NORTH ARROW MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2022

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

These condensed interim financial statements of North Arrow Minerals Inc. for the nine months ended January 31, 2022 have been prepared by and are the responsibility of the Company's Management.

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

NORTH ARROW MINERALS INC.
STATEMENTS OF FINANCIAL POSITION
As at January 31, 2022
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		January 31, 2022		April 30, 2021
ASSETS				
Current				
Cash	$	**2,041,581**	$	1,091,927
Receivables (Note 5)		**78,574**		17,929
Marketable securities (Note 4)		**11,250**		27,500
Prepaid expenses		**16,762**		29,880
		2,148,167		1,167,236
Equipment (Note 6)		**33,830**		41,513
Right-of-use assets (Note 7)		**1,496**		32,408
Exploration and evaluation assets (Note 8)		**19,649,711**		19,356,366
	$	**21,833,204**	$	20,597,523
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 9 and 13)	$	**781,478**	$	434,204
Bank loan (Note 10)		**40,000**		40,000
Loan payable (Note 11)		**429,462**		338,461
Advance from Burgundy Diamond Mines Limited (Note 8)		**1,218,794**		761,734
Deferred Premium (Note 12)		**18,906**		-
Current portion of lease liabilities (Note 7)		**1,741**		32,390
		2,490,381		1,606,789
Lease liabilities (Note 7**)**		**-**		883
SHAREHOLDERS' EQUITY				
Capital stock (Note 12)		**38,168,252**		37,232,321
Share-based payment reserve (Note 12)		**5,419,555**		5,343,896
Deficit		**(24,244,984)**		(23,586,366)
		19,342,823		18,989,851
	$	**21,833,204**	$	20,597,523

Nature and continuance of operations (Note 1)

Approved and authorized on behalf of the Board on March 24, 2022:

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

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

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

	Three Months January 31, 2022	Three Months January 31, 2021	**Nine Months January 31, 2022**	Nine Months January 31, 2021
Advertising, promotion and travel	**$ 68,260**	$ 11,632	**$ 101,980**	$ 20,329
Amortization of bonus shares (Note 11)	**17,543**	-	**59,461**	-
Consulting (Note 13)	**2,250**	2,250	**12,055**	6,855
Depreciation	**12,865**	22,482	**38,595**	67,288
Office, miscellaneous and rent (Note 13)	**41,896**	17,212	**102,755**	41,418
Professional fees	**6,300**	2,943	**15,025**	8,643
Property investigation costs	**20,070**	22,468	**33,889**	75,374
Regulatory and filing fees	**1,257**	1,055	**5,980**	4,796
Salaries and benefits (Note 13)	**104,346**	96,641	**225,313**	268,455
Share-based compensation (Note 12)	**14,677**	10,873	**75,659**	35,417
	(289,464)	(187,556)	**(670,712)**	(528,575)
Interest, foreign exchange and other income	**838**	97	**1,140**	564
Other income - deferred premium	**922**	-	**27,204**	-
Gain (loss) on marketable securities	**(3,750)**	4,489	**(16,250)**	85,967
	(1,990)	4,586	**12,094**	86,531
Net and comprehensive loss	**$ (291,454)**	$ (182,970)	**$ (658,618)**	$ (442,044)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted average number of common shares	**120,898,744**	110,676,744	**119,872,940**	110,676,744

The accompanying notes are an integral part of these financial statements

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	**$ (658,618)**	$ (442,044)
Items not involving cash:		
Depreciation	**38,595**	67,288
Share-based compensation	**75,659**	35,417
Loss (gain) on marketable securities	**16,250**	(85,967)
Finance cost	**33,320**	3,909
Amortization of bonus shares	**59,461**	-
Other income – deferred premium	**(27,204)**	-
Changes in non-cash working capital items:		
Receivables	**(60,645)**	16,999
Prepaid expenses	**13,118**	-
Accounts payable and accrued liabilities	**(26,963)**	20,627
	(537,027)	(383,771)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets, net	**80,892**	(40,392)
Proceeds on sale of marketable securities	**-**	135,384
Advance from Burgundy Diamond Mines Limited	**457,060**	-
Purchase of equipment	**-**	(2,087)
	537,952	92,905
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a private placement	**1,014,420**	-
Share issuance costs	**(32,379)**	-
Repayment of lease liabilities	**(33,312)**	(53,691)
	948,729	(53,691)
Change in cash during the period	**949,654**	(344,557)
Cash, beginning of the year	**1,091,927**	579,550
Cash, end of the period	**$ 2,041,581**	$ 234,993

