailed assessment, implementation and post implementation. The Company has completed the scoping and planning stage and is now in the detailed assessment stage. The Company has not commenced the implementation and the post implementation stages. While the Company has begun the detailed assessment process, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. IFRS education and reports to the Audit Committee commenced in calendar 2009 and continues to be ongoing.

3. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and equivalents, receivables, accounts payable and accrued liabilities and amounts due to related parties. The carrying value of receivables, accounts payable and accrued liabilities and amounts due to related parties approximates their fair values due to their immediate or short-term maturity. Cash and equivalents are measured at fair value using a level 1 fair value measurement.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, equity risk and foreign currency 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.

Foreign Currency Risk

The Company has exposure to foreign currency risk through its mineral properties in the United States however; the majority of its assets (88%) and liabilities (99%) are denominated in Canadian dollars. The Company's exploration activities and ongoing land tenure expense in the United States make it subject to foreign currency fluctuations, which may affect the Company's financial position, and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the US dollar. The Company does not presently invest in foreign currency contracts to mitigate this risk. It is management's opinion that the Company is not exposed to significant foreign currency risk arising from these financial instruments.

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's cash is held in high quality financial institutions. 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. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash and equivalents.

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 arising from these financial instruments.

Equity market risk

The Company is exposed to equity price risk arising from its dependence on equity financings for working capital.

3. FINANCIAL INSTRUMENTS (CONT'D…)

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, as required, could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

4. EQUIPMENT

	As at July 31, 2010			As at April 30, 2010		
	Cost	Accumulated Amortization	**Net Book Value**	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 6,474	$ 4,380	**$ 2,094**	$ 6,474	$ 4,210	$ 2,264
	$ 6,474	$ 4,380	**$ 2,094**	$ 6,474	$ 4,210	$ 2,264

5. MINERAL PROPERTIES

	April 30, 2010	Expended During The Period	Write-off of Costs and Recoveries	**July 31, 2010**
Gold and Base Metal Properties, NWT and Nunavut				
Exploration costs	$ 31,523	$ 577	$ (577)	**$ 31,523**
Acquisition costs	352,982	22,466	(267)	**375,181**
Geological and assays	1,449	-	-	**1,449**
Office and salaries	20,948	5,483	(4,717)	**21,714**
	406,902	28,526	(5,561)	**429,867**
Lithium Properties, NWT and Nunavut				
Exploration costs	702,769	-	-	**702,769**
Acquisition costs	71,888	-	-	**71,888**
Geological and assays	18,909	104	-	**19,013**
Office and salaries	62,402	866	-	**63,268**
	855,968	970	-	**856,938**
Lithium Properties, USA				
Exploration costs	336,900	138,926	-	**475,826**
Acquisition costs	212,505	12,764	-	**225,269**
Geological and assays	13,015	12,508	-	**25,523**
Office and salaries	94,223	22,811	-	**117,034**
	656,643	187,009	-	**843,652**
Diamond Properties, NWT and Nunavut				
Exploration costs	39,238	17,692	-	**56,930**
Acquisition costs	14,326	68,074	-	**82,400**
Geological and assays	146,928	-	-	**146,928**
Office and salaries	87,646	14,743	-	**102,389**
	288,138	100,509	-	**388,647**
TOTAL	$ 2,207,651	$ 317,014	$ (5,561)	**$ 2,519,104**

5. MINERAL PROPERTIES (CONT'D…)

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

Gold and Base Metal Properties, Northwest Territories and Nunavut

In addition to the properties described below, the Company maintains interests in various other gold and base metal properties in the Northwest Territories and Nunavut.

Canoe Lake Property, Nunavut

The Company maintains, or maintains the right to earn, a 100% interest in certain mineral claims and mining leases known as the "Canoe Lake Property" in the High Lake Greenstone Belt, Nunavut. In order to earn a 100% interest in two mining leases, the Company must complete a $490,000 cash payment to Canadian Natural Resources Ltd. ("CNR") before December 31, 2010. The agreement with CNR also provides for a 2.5% gross overriding royalty ("GOR") on diamond production and a 2.5% net smelter return royalty ("NSR") on metallic mineral production from the leases. The Company retains the option to purchase half of these royalties from CNR for $1,500,000.

