Blue Star Gold Corp.

Interim Condensed Consolidated Financial Statements

For the three months ended February 28, 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT'S RESPONBILITY FOR FINANCIAL REPORTING

The interim condensed consolidated financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The interim condensed consolidated interim financial statements for the three months ended February 28, 2023 are unaudited and prepared by Management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)
AS AT,

	Notes	February 28, 2023	November 30, 2022
ASSETS			
Current			
Cash		$ 449,277	$ 1,055,101
Advances and deposits		94,205	142,455
Other receivables		21,228	41,205
Total current assets		564,710	1,238,761
Long-term deposits	6	3,068,208	3,070,779
Right-of-use assets	8	302,308	291,376
Equipment	7	360,131	411,260
Exploration and evaluation assets	9	23,205,830	22,894,902
Total assets		$ 27,501,187	$ 27,907,078
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 69,680	$ 117,238
Due to related parties	10	236,139	233,168
Lease liabilities – short term	8	104,582	51,547
Loans payable – short term	11	-	2,214,310
Total current liabilities		410,401	2,616,263
Lease liabilities – long term	8	204,288	240,039
Loan payable – long term	11	2,291,651	-
Total liabilities		2,906,340	2,856,302
Shareholders' equity			
Share capital	12	39,080,112	39,080,112
Reserves – options	12	2,118,906	2,109,979
Reserves – warrants	12	238,349	238,349
Deficit		(16,842,520)	(16,377,664)
Total shareholders' equity		24,594,847	25,050,776
Total liabilities and shareholders' equity		$ 27,501,187	$ 27,907,078

Approved and authorized by the Board of Directors on April 28, 2023

___*"Kenneth R. Yurichuk"*_______________ ______*"Robert Metcalfe"*____
Kenneth R. Yurichuk, Director Robert Metcalfe, Director

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended February 28, 2023	Three months ended February 28, 2022
EXPENSES		
Accretion of interest (Notes 8 and 11)	$ 88,786	$ 61,591
Amortization (Note 7)	191	830
Amortization of ROU assets (Note 8)	25,710	41,105
Director fees (Note 10)	25,000	25,000
Insurance	17,823	14,535
Investor and shareholder relations	79,263	208,779
Office and miscellaneous	40,070	11,336
Professional fees	16,667	32,883
Regulatory and transfer agent fees	6,699	9,011
Salaries (Note 10)	155,720	164,460
Share-based compensation (Notes 12)	8,927	7,945
Travel and entertainment	-	187
Loss and comprehensive loss for the period before income tax	(464,856)	(577,662)
Flow-through tax recovery (Note 13)	-	43,619
Loss and comprehensive loss for the period	(464,856)	(534,043)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	64,166,101	53,139,837

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital					
	Number	Amount	Reserves - options	Reserves - warrants	Deficit	Total
Balance, November 30, 2021	53,139,838	$33,937,314	$ 1,907,101	$ 238,349	$ (15,235,077)	$ 20,847,687
Share-based compensation	-	-	7,945	-	-	7,945
Loss for the period	-	-	-	-	(534,043)	(534,043)
Balance, February 28, 2022	53,139,838	$33,937,314	$ 1,915,046	$ 238,349	$ (15,769,120)	$ 20,321,589
Shares issued in private placement	10,940,320	5,318,040	-	-	-	5,318,040
Finders' shares	85,943	55,863	-	-	-	55,863
Share issuance costs	-	(231,105)	-	-	-	(231,105)
Share-based compensation	-	-	194,933	-	-	194,933
Equity portion in shareholder's loan	-	-	-	-	323,125	323,125
Loss for the year	-	-	-	-	(931,669)	(931,669)
Balance, November 30, 2022	64,166,101	$39,080,112	$ 2,109,979	$ 238,349	$(16,377,664)	$ 25,050,776
Share-based compensation	-	-	8,927	-	-	8,927
Loss for the period	-	-	-	-	(464,856)	(464,856)
Balance, February 28, 2023	64,166,101	$39,080,112	$ 2,118,906	$ 238,349	$ (16,842,520)	$ 24,594,847