Supplemental disclosure with respect to cash flows (Note 14)

The accompanying notes are an integral part of these financial statements

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

	Number of Shares	Capital Stock	Share-based payment reserve	Deficit	Total
Balance, April 30, 2020	**110,676,744**	**$ 37,147,321**	**$ 5,300,452**	**$ (22,958,175)**	**$ 19,489,598**
Share-based compensation	-	-	35,417	-	35,417
Net loss	-	-	-	(442,044)	(442,044)
Balance, January 31, 2021	**110,676,744**	**$37,147,321**	**$5,335,869**	**$(23,400,219)**	**$ 19,082,971**
Balance, April 30, 2021	**111,676,744**	**$ 37,232,321**	**$ 5,343,896**	**$ (23,586,366)**	**$ 18,989,851**
Share-based compensation	-	-	75,659		75,659
Net loss	-	-		(658,618)	(658,618)
Private placement – net	9,222,000	935,931	-	-	935,931
Balance, January 31, 2022	**120,898,744**	**$38,168,252**	**$ 5,419,555**	**$ (24,244,984)**	**$ 19,342,823**

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

North Arrow Minerals Inc. (the "Company or North Arrow") is incorporated federally under the laws of the Canada Business Corporations Act.

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

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

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At January 31, 2022, the Company had an accumulated deficit of $24,244,984 (April 30, 2021 - $23,586,366), incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This pandemic has adversely affected workforces, economies, and financial markets globally. While increasing vaccination rates throughout Canada have allowed field exploration activities to resume in the jurisdictions in which the Company operates, it is not possible for the Company to predict the duration or magnitude of the adverse effects the pandemic may have on the Company's business or results of operations at this time.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and specifically with IAS 34, Interim Financial Reporting. The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2021. 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, loan payable, 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 measured at cost plus any unpaid interest. Bonus shares issued as consideration for making the loan are initially recorded as a reduction in the loan and amortized to operations over the term of the loan.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

* Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
* Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
* Level 3 – Inputs that are not based on observable market data.

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

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

Credit risk

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

Interest rate risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales or exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding could cast significant doubt on the Company's ability to continue as a going concern. As at January 31, 2022, the Company had cash of $2,041,581 (April 30, 2021 - $1,091,927) available to settle current liabilities of $2,490,381 (April 30, 2021 - $1,606,789).

(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – *continued*

Foreign currency risk

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

Equity market risk

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

4. MARKETABLE SECURITIES

	Cost	**Unrealized Gain (Loss) on AFS Securities**	**Cost of FVTPL Securities Sold**	**Gain (Loss) on FVTPL Securities Fair Valued**	**Fair Value**
April 30, 2020	$ 379,012	$ (50,000)	$(234,042)	$ (23,053)	$ 71,917
- Benchmark Metals Inc. – nil shares	-	-	(58,150)	37,733	(20,417)
- Dixie Gold Inc. – nil shares			(44,495)	10,495	(34,000)
- Rover Metals Corp. – 250,000 shares	-	-	(18,750)	28,750	10,000
April 30, 2021	**379,012**	**(50,000)**	**(355,437)**	**53,925**	**27,500**
Rover Metals Corp. – 250,000 shares	**-**	**-**	**-**	**(16,250)**	**(16,250)**
January 31, 2022	**$379,012**	**$ (50,000)**	**$ (355,437)**	**$ 37,675**	**$ 11,250**

5. RECEIVABLES

	January 31, 2022	April 30, 2021
HST/GST receivables	**$ 29,411**	$ 11,121
Other receivables	**49,163**	6,808
	$ 78,574	$ 17,929

(Expressed in Canadian Dollars)

6. EQUIPMENT

Cost	Office and computer equipment	Field equipment	Total
Balance, April 30, 2020	$ 69,614	$93,775	$163,389
Additions	2,087	-	2,087
Balance April 30, 2021	**71,701**	**93,775**	**165,476**
Additions	**-**	**-**	**-**
Balance, January 31, 2022	**$71,701**	**$93,775**	**$ 165,476**
Accumulated Depreciation			
Balance, April 30, 2020	$ 44,456	$ 66,118	$ 110,574
Additions	7,858	5,531	13,389
Balance April 30, 2021	**52,314**	**71,649**	**123,963**
Additions	**4,364**	**3,319**	**7,683**
Balance, January 31, 2022	**$56,678**	**$ 74,968**	**$ 131,646**
April 30, 2021	$ 19,387	$ 22,126	$ 41,513
January 31, 2022	**$ 15,023**	**$ 18,807**	**$ 33,830**

7. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of use assets		**Nine Months ended January 31, 2022**		Year ended April 30, 2021
Opening balance	**$**	**32,408**	**$**	58,171
Additions		**-**		38,248
Depreciation		**(30,912)**		(64,011)
Ending Balance	**$**	**1,496**	**$**	32,408

Lease Liabilities		**Nine Months ended January 31, 2022**		Year ended April 30, 2021
Opening balance	**$**	**33,273**	**$**	54,708
Additions		**-**		38,248
Lease payments		**(33,312)**		(64,795)
Finance cost		**1,780**		5,112
Ending Balance	**$**	**1,741**	**$**	33,273
Current	**$**	**1,741**	**$**	32,390
Long-term		**-**		883
	$	**1,741**	**$**	33,273

Effective February 1, 2022, the Company extended its office lease for a period of three years.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	April 30, 2021	Expended During the Period	Write-offs During the Period	January 31, 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	47,048	-	1,644,546
Office and salaries	681,107	24,494	-	705,601
Recoveries and contributions	(637,813)	-	-	(637,813)
	5,208,840	83,136	-	5,291,976
Loki, Canada				
Exploration costs	519,758	27,640	-	547,398
Drilling	296,657	390,320	-	686,977
Acquisition and tenure costs	79,029	219	-	79,248
Geological, data collection and assays	463,993	23,891	-	487,884
Office and salaries	310,198	40,237	-	350,435
Recoveries	(748,952)	(19,500)	-	(768,452)
	920,683	462,807	-	1,383,490
Naujaat, Canada				
Exploration costs	1,165,963	286,042	-	1,452,005
Drilling	1,464,020	-	-	1,464,020
Acquisition and tenure costs	430,290	5,513	-	435,803
Geological, data collection and assays	5,272,485	2,912,980	-	8,185,465
Office and salaries	1,157,704	637,300	-	1,795,004
Recoveries and contributions	(582,560)	(4,072,786)	-	(4,655,346)
	8,907,902	(230,951)	-	8,676,951
Mel, Canada				
Exploration costs	1,331,925	8,675	-	1,340,600
Drilling	465,004	-	-	465,004
Acquisition and tenure costs	305,896	-	-	305,896
Geological, data collection and assays	997,079	5,964	-	1,003,043
Office and salaries	399,750	9,459	-	409,209
Recoveries	-	(120,500)	-	(120,500)
	3,499,654	(96,402)	-	3,403,252
CSI, Canada				
Exploration costs	-	3,808	-	3,808
Acquisition and tenure costs	12,375	455	-	12,830
Geological, data collection and assays	5,991	55,404	-	61,395
Office and salaries	-	15,088	-	15,088
	18,366	74,755	-	93,121
TOTAL	$ 19,356,366	$ 293,345	$ -	$ 19,649,711

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS - *continued*

	April 30, 2020	Expended During the Year	Write-offs During the Year	April 30, 2021
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	1,261,940	385	-	1,262,325
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	218,467	1,397	-	219,864
Geological, data collection and assays	1,597,498	-	-	1,597,498
Office and salaries	661,065	20,042	-	681,107
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	5,187,016	21,824	-	5,208,840
Loki, Canada				
Exploration costs	501,302	18,456	-	519,758
Drilling	296,657	-	-	296,657
Acquisition and tenure costs	78,299	730	-	79,029
Geological, data collection and assays	287,068	176,925	-	463,993
Office and salaries	256,778	53,420	-	310,198
Recoveries	(636,000)	(112,952)	-	(748,952)
	784,104	136,579	-	920,683
Naujaat, Canada				
Exploration costs	984,565	181,398	-	1,165,963
Drilling	1,464,020	-	-	1,464,020
Acquisition and tenure costs	402,881	27,409	-	430,290
Geological, data collection and assays	5,056,137	216,348	-	5,272,485
Office and salaries	1,007,866	149,838	-	1,157,704
Recoveries and contributions	-	(582,560)	-	(582,560)
	8,915,469	(7,567)	-	8,907,902
Mel, Canada				
Exploration costs	1,330,689	1,236	-	1,331,925
Drilling	465,004	-	-	465,004
Acquisition and tenure costs	303,152	2,744	-	305,896
Geological, data collection and assays	997,079	-	-	997,079
Office and salaries	371,766	27,984	-	399,750
	3,467,690	31,964	-	3,499,654
CSI, Canada				
Acquisition and tenure costs	-	12,375	-	12,375
Geological, data collection and assays	-	5,991	-	5,991
	-	18,366	-	18,366
TOTAL	$ 19,155,200	$ 201,166	$ -	$ 19,356,366

8. EXPLORATION AND EVALUATION ASSETS - *continued*

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

Diamond Properties, Canada

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

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

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

Subsequent to December 2015, the Company has elected not to contribute its proportionate share of costs to joint venture exploration programs and as a result its interest in the joint venture has been diluted. As of December 31, 2021, the Company holds a 22% interest in the joint venture.