Separate from the agreement with CNR, the Company maintains a 100% interest in a number of contiguous mineral claims. The 'BK claims' are subject to a 1% NSR on non-diamond mineral production and a 1% GOR on diamond production to a third party royalty holder (the 'BK royalty holder'). The 'Canoe claims' are subject to a 1% NSR on non-diamond mineral production and a 1% GOR on diamond production to a different third party royalty holder (the 'Canoe royalty holder'), as well as various royalties, payable to the BK royalty holder, ranging from 0.5% to 1.0%. The Company may purchase 100% of the royalties payable to the Canoe royalty holder for $1,000,000.

The property is currently under option to Minerals and Metals Group ("MMG"), a subsidiary of the China Minmetals Non-Ferrous Metals Company Limited. Under the terms of the original and several revised agreements, MMG may earn up to a 70% interest in the Canoe Lake Project by making a cash payment to the Company of $55,600 (received) and spending $3,000,000 on project exploration by December 1, 2010.

Hay Duck Property, NWT

On May 29, 2008, the Company and Strongbow Exploration Inc. ("Strongbow") entered into an option agreement whereby the Company may earn a 100% interest in the Hay Duck property by reimbursing certain expenditures incurred to-date by Strongbow and assuming the annual option payments due under the original, underlying option agreement. The third party agreement, dated May 2007 and amended in January 2010, required three future annual cash option payments totalling $450,000. These future option payments will be payable by the Company annually, following receipt of a land use permit which allows the Company to drill at the Hay Duck property. As partial compensation for amending the agreement, the Company issued 50,000 common shares to the property vendor in February 2010. At the date of issuance, the common shares had a fair value of $9,750, which has been applied against the payment due January 1, 2010. The remainder of the January 2010 payment will be paid by the Company upon receipt of a land use permit for the Hay Duck property. The third party option holder will retain a 2.5% NSR of which 1% can be purchased at anytime for $500,000. An additional 1% of the royalty can be purchased at any time for $2,000,000. Upon the Company incurring $5,000,000 in exploration on the property, Strongbow may elect to back-in to 40% of the Company's interest in the property by funding the next $5,000,000 in exploration expenditures. In certain circumstances, Strongbow has the option to elect to acquire a 1% NSR in place of exercising the back-in right. The Company may purchase one-half (0.5%) of the NSR at any time for $500,000.

5. MINERAL PROPERTIES (CONT'D…)

Gold and Base Metal Properties, Northwest Territories and Nunavut (cont'd…)

Yukon Gold Property

On July 30, 2010, the Company and Cathro Resources Corp. (50%) and Cazador Resources Ltd. (50%), both private companies and collectively, the "Vendors", entered into an agreement whereby the Company may earn a 100% interest in certain mineral claims situated in north-central Yukon Territory. Under the terms of the agreement, the Company can earn a 100% interest in the property by funding a minimum $35,000 initial exploration program and by making cumulative payments totaling $150,000 and by issuing cumulative share payments totaling 750,000 shares over a period of four years. Upon completion of the option, the Vendors will retain a 2.0% net smelter return royalty of which 1% can be purchased at any time for $1,000,000. Advance royalty payments of $25,000 per year will be payable upon exercise of the option until such time as the regular royalty payments begin or the property is returned in good standing. Advance royalty payments can be credited against future royalty payments.

Other Properties

Mineral property write-offs of $5,561 during the three months ended July 31, 2010 (July 31, 2009 - $Nil) relate to various other properties in NWT and Nunavut, where no exploration programs of significance are planned for the foreseeable future.

Lithium Properties, Northwest Territories and Nunavut

Phoenix Lithium Project, NWT

At various times between June 2008 and July 2009, the Company acquired, by staking, eleven claims in the Aylmer Lake area of the Northwest Territories. The claims form one contiguous block and the Company maintains a 100% interest in all the acquired claims.

The Company, along with the Attorney General of Canada, have been named as respondents in an application to the Federal Court of Canada filed by certain First Nations. The First Nations seek, among other things, the cancellation of a land use permit. The hearing took place in June 2010 and judgement is pending.