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended February 28, 2023	Three months ended February 28, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (464,856)	$ (534,043)
Items not affecting cash:		
Accretion of interest	88,786	61,591
Amortization	191	830
Amortization of ROU assets	25,710	41,105
Share-based compensation	8,927	7,945
Flow-through tax recovery	-	(43,619)
Changes in non-cash working capital items:		
Advances and deposits	48,250	105,188
Receivables	19,977	108,713
Accounts payable and accrued liabilities	(13,362)	(11,018)
Due to related parties	2,971	5,633
Net cash used in operating activities	(283,406)	(257,675)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(33,739)	(47,523)
Net cash used in financing activities	(33,739)	(47,523)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(288,679)	(464,516)
Net cash used in investing activities	(288,679)	(464,516)
Change in cash during the period	(605,824)	(769,714)
Cash, beginning of period	1,055,101	2,433,209
Cash, end of period	$ 449,277	$ 1,663,495
SUPPLEMENT NON-CASH DISCLOSURES		
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 34,830	$ 33,758
Right-of-use assets included in lease liabilities	$ 39,578	$ -
Amortization in exploration and evaluation assets	$ 53,876	$ 40,843
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

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

1. Nature of Operations

Blue Star Gold Corp. ("Blue Star" or the "Company") was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BAU" and on OTCQB under the symbol "BAUFF", and its corporate head office is located at 507 - 700 West Pender St., Vancouver, BC, Canada V6C 1G8.

2. Basis of Presentation

a) Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives that are unaudited, have been prepared in accordance with IAS 34 ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's audited annual financial statements for the year ended November 30, 2022 except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

These interim condensed consolidated financial statements were authorized by the Board of Directors on April 28, 2023

b) Going concern

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company incurred a loss of $464,856 during the three months ended February 28, 2023 (2022 - $534,043) and had an accumulated deficit of $16,842,520 (November 30, 2022 - $16,377,664) as at February 28, 2023. These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The outcome of these matters cannot be predicted at this time.

In 2020, there was a global outbreak of coronavirus (COVID-19), which has resulted in changes in the global supply and demand across many different industries. As of February 28, 2023, the Company does not expect COVID-19 to have material impact on the Company's business activities, cash flow and liquidity.

2. Basis of Presentation (continued)

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Ulu Mining Inc. and Inukshuk Exploration Incorporated ("Inukshuk"), both incorporated under the laws of British Columbia. All significant intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity that the Company controls, either directly or indirectly. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d) Functional and presentation currency

The Company and its wholly owned subsidiaries' reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

f) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Critical accounting estimates

i. Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

2. Basis of Presentation (continued)

f) Estimates and judgments (continued)

Critical accounting estimates (consolidated)

ii. Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can materially affect the fair value estimate of the Company's earnings and reserves.

iii. Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its convertible debentures and loans payable and an incremental borrowing rate in determining the right-of-use asset. The determination of market interest rate is subjective and could materially affect the fair value estimate.

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

iii. Application of IFRS 16 *Leases*

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflects the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. Management makes assumptions about long-term industry outlook which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right-of-use assets, for which the lease term is the basis for determining useful life.

2. Basis of Presentation (continued)

g) Estimates and judgments (continued)

Critical accounting judgments (continued)

iv. Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

3. Significant Accounting Policies

These Condensed Interim Consolidated Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended November 30, 2022.

New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Capital Management

Capital includes all the components of shareholders' equity as well as proceeds from loans and convertible debentures. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 5.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the three months ended February 28, 2023. The Company is not subject to externally imposed capital requirements.