Naujaat project, Nunavut
The Company maintains a 100% interest in the Naujaat diamond project. This interest is subject to a February 15, 2017 agreement under which the Company 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. At January 31, 2022, as a result of expenditures incurred, the NSR and GPR was reduced to 2.5%.

Effective June 1, 2020 the Company entered into an option agreement with Burgundy Diamond Mines Limited ("Burgundy") (previously EHR Resources Ltd.). Under the terms of the option agreement, Burgundy can earn a 40% interest in the project by investing $5,600,000 to collect a 1,500 to 2,000 tonne preliminary bulk sample during the 2021 summer field season. The agreement provides that North Arrow will receive a fee of 5% of costs incurred on the Naujaat project and the Company has recorded the fee as an exploration cost and a contribution to the project. As part of the agreement, Burgundy has, as at January 31, 2022, advanced $5,600,000 to be used by North Arrow, as operator, to complete the bulk sample program. The Company and Burgundy have also entered into a non-binding letter of intent to

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS – *continued*

Diamond Properties, Canada – *continued*

negotiate a second option agreement under which Burgundy may elect, after completing the 2021 preliminary bulk sample, to earn an additional 20% interest in the Q1-4 diamond deposit by funding the collection of a 10,000 tonne bulk sample.

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% gross overriding royalty (“GOR”) and net smelter royalty (“NSR”) on diamond, precious metal and base metal production from the Pikoo project.

Loki project, Northwest Territories
The Company maintains a 100% interest in the Loki diamond project subject to royalties ranging from 1.25% to 1.5% 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. Effective July 31, 2019, the royalty purchase agreement was amended to grant Umgeni increased royalties ranging to 2% for $266,000 (received). 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, 2021 the Company accepted a $130,000 grant under the NWT Mineral Incentive Program. The grant amount must be spent on exploration activities prior to March 31, 2021 (completed).

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, 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 project (“StrategX AOI”). In addition, StrategX will assume 50% 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.

Luxx project, Nunavut
The Company maintains a 100% interest in the Luxx diamond project in Nunavut. The interest is subject to a 1% GOR payable to Anglo Celtic Exploration Ltd. The Company retains the right to buy back one half of the gross overriding royalty for $1,000,000 at any time.

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

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2022	April 30, 2021
Trade payables	**$ 637,578**	$ 161,504
Accrued liabilities	**143,900**	272,700
	$ 781,478	$ 434,204

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

(Expressed in Canadian Dollars)

10. BANK LOAN

	January 31, 2022	April 30, 2021
Bank loan	**$ 40,000**	$ 40,000

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

11. LOAN PAYABLE

Effective February 17, 2021 the Company entered into an agreement with Anglo Celtic Exploration Ltd. ("Anglo"), a company controlled by a director, to provide North Arrow an unsecured loan of $400,000. Under the terms of the agreement the loan carries an interest rate of 10% per annum and is to be repaid February 16, 2022. As further consideration for agreeing to advance the loan, North Arrow issued to Anglo 1,000,000 bonus shares at a fair value of $85,000. The bonus shares cost is amortized over the term of the loan. The unamortized portion of the cost the bonus shares is recorded as a reduction in the loan. Subsequent to January 31, 2022, the loan was extended for a period of one year under the same terms and conditions. As consideration for granting the extension Anglo received 1,000,000 warrants. Each warrant entitles Anglo to purchase one share at a price of $0.12 per share for a period of one year.

12. CAPITAL STOCK AND RESERVES

Authorized share capital

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

Share issuances

On May 31, 2021 the Company completed a 9,222,000 unit flow through financing at a price of $0.11 per share for gross proceeds of $1,014,420. Each unit consisted of a flow through share and one half of a transferable non-flow-through warrant. Each whole warrant will entitle the holder to purchase one additional non-flow through share at a price of $0.18 for a period of two years. The flow through shares were issued at a premium which was determined to be $46,110 and this has been recorded as a deferred premium liability. During the nine months ended January 31, 2022, the Company incurred eligible exploration expenditures and credited other income of $27,204 to operations and the remaining amount of $18,906 is recorded as the deferred premium at January 31, 2022. Finders' fees and costs of $32,379 were payable in connection with this private placement.