Torp Lake Project, Nunavut

In March 2009, the Company acquired, by staking, two claims in the Torp Lake area of Nunavut.

Lithium Properties, USA

Lithium Projects, North Carolina, USA

Between July and September 2009, the Company entered into seven option agreements with landowners in North Carolina. Under the terms of these option agreements, the Company must make cash payments upon execution (US $84,706 paid) and various annual option payments ranging from US $9,024 to US $84,706 (US $84,706 paid in 2010) between 2010 and 2018.

Lithium Projects, Generative

In July 2009, the Company and Strongbow entered into a generative exploration agreement, which establishes an area of interest ("AOI") for the acquisition of lithium exploration properties, mineral rights or other interests (collectively, the "Rights"). Upon notice from Strongbow, the Company may exercise a back-in right to acquire an undivided 40% interest in the AOI and any Rights acquired by Strongbow within the AOI, after Strongbow incurs $2 million in acquisition and exploration expenditures. If the Company elects to exercise the back-in right, it must spend $2 million within thirty-six months from the date of notice, including minimum expenditures of $500,000 within each twelve-month period.

5. MINERAL PROPERTIES (CONT'D…)

Diamond Properties, Northwest Territories and Nunavut

The Company has varying interests in a number of diamond properties, including the Lac de Gras and Hammer properties.

Lac de Gras, NWT

In February 2010, the Company entered into an agreement with a third party option holder to jointly explore its Lac de Gras diamond property. Under the terms of the agreement, the third party option holder can earn a 50% interest in the Lac de Gras diamond property by paying the full legal survey costs required to convert selected existing mineral claims to mining leases, paying the first year's rental fees for the mining leases (completed), and conducting a review of existing geophysical magnetic data (completed). The Company will be responsible for funding the first $1,000,800 in exploration expenditures on the property, subsequent to which exploration of the Lac de Gras property will be carried out based upon a 50/50 joint venture.

Hammer, Nunavut

In October 2008, the Company and Stornoway Diamond Corporation ("Stornoway") revised a pre-existing agreement on the Bear property, Nunavut, to include an area of interest, known as the "Hammer AOI", into the agreement. As a result of this revision, the Company holds a 25% interest in the property and Stornoway holds a 75% interest. The portion of the property comprising the original Bear Property is subject to an underlying 2% NSR and 2% GOR.

Write-offs

Mineral property write-offs of $559,027 during the three months ended July 31, 2009 related to the Blue Lake, Daring Lake, Napaktulik and Wales Island properties.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited common shares without par value			
Issued			
As at April 30, 2010	44,045,545	$ 8,755,602	$ 607,963
Exercise of warrants	604,500	134,449	(26,299)
Private Placement (Note 12)	-	116,100	-
Share issue costs	-	(1,650)	-
Stock-based compensation	-	-	40,770
As at July 31, 2010	44,650,045	$ 9,004,501	$ 622,434

Share issuances

In June 2010, the Company received gross proceeds of $108,150 from the exercise of 604,500 warrants at prices between $0.15 and $0.20 per warrant.

Stock options and warrants

The Company's stock option plan (the "Plan") was approved by shareholders at the September 2010 annual meeting. 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 can 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.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (CONT'D…)

Stock options and warrants (cont'd…)

As at July 31, 2010, the following stock options and warrants were outstanding:

	Number of Shares		Exercise Price	Number of Shares Vested	Expiry Date
Options	2,000	$	0.25	2,000	September 23, 2010*
	78,000		0.25	78,000	March 16, 2011
	54,000		0.25	54,000	September 15, 2011
	148,000		0.25	148,000	March 29, 2012
	1,125,000		0.40	1,125,000	August 7, 2012
	1,410,000		0.20	1,057,500	June 4, 2014
	200,000		0.30	100,000	September 2, 2014
	150,000		0.19	37,500	March 26, 2015
	150,000		0.25	37,500	March 26, 2015
Warrants	1,045,750	$	0.32	1,045,750	February 21, 2011
	57,500		0.32	57,500	February 26, 2011
	4,000,000		0.10	4,000,000	February 26, 2011
	1,390,000		0.30	1,390,000	March 26, 2011
	2,740,500		0.30	2,740,500	April 20, 2011

*Subsequently expired without exercise.