5. Management of Financial Risks

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

5. Management of Financial Risks (continued)

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments as at February 28, 2023 are as follows:

		Level 1		Level 2		Level 3
Financial assets at FVTPL						
Cash	$	449,277	$	-	$	-
Financial liabilities at amortized costs						
Accounts payable and accrued liabilities	$	69,680	$	-	$	-
Due to related parties	$	236,139	$	-	$	-
Lease liabilities	$	-	$	308,870	$	-
Loans payable	$	-	$	2,291,651	$	-

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of cash, accounts payable and accrued liabilities and amounts due to related parties approximated their fair value since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The lease liabilities, loans payable and convertible debentures are classified as level 2 due as the fair value is determined based on market interest rates.

b) Interest rate risk

The Company has no significant exposure at February 28, 2023 or November 30, 2022 to interest rate risk through its financial instruments. The Company has loan payable with no interest.

c) Currency risk

As at February 28, 2023 and November 30, 2022, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. The majority of the Company's accounts payable and accrued liabilities are denominated in Canadian dollars. Loans payable, convertible debentures and lease liabilities outstanding as at February 28, 2023 and November 30, 2022 are in Canadian dollars. Currency risk is not significant.

5. Management of Financial Risks (continued)

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at February 28, 2023, the Company had cash of $449,277 (November 30, 2022 - $1,055,101) to settle current liabilities of $410,401 (November 30, 2022 - $2,616,263).

6. Long-term deposits

As at February 28, 2023, the Company has the following long-term deposits:

a) a deposit of $943,835 (November 30, 2022 - $943,835) held with the Kitikmeot Inuit Association pursuant to its application to obtain a Land Use License to get access to the Inuit Owned Lands for the Hood River exploration camp and operations;

b) a deposit of $1,685,542 (November 30, 2022 - $1,685,542) with Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board ("NWB") for the reclamation liability of the mining license;

c) advances of $379,957 (November 30, 2022 - $382,528) for exploration and evaluation expenditures;

d) a deposit of $58,874 (November 30, 2022 - $58,874) for renewal of its office lease.

(Expressed in Canadian dollars)

7. Equipment

	Computer and office equipment	Camp and field equipment	Total
Cost			
Balance, November 30, 2021	$ 19,097	$ 622,225	$ 641,322
Additions	-	79,825	79,825
Balance, November 30, 2022 and February 28, 2023	$ 19,097	$ 702,050	$ 721,147
Accumulated amortization			
Balance, November 30, 2021	$ 13,798	$ 105,948	$ 119,746
Additions	2,760	187,381	190,141
Balance, November 30, 2022	16,558	293,329	309,887
Additions	191	50,938	51,129
Balance, February 28, 2023	$ 16,749	$ 344,267	$ 361,016
Carrying amounts			
At November 30, 2022	$ 2,539	$ 408,721	$ 411,260
At February 28, 2023	$ 2,348	$ 357,783	$ 360,131

During the three months ended February 28, 2023, amortization expenses of $50,938 (2022 - $40,843) were recorded into the exploration and evaluation assets.

8. Right-of-Use ("ROU") Assets and Lease Liabilities

Office lease

On August 19, 2020, the Company entered into an office lease agreement for a 24-month lease period starting October 1, 2020. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $328,839 and recognized lease liabilities of $328,839 on commencement of the lease. As at August 19, 2020, the Company measured the present value of its lease liabilities using a discount rate of 12% as determined from its incremental borrowing rate.

On May 5, 2022, the Company entered into an office lease agreement for a 36-month lease period starting October 1, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $308,516 and recognized lease liabilities of $308,516 on commencement of the lease. As at October 1, 2022, the Company measured the present value of its lease liabilities using a discount rate of 16% as determined from its incremental borrowing rate.

Equipment lease

On December 21, 2022, the Company entered into an equipment rental/purchase agreement for a 31-month lease period starting December 21, 2022. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $308,516 and recognized lease liabilities of $39,578 on commencement of the lease. As at December 21, 2022, the Company measured the present value of its lease liabilities using a discount rate of 0.2% as determined according to this agreement.

