



NORTHERN URANIUM CORP

FINANCIAL STATEMENTS

Expressed in Canadian dollars

December 31, 2022

Northern Uranium Corp.

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Northern Uranium Corp.

Opinion

We have audited the accompanying financial statements of Northern Uranium Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2022 and 2021, and the statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

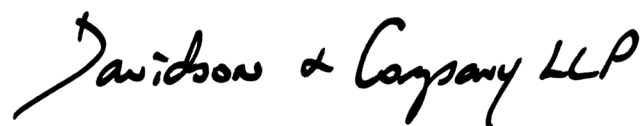
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

April 27, 2023

Northern Uranium Corp.

Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash		\$ 1,228	\$ 7,434
Receivables		217	602
Prepaid expenses		3,938	3,500
		5,383	11,536
Total Assets		\$ 5,383	\$ 11,536
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	5, 8	\$ 858,590	\$ 826,250
Advances payable	6	15,000	-
		873,590	826,250
Shareholders' Deficiency			
Share capital	7	11,533,080	11,533,080
Reserves	7	454,141	454,141
Deficit		(12,855,428)	(12,801,935)
		(868,207)	(814,714)
Total Liabilities and Shareholders' Deficiency		\$ 5,383	\$ 11,536

Nature and continuance of operations (Note 1)

Approved by the Board of Directors:

"Aaron Triplett"
Aaron Triplett

"Jason Granger"
Jason Granger

See accompanying notes to the financial statements.

Northern Uranium Corp.

Statements of Loss

(Expressed in Canadian Dollars)

		Years ended December 31,	
	Note	2022	2021
Expenses			
Consulting	8	\$ 6,218	\$ 8,719
Exploration expenditures	4	3,934	5,091
Office and administrative		11,351	10,115
Professional fees		15,402	19,728
Transfer agent and filing fees		16,588	19,772
		53,493	63,425
Loss for the year		\$ 53,493	\$ 63,425
Basic and diluted loss per share		\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		162,361,514	162,361,514

See accompanying notes to the financial statements.

Northern Uranium Corp.

Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)

	Number of Common Shares	Share capital	Reserves	Deficit	Total
Balance as at December 31, 2020	162,361,514	\$ 11,533,080	\$ 454,141	\$ (12,738,510)	\$ (751,289)
Loss for the year	-	-	-	(63,425)	(63,425)
Balance as at December 31, 2021	162,361,514	11,533,080	454,141	(12,801,935)	(814,714)
Loss for the year	-	-	-	(53,493)	(53,493)
Balance as at December 31, 2022	162,361,514	\$ 11,533,080	\$ 454,141	\$ (12,855,428)	\$ (868,207)

See accompanying notes to the financial statements.

Northern Uranium Corp.

Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years ended December 31,	
	2022	2021
Operating activities		
Loss for the year	\$ (53,493)	\$ (63,425)
Net changes in non-cash working capital items:		
Decrease (increase) in receivables	385	(366)
(Increase) in prepaid expenses	(438)	-
Increase in accounts payable and accrued liabilities	32,340	33,625
Net cash used for operating activities	(21,206)	(30,166)
Financing activities		
Cash advance from third party	15,000	-
Cash advance from related party	-	35,000
Net cash provided by financing activities	15,000	35,000
Net increase (decrease) in cash	(6,206)	4,834
Cash, beginning of the year	7,434	2,600
Cash, end of the year	\$ 1,228	\$ 7,434

No cash was paid for interest or income taxes during the years ended December 31, 2022 and 2021.

See accompanying notes to the financial statements.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

1. Nature and Continuance of Operations

Northern Uranium Corp. (the “Company”) was incorporated on July 19, 2005 under the Canada Business Corporations Act and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company’s common shares are listed on the NEX, the junior exchange of the TSX Venture Exchange under the trading symbol UNO-H.V.

The Company’s head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2. The Company’s registered office is at Royal Centre, 1055 W. Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

The recoverability of the amounts comprised in mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. These 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. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

2. Basis of Presentation

a. Statement of Compliance

These financial statements (the “Financial Statements”), including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These Financial Statements were approved for issue by the Board of Directors on April 27, 2023.

2. Basis of Presentation (continued)

b. Basis of Presentation

These Financial Statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

c. Use of Estimates

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to the recognition of deferred tax assets.