Stock options and warrants

At the Company's Annual General Meeting held on December 17, 2021, 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.

(Expressed in Canadian Dollars)

12. CAPITAL STOCK AND RESERVES – *continued*

Stock options and warrants – *continued*

As at January 31, 2022, the following stock options were outstanding:

Number of Shares	Exercise Price	Number of Shares Vested	Expiry Date
2,210,000	$ 0.27	2,210,000	June 23, 2022
50,000	$ 0.25	50,000	November 21, 2022
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	300,000	December 17, 2025
1,025,000	$ 0.12	512,500	June 3, 2026
11,395,000		10,782,500	

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

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2020	9,970,000	0.20
Options granted	400,000	0.10
Balance, April 30, 2021	**10,370,000**	**$0.20**
Options granted	**1,025,000**	**0.12**
Balance, January 31, 2022	**11,395,000**	**$0.19**

Share-based compensation

During the nine months ended January 31, 2022, the Company granted 1,025,000 stock options (January 31, 2021 – 400,000) having a total fair value of $90,394 (January 31, 2021 - $15,213) and a weighted average grant-date value of $0.09 (January 31, 2021 – $0.04) per option. During the nine months ended January 31, 2022, the Company recognized share-based compensation of $75,659 (January 31, 2021 – $35,417) relating to options vested during the period.

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

	January 31, 2022	April 30, 2021
Risk-free interest rate	**1.00%**	1.75%
Expected dividend yield	**Nil**	Nil
Expected stock price volatility	**116.00%**	117.57%
Expected life	**5 years**	5 years
Expected forfeiture rate	**Nil**	Nil

(Expressed in Canadian Dollars)

12. CAPITAL STOCK AND RESERVES – *continued*

Stock options and warrants – *continued*

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

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2020 and 2021	**44,386,003**	**$0.18**
Issued	**4,611,000**	**0.18**
Balance, January 31, 2022	**48,997,003**	**$0.18**

At January 31, 2022 the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
20,000,000	*$0.225	**May 17,2022
5,070,887	*$0.225	**June 19, 2022
1,410,830	$0.30	**June 19, 2022
17,904,286	$0.10	July 31, 2024
4,611,000	$0.18	May 31, 2023
48,997,003		

* Exercise price amended July 31, 2019 to $0.225
** Expiry date amended July 31, 2019 to May 17, 2022 and June 19, 2022.

13. RELATED PARTY TRANSACTIONS

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

The Company incurred the following transactions in the normal course of operations with directors, officers and companies that have an officer and/or director in common.

a) Paid or accrued consulting fees of $6,750 (January 31, 2021 - $6,750) to the Corporate Secretary of the Company. This amount is included in salaries disclosed below.
b) Paid $nil (January 31, 2021 - $347) for office costs to a company controlled by a director.
c) Charged related parties $4,860 (January 31, 2021 - $4,970) for rent, office and administrative costs.
d) Included in accounts payable is $74,120 (January 31, 2021 - $62,819) due to directors and officers.
e) Interest of $31,540 (January 31, 2021 - $nil) has been accrued on an unsecured loan from a company controlled by a director.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS - *continued*

The remuneration of directors and key management personnel during the nine months ended January 31, 2022 was as follows:

	January 31, 2022	January 31, 2021
Salaries[1]	**$ 147,273**	$ 179,986
Salaries in exploration costs[1]	**69,227**	36,361
Share-based compensation[2]	**52,953**	23,417
Total	**$ 269,453**	$ 239,764

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

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

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the nine months ended January 31, 2022 were:

a) the Company incurred exploration and evaluation expenditures of $678,558 (April 30, 2021 - $304,321) that are included in accounts payable and accrued liabilities.

b) Included in right-of-use assets is $168,026 (April 30, 2021 - $168,026) representing the capitalized portion of leased real estate and equipment assets.

c) Included in lease liabilities is $168,026 (April 30, 2021 - $168,026) of capitalized lease payments and $1,780 (January 31, 2021 - $3,909) of effective interest expense.

15. CAPITAL MANAGEMENT

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

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

16. SEGMENTED INFORMATION

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