

NORTH ARROW MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

OCTOBER 31, 2017

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

These condensed interim financial statements of North Arrow Minerals Inc. for the six months ended October 31, 2017 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.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at October 31, 2017
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	October 31, 2017	April 30, 2017
ASSETS		
Current		
Cash	\$ 2,909,384	\$ 368,124
Receivables (Note 5)	54,273	15,444
Marketable securities (Note 6)	126,715	127,145
Prepaid expenses	15,419	62,439
	3,105,791	573,152
Equipment (Note 7)	66,823	67,636
Exploration and evaluation assets (Note 8)	14,462,549	11,999,472
	\$ 17,635,163	\$ 12,640,260
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9 and 11)	\$ 385,380	\$ 83,103
SHAREHOLDERS EQUITY		
Capital stock (Note 10)	33,362,855	29,099,107
Share-based payment reserve (Note 10)	4,170,301	3,143,846
Investment revaluation reserve	(57,500)	(49,188)
Deficit	(20,225,873)	(19,636,608)
	17,249,783	12,557,157
	\$ 17,635,163	\$ 12,640,260

Nature and continuance of operations (Note 1)
Commitments (Note 12)

Approved and authorized on behalf of the Board on December 15, 2017:

“D. Grenville Thomas” Director “Blair Murdoch” Director

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

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Six Months Ended October 31, 2017
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months ended October 31, 2017	Three Months ended October 31, 2016	Six Months ended October 31, 2017	Six Months ended October 31, 2016
EXPENSES				
Advertising, promotion and travel	\$ 47,161	\$ 6,572	\$ 96,546	\$ 21,124
Consulting (Note 11)	4,500	4,500	9,000	9,000
Depreciation	4,306	4,836	8,613	9,672
Office, miscellaneous and rent (Note 11)	27,270	22,310	53,177	58,229
Professional fees	100	3,100	2,590	4,687
Property investigation costs	(1,675)	568	10,351	13,606
Regulatory and filing fees	2,900	772	4,786	1,829
Salaries and benefits (Note 11)	82,412	95,035	174,906	176,280
Share-based compensation (Note 10)	62,445	-	326,455	2,068
	(229,419)	(137,693)	(686,424)	(296,495)
Interest, foreign exchange and other income	12,102	1,448	12,757	4,145
Recovery of exploration and evaluation assets (Note 8)	-	32,500	102,500	266,024
Loss on sale of marketable securities	-	(1,595)	(8,968)	(1,595)
Loss on revaluation of warrants (Note 6)	(5,380)	(13,915)	(9,130)	(13,915)
Write-off of exploration and evaluation assets (Note 8)	-	(18,205)	-	(58,189)
	6,722	233	97,159	196,470
Net income (loss) for the period	(222,697)	(137,460)	(589,265)	(100,025)
Unrealized gain (loss) on available-for-sale financial assets (Note 6)	(44,500)	(98,800)	(8,312)	(35,400)
Comprehensive income (loss) for the period	\$ (267,197)	\$ (236,260)	\$ (597,577)	\$ (135,425)
Basic and diluted loss per share	\$(0.00)	\$(0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common	76,155,741	54,155,741	74,199,219	54,155,741

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the Six Months Ended October 31, 2017
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	October 31, 2017	October 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (589,265)	\$ (100,025)
Items not involving cash:		
Depreciation	8,613	9,672
Share-based compensation	326,455	2,068
Write-off of exploration and evaluation assets	-	58,189
Recovery of exploration and evaluation assets	(102,500)	(266,024)
Loss on revaluation of warrants	9,130	13,915
Loss on sale of marketable securities	8,968	1,595
Changes in non-cash working capital items:		
Receivables	(38,829)	103,894
Prepaid expenses	47,020	(13,000)
Accounts payable and accrued liabilities	(24,539)	(58,110)
	(354,947)	(247,826)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets, net	(2,136,261)	(1,271,688)
Proceeds on sale of data	50,000	32,500
Proceeds on sale of marketable securities	26,520	6,405
Purchase of equipment	(7,800)	-
	(2,067,541)	(1,232,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a private placement	5,000,000	-
Share issuance costs	(36,252)	-
	4,963,748	-
Change in cash during the period	2,541,260	(1,480,609)
Cash, beginning of the period	368,124	2,507,640
Cash, end of the period	\$ 2,909,384	\$ 1,027,031
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

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	Investment revaluation reserve	Deficit	Total
Balance, April 30, 2016	54,155,741	\$ 28,719,107	\$ 3,141,778	\$ (15,113)	\$ (19,169,178)	\$ 12,676,594
Share-based compensation	-	-	2,068	-	-	2,068
Net loss	-	-	-	-	(100,025)	(100,025)
Investment loss	-	-	-	(35,400)	-	(35,400)
Balance, October 31, 2016	54,155,741	\$ 28,719,107	\$ 3,143,846	\$ (50,513)	\$ (19,269,203)	\$ 12,543,237
Balance, April 30, 2017	56,155,741	\$ 29,099,107	\$ 3,143,846	\$ (49,188)	\$ (19,636,608)	\$ 12,557,157
Share-based compensation	-	-	326,455	-	-	326,455
Net loss	-	-	-	-	(589,265)	(589,265)
Investment loss	-	-	-	(8,312)	-	(8,312)
Private placement - net	20,000,000	4,263,748	700,000	-	-	4,963,748
Balance, October 31, 2017	76,155,741	\$ 33,362,855	\$ 4,170,301	\$ (57,500)	\$ (20,225,873)	\$ 17,249,783

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended OCTOBER 31, 2017
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

North Arrow Minerals Inc. (the “Company”) is incorporated federally under the laws of the Canada Business Corporations Act (“CBCA”).