The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. Significant Accounting Policies

a. Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial instruments at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

3. Significant Accounting Policies (continued)

a. Financial Instruments (continued)

Financial assets/liabilities	Classification under IFRS 9
Cash	Amortized Cost
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Advances payable	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)*b. Foreign Exchange*

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

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

c. Exploration and Evaluation Assets

Pre-exploration costs are expensed as incurred. Costs related to the acquisition of mineral properties are capitalized by property. Exploration costs, net of incidental revenues, are charged to operations in the year incurred until such time as it has been determined that a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into mineral assets. If, after management review, it is determined that capitalized acquisition costs are not recoverable over the estimated economic life of the property, or the property is abandoned, or management deems there to be an impairment in value, the property is written down to its net realizable value.

d. Asset Retirement Obligations

The Company accounts for the recognition and measurement of liabilities for statutory, contractual or legal obligations associated with the retirement of equipment, and mineral properties when those obligations result from the acquisition, construction, development or normal operations of the assets. When determinable, a liability for future site reclamation costs, or other obligations, would be recorded at net present value and the corresponding increase in the assets carrying value would then be amortized over the remaining useful life of the asset.

Management has reviewed the Company's mineral properties for known obligations under contract, common practices or laws and regulations in effect or anticipated. The Company has determined that there are no known or quantifiable significant assets retirement obligations and accordingly, these financial statements do not include any provision related to future asset retirement.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

e. Loss per Share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

f. Share-Based Compensation

The Company operates an employee stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Share-based compensation to employees or those that provide similar services as employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves.

The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. When the options are exercised, the applicable amounts of option reserves are transferred to share capital.

g. Impairment of Non-financial Assets

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

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

3. Significant Accounting Policies (continued)

g. Impairment of Non-financial Assets (continued)

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

h. Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. Significant Accounting Policies (continued)

i. New Standards Not Yet Adopted

IAS1 “Classification of Liabilities as Current or Non-current – Deferral of Effective Date” is an amendment to the standard that is applicable to fiscal years beginning on or after January 1, 2024. The amendments to IAS1 affects only the presentation of liabilities in the statement of financial position, and not the amount or timing of recognition of any asset, liability, income or expense, or the information that entities disclose about them. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least one year and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfers to the counterparty of cash, equity instruments, other assets or services.

There is no expected impact to the financial statements from the adoption of this standard.

4. Exploration and Evaluation Assets and Expenditures

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 its properties is in good standing. However, while the Company still maintains that there is value in the property, at this point, it does not have the ability to move it forward. As such, the Company’s exploration and evaluation assets has a carry value of \$nil as of December 31, 2022 (December 31, 2021 – \$nil).

Northern Manitoba Project

The Company has entered into an agreement with CanAlaska Uranium Ltd (“CanAlaska”) to acquire up to 80% of its Northwest Manitoba Property by carrying out a three-stage \$11.6 million exploration program. As at December 31, 2016, the Company had spent the required funds on the project and had met the 70% earn-in agreement. The Company formalized a joint venture agreement at the 70/30% level in September 2018.

In the course of reaching the 70% earn-in milestone, the Company has made total cash payments of \$85,000 and issued 12,000,000 shares (issued at prices ranging from \$0.02 per share to \$0.12 per share) and 6,000,000 purchase warrants (issued at exercise prices ranging from \$0.05 per share to \$0.15 per share). All of the issued purchase warrants expired unexercised.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets and Expenditures (continued)

During the year ended December 31, 2018, the Company announced that it does not intend to pursue the development of the North West Manitoba property and instead intends to seek buyers for its interest in the property. No official arrangement has been reached in this regard subsequent to this announcement.

	Northern Manitoba	
Cumulative expenditures, December 31, 2020	\$	7,630,394
Additions		
Labour		5,091
Net exploration expenditures for the year		5,091
Cumulative expenditures, December 31, 2021	\$	7,635,485
Additions		
Claims		2,985
Labour		949
Net exploration expenditures for the year		3,934
Cumulative expenditures, December 31, 2022	\$	7,639,419

5. Accounts Payable and Accrued Liabilities

The Company's accounts payable and accrued liabilities are as follows:

	December 31,		December 31,	
	2022		2021	
Trade payables	\$	766,181	\$	47,025
Accrued liabilities		10,000		8,081
Related party payables (Note 9)		82,409		771,144
Total	\$	858,590	\$	826,250

During the year ended December 31, 2022, related party debt totalling \$702,639 was purchased by and is owing to a third party as at December 31, 2022.