(Expressed in Canadian dollars)

8. Right-of-Use ("ROU") Assets and Lease Liabilities (continued)

a) *Right-of-use assets*

A reconciliation of the Company's right-of-use assets for the three months ended February 28, 2023 and for the year ended November 30, 2022 is as follows:

		Total
Balance, November 30, 2021	$	137,016
Amortization of ROU		(137,016)
Initial recognition of new lease		308,516
Amortization of ROU		(17,140)
Balance, November 30, 2022		291,376
Initial recognition of new equipment lease		39,578
Amortization of ROU of office lease		(25,710)
Amortization of ROU of equipment lease		(2,936)
Balance, February 28, 2023	$	302,308

During the three months ended February 28, 2023, amortization expenses of $2,936 (2022 - $Nil) were recorded into the exploration and evaluation assets.

b) *Lease liabilities*

A reconciliation of the Company's lease liabilities for the three months ended February 28, 2023 and for the year ended November 30, 2022 is as follows:

		Total
Balance, November 30, 2021	$	151,000
Accretion of interest		7,413
Lease payments		(158,413)
Addition of new lease		308,516
Accretion of interest		4,028
Lease payments		(20,958)
Balance, November 30, 2022	$	291,586
Addition of new equipment lease		39,578
Accretion of interest		11,445
Lease payments		(33,739)
Balance, February 28, 2023	$	308,870

		February 28, 2023		November 30, 2022
Short-term portion of lease liability	$	104,582	$	51,547
Long-term portion of lease liability	$	204,288	$	240,039

(Expressed in Canadian dollars)

8. Right-of-Use ("ROU") Assets and Lease Liabilities (continued)

c) *Lease operating costs*

The Company pays about $8,000 per month for its leased office operating costs from October 1, 2022 to September 30, 2025. The total operating costs around $25,000 (2022 - $Nil) are recorded in office and miscellaneous expenses in the consolidated statements of loss and comprehensive loss during the three months ended February 28,2023.

9. Exploration and Evaluation Assets

	Ulu Property (Nunavut)	***Hood River Property (Nunavut)***	***Roma Property (Nunavut)***	***Total***
Balance, November 30, 2021	9,876,294	7,142,336	214,552	17,233,182
Acquisition - cash	-	-	7,885	7,885
Exploration				
Amortization (Note 7)	93,690	93,691	-	187,381
Camp and supplies	2,072,586	-	-	2,072,586
Claim maintenance and filing fee	23,758	15,287	5,074	44,119
Community support	9,872	9,872	-	19,744
Consulting	32,600	12,100	-	44,700
Drilling and geological	1,037,759	801	-	1,038,560
Equipment rental	1,430	1,430	-	2,860
General exploration	763,492	180,943	237,917	1,182,352
Geochemistry and assay	257,947	20,540	16,328	294,815
Geophysical	30,100	75,229	113,879	219,208
Permits	-	33,612	-	33,612
Project manager	131,573	131,573	-	263,146
Remediation	241,952	-	-	241,952
Travel	-	-	8,800	8,800
Balance, November 30, 2022	14,573,053	7,717,414	604,435	22,894,902
Exploration				
Amortization (Notes 7 and 8)	26,937	26,938	-	53,875
Camp and supplies	10,265	-	-	10,265
Claim maintenance and filing fee	-	-	8,238	8,238
Consulting	7,500	-	-	7,500
General exploration	95,816	17,067	36,145	149,028
Geochemistry and assay	5,888	-	-	5,888
Project manager	19,082	19,082	-	38,164
Remediation	37,970	-	-	37,970
Balance, February 28, 2023	$ 14,776,511	$ 7,780,501	$ 648,818	$23,205,830

9. Exploration and Evaluation Assets (continued)

a) Ulu Property

a) Ulu Property

The Ulu Property consists of a renewable 21-year lease with an area of approximately 947 hectares and an expiry date of November 18, 2038.

On May 30, 2014, the Company entered into an option agreement (the "Option Agreement") with Elgin Mining Inc. and Bonito Capital Corp. (collectively "Elgin"), to acquire an 80% undivided interest in the Ulu Property. On January 8, 2018, the Company and Mandalay Resources Corporation ("Mandalay") entered into a New Ulu Property Option Agreement. The new option agreement supersedes all prior agreements covering the Ulu Property. On July 19, 2019, the option agreement was further amended (the "Amended Option Agreement"). The TSX-V approved the Amended Option Agreement on November 26, 2019. Pursuant to the terms of the Amended Option Agreement, the Company acquired 100% of Ulu Property on February 10, 2020.