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

	Number of Options		Weighted Average Exercise Price
Balance, April 30, 2010	3,324,500	$	0.28
Expired	(7,500)		0.25
Balance, July 31, 2010	3,317,000	$	0.28
Number of options currently exercisable	2,639,500	$	0.30

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

	Number of Warrants		Weighted Average Exercise Price
Balance, April 30, 2010	14,497,750	$	0.21
Exercised	(604,500)		0.18
Expired	(4,659,500)		0.20
Balance, July 31, 2010	9,233,750	$	0.22

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (CONT'D…)

Stock-based compensation

During the three months ended July 31, 2010, the Company granted Nil options (July 31, 2009 – 1,410,000 options). The estimated fair value of the options granted is $Nil (July 31, 2009 - $176,073). Stock-based compensation of $40,770 (July 31, 2009 - $19,564) has been recognized during the three months ended July 31, 2010, which represent options granted in an earlier period but vested during the three months ended July 31, 2010.

The following weighted average assumptions were used for the Black Scholes valuation of stock options granted:

	Year Ended April 30, 2010
Risk-free interest rate	1.58~2.57%
Expected life of options	1.5~5 years
Annualized volatility	100%
Dividend rate	0.00%

7. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

a) During the period ended July 31, 2010, the Company paid or accrued $36,568 (July 31, 2009 - $36,134) for shared technical services and rent to Strongbow. As at July 31, 2010, Strongbow owned approximately 10.79% (April 30, 2010 – 10.94%) of the Company's issued and outstanding shares.

b) During the period ended July 31, 2010, the Company paid or accrued $8,268 (July 31, 2009 - $6,140) for administrative and accounting services to Stornoway.

Amounts due to related parties are as follows:

	July 31, 2010	April 30, 2010
Strongbow, a company with two common directors and a common officer	**$ 28,675**	$ 28,364
Stornoway, a company with a common officer	**7,170**	7,301
Directors	**13,622**	40,945
	$ 49,467	$ 76,610

8. INCOME TAXES

As at July 31, 2010, the Company has approximately $1,192,000 in non-capital losses available for deduction against future year's taxable income. These losses will expire up to 2030.

Subject to certain restrictions, the Company has approximately $5,276,000 of mineral property expenditures available to reduce taxable income of future years.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the period ended July 31, 2010 were:

a) The Company incurring mineral property expenditures of $445,625 that are included in accounts payable and accrued liabilities at July 31, 2010.

b) The Company incurring mineral property expenditures of $8,948 that are included in due to related parties at July 31, 2010.

c) The Company has included in receivables, deferred mineral property costs of $363,587 at July 31, 2010.

The significant non-cash transactions for the period ended July 31, 2009 were:

a) The Company incurring mineral property expenditures of $175,247 that are included in accounts payable and accrued liabilities at July 31, 2009.

b) The Company issuing 50,000 common shares valued at $7,500 for payment pursuant to an amended property option agreement.

c) The Company issuing 300,000 finder's warrants with a value of $30,940, to the finder as a financing fee for a non-brokered private placement.

d) The Company issuing 240,000 common shares at a value of $24,000 as a finder's fee.

10. 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.

The Company's mineral properties 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 spend its existing working capital and 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.

11. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration of mineral properties in Canada and the United States as follows:

	July 31, 2010			April 30, 2010		
	Canada	United States	Total	Canada	United States	Total
Mineral Properties	$ 1,675,452	$ 843,652	$ 2,519,104	$ 1,551,008	$ 656,643	$ 2,207,651
Equipment	2,094	-	2,094	2,264	-	2,264
	$ 1,677,546	$ 843,652	$ 2,521,198	$ 1,553,272	$ 656,643	$ 2,209,915

12. SUBSEQUENT EVENT

In August 2010, the Company completed a non-brokered private placement of 3,958,333 flow-through units (the "FT Units") at a price of $0.18 per FT unit, for total gross proceeds of $712,500. Each FT unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company until August 20, 2011 at a price of $0.25 per share. As part of this private placement, the Company paid finder's fees of $38,220.

As at July 31, 2010, the Company had received subscription receipts of $116,100 for 645,000 units, which were issued in August 2010.