6. Advances from private company

During the year ended December 31, 2022, the Company received two cash advances totalling \$15,000 (2021 – \$NIL) from an unrelated, privately held company; the advances are non-interest bearing and due on demand.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

7. Share Capital and Reserves

a) *Authorized share capital*

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

b) *Stock options and warrants*

The Company, in accordance with the stock option plan previously approved by shareholders, was authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan were determined by the Board of Directors at the time the options are granted. The options vested immediately upon being granted, and are exercisable for up to ten years from the date of grant. Prior to the Annual General Meeting held July 19, 2021, the resolution seeking ratification and approval of the stock option plan ("the Plan") was withdrawn by management. As a result, no new options may be granted until shareholder approval to the Plan is received.

As at December 31, 2022 and 2021, the Company had 2,000,000 outstanding stock options, with a weighted average exercise price of \$0.15, expiring May 13, 2024.

8. Related Party Disclosures

During the years ended December 31, 2022 and 2021, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- Element 29 Ventures Ltd. ("Element 29") – a private company owned by the Company's CEO. Element 29 provides geological consulting services to the Company.
- FourIrons Consulting ("FourIrons") – a private company owned by the Company's CFO. FourIrons provides consulting services to the Company.
- Kel-Ex Development Ltd. ("Kel-Ex") – a private company owned by a significant shareholder. The Company's CFO is the CFO of Kel-Ex, which provides administration, payroll and office services to the Company.
- Metalex Ventures Ltd. ("Metalex") – a publicly listed company with common directors and management. Metalex shares office space with the Company and thus has certain shared expenditures which get re-billed on a cost-recovery basis.

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

8. Related Party Disclosures (continued)

The Company's related party expenses consist of the following:

	Years ended December 31,	
	2022	2021
Geological consulting fees	\$ 949	\$ 5,091
Shared office and administrative costs	14,356	23,063
	\$ 15,305	\$ 28,154

Included in accounts payable and accrued liabilities of the Company are the following amounts due to current and former related parties:

	December 31,	December 31,
	2022	2021
Element 29 Ventures Ltd.	\$ 63,378	\$ 62,785
Fourlrons Consulting	13,310	6,930
Kel-Ex Development Ltd.*	5,310	701,162
Metalex Ventures Ltd.	411	267
	\$ 82,409	\$ 771,144

* During the year ended December 31, 2022, \$702,639 in trade payables owed to Kelex was purchased by an arm's length third party.

The key management personnel of the Company are the Directors, Chief Executive Officer, and Chief Financial Officer. The remuneration of directors and officers for the years ended December 31, 2022 was comprised of Consulting fee of \$6,641 (2021 – 8,860), which includes amounts paid or accrued for geological consulting fees and management consulting fees invoiced by related parties.

9. Income Taxes

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

	2022	2021
Loss for the year	\$ (53,493)	\$ (63,425)
Expected income tax (recovery)	\$ (14,000)	\$ (17,000)
Change in unrecognized deferred tax assets	14,000	17,000
Total income tax recovery	\$ -	\$ -

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

9. Income Taxes (continued)

The significant components of the Company's unrecorded deferred tax assets are as follows:

	2022	2021
Deferred Tax Assets (Liabilities)		
Exploration and evaluation assets	\$ 675,000	\$ 676,000
Share issue costs	-	-
Allowable capital losses	5,000	5,000
Non-capital losses available for future period	991,000	976,000
	1,671,000	1,657,000
Unrecognized deferred tax assets	(1,671,000)	(1,657,000)
Net deferred tax assets	\$ -	\$ -

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

	2022	Expiry dates	2021	Expiry dates
Temporary Differences				
Exploration and evaluation assets	\$ 2,501,000	No expiry	\$ 2,503,000	No expiry
Allowable capital losses	19,000	No expiry	19,000	No expiry
Non-capital losses available for future period	3,671,000	2026 to 2042	3,616,000	2026 to 2041

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

10. Financial Instruments and Risk Management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

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

Northern Uranium Corp.

Notes to the Financial Statements

December 31, 2022

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Credit risk - Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is in large Canadian financial institutions and it does not have any asset-backed commercial paper. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada.

The Company considers the risk associated with these receivables to be remote.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 11.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of uranium and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors uranium and fuel prices to determine the appropriate course of action to be taken by the Company.

11. Capital Risk Management

The Company includes equity (comprised of issued common shares, reserves, deficit) in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company expects its current capital resources will be sufficient to complete its currently budgeted exploration programs and operations through its current operating period. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.