b) Hood River Property

The Company, through its subsidiary Inukshuk Exploration Inc. ("Inukshuk"), holds the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

On February 26, 2018, the Company signed a final Transaction Agreement (the "Definitive Agreement") and Net Smelter Royalty Agreement ("Royalty Agreement") to acquire 100% of the outstanding shares of Inukshuk, with an effective date as of September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company will pay the following:

i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
ii. Make advance royalty payments totaling $500,000 (paid);
iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to $8,000,000 under the following terms:

i. Purchase an initial 0.5% of the NSR for $1,000,000;
ii. Purchase an additional 0.5% of the NSR for an additional $1,500,000;
iii. Purchase an additional 0.5% of the NSR for an additional $2,500,000; and
iv. Purchase an additional 0.5% of the NSR for an additional $3,000,000.

On January 25, 2022 the Company signed an amended Hood River MEA with NTI resulting in an expansion of the project area by approximately 40%. The project area now encompasses 11,203 hectares.

9. Exploration and Evaluation Assets (continued)

c) Roma property

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in nine mineral claims ("Roma") located in Nunavut. The Company issued 75,000 shares (fair valued at $67,500) on February 22, 2021 and reimbursed all expenses ($22,230) in connection with staking the claims.

In January 2022, the Company staked additional claims at a cost of $7,885.

Also in January 2022, the Company entered into a 20-year renewable mineral exploration agreement ("MEA") with NTI for an exploration area of 4,119 hectares. Upon signing the MEA, the Company paid the first-year lease fee and the administration fee totaling $4,619.

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Realization of assets

The investment in and expenditures on exploration properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are permitted to lapse.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

(Expressed in Canadian dollars)

10. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

As at February 28, 2023, $236,139 (November 30, 2022 - $233,168) was due to directors and officers of the Company:

		February 28, 2023		November 30, 2022
CFO	$	11,632	$	11,924
Former CEO*		168,000		168,000
Directors		56,507		53,244
	$	236,139	$	233,168

* The Company's CEO was terminated during the year ended November 30, 2020 (Note 15).

During the three months ended February 28, 2023 and 2022, the Company entered into the following transactions with related parties:

		Three months ended February 28, 2022		Three months ended February 28, 2022
Salary – CEO	$	51,000	$	51,000
Salary – Spouse of CEO		30,240		30,240
Management fee – CFO		33,000		33,000
Directors' fees		25,000		25,000
	$	139,240	$	139,240

11. Loans Payable

On November 21, 2019, the Company entered into a loan agreement with Dr. Georg Pollert. The loan principal amount is $2,435,542 (received on December 10, 2019).

On November 21, 2022, the loan principal of $2,435,542 and unpaid interest balance of $101,893, totaling $2,537,435, was extended for one year interest free, and then further extended to August 21, 2024. The Company measured the present value of the loan as at $2,214,310 at 10% at the original effective interest rate. The interest benefit of $323,125 measured at the renewal date is recorded into shareholders' equity as Dr. Pollert is a major shareholder of the Company.

(Expressed in Canadian dollars)

11. Loans Payable (continued)

		Liability Component		Obligation to issue shares
Balance at November 30, 2021	$	2,281,562		-
Accretion and interest		255,873		-
Interest benefit measured at renewal		(323,125)		-
Balance at November 30, 2022		2,214,310	$	-
Accretion and interest		77,341		-
Balance at February 28, 2023	$	2,291,651	$	-

		February 28, 2023		November 30, 2022
Short-term portion of liability	$	-	$	2,214,310
Long-term portion of liability	$	2,291,651	$	-

12. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

At February 28, 2023, the Company had 64,166,101 (November 30, 2022 – 64,166,101) common shares issued and outstanding.

There were no share issuance during the three months ended February 28, 2023.

During the year ended November 30, 2022:

i) On June 23, 2022, the Company closed a non-brokered private placement by issuing 3,077,000 common shares (each a “Share”) at $0.65 per Share, 2,523,289 flow-through shares (each a “FT Share”) at a price of $0.73 per FT Share, and 1,340,031 charitable flow-through common shares (each, a “Charitable FT Share”) at a price of $0.91 per Charitable FT Share raising total gross proceeds of $5,061,479, of which $743,439 recorded as FT share premium liability. The Company paid finder’s fees of $134,520, issued 85,943 finder’s shares valued at $55,863, and paid legal and filing fees of $35,222.

ii) On November 24, 2022, the Company closed a non-brokered private placement by issuing 4,000,000 common shares at $0.25 per share for total proceeds of $1,000,000. The Company paid legal and filing fees of $5,500.

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period.

On October 18, 2022, the Company granted to an employee 100,000 stock options, exercisable at $0.40 per share for a term of five years. These options vested on January 17, 2023. The fair value of the stock options was $16,925 ($0.23 per option) valued at the grant date, of which $7,998 was recorded in the consolidated statements of loss and comprehensive loss as of November 30, 2022, with the remaining balance of $8,927 recorded in the consolidated statement of loss and comprehensive loss on January 17, 2023, the vesting date.

On March 30, 2022, the Company granted to directors, officers and consultants 700,000 stock options, exercisable at $0.50 per share for a term of five years. These options vested on the date of grant. The fair value of the stock options granted was $186,935 ($0.27 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

On January 20, 2022, the Company granted to a consultant 50,000 stock options, exercisable at $1.10 per share for a term of two years. These options vested on the date of grant. These options vested on the date of grant. The fair value of the stock options granted was $7,945 ($0.16 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	Year ended November 30, 2022
Risk free interest rate	2.48%
Volatility	116.51%
Expected life of options	4.8 years
Dividend rate	0%

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

c) Stock options (continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2021	1,940,000	$ 1.07
Granted	850,000	0.52
Expired/forfeited	(120,000)	1.05
Balance, November 30, 2022	2,670,000	0.90
Expired/forfeited	(30,000)	0.50
Balance, February 28, 2023	2,640,000	$ 0.90
Exercisable, at February 28, 2023	2,640,000	$ 0.90

At February 28, 2023, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
705,000	$ 1.11	December 17, 2023
120,000	$ 1.25	August 7, 2025
60,000	$ 1.25	October 17, 2024
910,000	$ 1.10	October 17, 2024
25,000	$ 1.10	June 28, 2024
50,000	$ 1.10	January 20, 2024
670,000	$ 0.50	March 30, 2027
100,000	$ 0.40	October 18, 2027

d) Warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2021 and 2022	2,798,910	$ 1.03
Expired	(2,248,910)	1.10
Balance, February 28, 2023	550,000	$ 0.75
Exercisable, at February 28, 2023	550,000	$ 0.75

(Expressed in Canadian dollars)

12. Share Capital and Reserves (continued)

As at February 28, 2023, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
550,000	$ 0.75	July 3, 2023

13. Flow-Through Share Premium Liabilities

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

	Issued on November 17, 2021	Issued on November 29, 2021	Issued on June 23, 2022	Total
Balance, November 31, 2021	$ 116,667	$ 34,970	$ -	$ 151,637
Liability incurred on flow-through shares issued	-	-	743,437	743,437
Settlement of flow-through share liability on incurring expenses	(116,667)	(34,970)	(743,437)	(895,074)
Balance, November 30, 2022	$ -	$ -	$ -	$ -

14. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At February 28, 2023 and November 30, 2022, the Company's long-term deposits, right-of-use assets, equipment and exploration and evaluation assets are located in Canada. All expenses and cash receipts pertaining to exploration and evaluation activities are capitalized.

15. Litigation

On June 13, 2022, Stephen Wilkinson (the "Plaintiff"), the former CEO of the Company, filed a Notice of Civil Claim at the Supreme Court of BC to claim wrongful dismissal and breach of contract. The Plaintiff requested for compensation of 24 months of salary, bonus and other additional loss and damages. The Company has engaged legal counsel to defend itself against the claim.

As of February 28, 2023, the Company accrued $168,000 (November 30, 2022 - $168,000) in due to related parties, which equals the Plaintiff's salary for 12 months.