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.

The Company is in the process of acquiring and exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. These financial statements have been prepared on the assumption that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. At October 31, 2017, the Company has a deficit of \$20,225,873 and may require additional funding to meet its planned activities beyond the upcoming fiscal year. The Company’s continuation as a going concern is dependent on the successful results from its mineral property exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations.

These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern. Continued operations of the Company are dependent on the Company’s ability to receive financial support, obtain necessary financings and/or generate profitable operations in the future.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim 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 IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (IAS 34). The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended April 30, 2017. These financial statements should be read in conjunction with the Company’s audited financial statements for the year ended April 30, 2017. 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.

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2. BASIS OF PRESENTATION - continued

d) Significant accounting judgments, estimates and assumptions - continued

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.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based payments, marketable securities and valuation of deferred tax amounts.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

1) New Accounting pronouncements

- i) The IASB has issued standards and amendments which have been adopted by the Company. Each of the new standards is effective for annual periods beginning on or after January 1, 2017. The adoption of the standards and amendments did not have a material effect on the financial statements.
- ii) Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at October 31, 2017. The Company intends to adopt these standards and interpretations when they become effective.

The following are the accounting standards issued but not effective as of October 31, 2017 that the Company believes could be significant.

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

- IFRS 9 - Financial Instruments – classification and measurement
Effective for annual periods beginning on or after January 1, 2018. This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, “Financial Instruments: Recognition and Measurement”. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and derecognition of financial instruments.
- IFRS 16 – Leases
Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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

The Company’s financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities and due to related parties. Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and due to related parties 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.

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4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

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 October 31, 2017, the Company had cash of \$2,909,384 (April 30, 2017 - \$368,124) available to settle current liabilities of \$385,380 (April 30, 2017 - \$83,103).

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 available-for-sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

5. RECEIVABLES

	October 31, 2017	April 30, 2017
HST/GST receivables	\$ 53,390	\$ 8,812
Other receivables	883	6,632
	\$ 54,273	\$ 15,444

6. MARKETABLE SECURITIES

- a) During the year ended April 30, 2017, the Company sold its interest in the in the previously written off Torp Lake and Phoenix mineral claims to Clean Commodities Corp. (previously Athabasca Nuclear Corp.) for consideration of 2,500,000 common shares of Clean Commodities Corp. having a fair value of \$200,000 and warrants entitling the Company to purchase an additional 1,000,000 common shares at a price of \$0.20 for a period of two years with a fair value of \$33,524 under the following assumptions.

	October 31, 2017	May 19, 2016
Risk-free interest rate	1.00%	1.00%
Expected life of the warrants	0.56 years	2.0 years
Annualized volatility	120.00%	120.00%

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6. MARKETABLE SECURITIES - CONTINUED

- b) During the six month period ended October 31, 2017, Company completed the sale of its 100% interest in the Contwoyto Project, Nunavut, including the Butterfly gold prospect, to Crystal Exploration Inc. (“Crystal”) for consideration of \$100,000 and 1,000,000 common shares of Crystal. Under the terms of the agreement, the Company received \$50,000 and 500,000 shares, having a fair value of \$52,500, on closing of the transaction with the balance of the shares and cash due on or before December 15, 2018. The Company retains a 1.0% gross overriding royalty on diamonds and a 1.0% net smelter return on precious and base metals. Half of the royalties can be purchased by Crystal at any time with the payment of \$1.0 million. The Company will also receive conditional share payments of 500,000 Crystal shares in the event that Crystal reports an inferred gold resource exceeding 250,000 ounces associated with the Butterfly gold prospect and a further 500,000 Crystal shares in the event Crystal reports a separate inferred resource of at least 250,000 ounces of gold outside of the Butterfly area.

	Cost	Unrealized Gain (Loss) on AFS Securities	Cost of FVTPL Securities Sold/Fair Valued	Fair Value
April 30, 2016	\$ 15,488	\$ (15,113)	-	\$ 375
- Adamera Minerals Corp. 15,000 shares	-	2,925	-	2,925
- Clean Commodities Corp.- 1,850,000 shares (July 31, 2016 – 2,500,000 shares)	200,000	(37,000)	(52,000)	111,000
- Clean Commodities Corp. – 1,000,000 warrants	33,524	-	(20,679)	12,845
April 30, 2017	\$ 249,012	\$ (49,188)	(72,679)	\$127,145
- Adamera Minerals Corp. 15,000 shares sold	-	12,188	(15,488)	(3,300)
- Clean Commodities Corp.- 1,600,000 shares (April 30, 2017 – 1,850,000 shares)	-	(3,000)	(20,000)	(23,000)
- Crystal Exploration Inc. – 500,000 shares	52,500	(17,500)	-	35,000
- Clean Commodities Corp. – 1,000,000 warrants	-	-	(9,130)	(9,130)
October 31, 2017	\$301,512	(57,500)	(117,297)	\$ 126,715

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For the Six Months Ended OCTOBER 31, 2017
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7. EQUIPMENT

	Office and computer equipment	Field equipment	Total
Cost			
Balance, April 30, 2017 and 2016	\$ 32,759	\$ 93,775	\$ 126,534
Additions	7,800	-	7,800
Balance, October 31, 2017	\$ 40,559	\$ 93,775	\$ 134,334
Accumulated Depreciation			
Balance, April 30, 2016	\$ 13,299	\$ 26,256	\$ 39,555
Additions	5,840	13,503	19,343
Balance, April 30, 2017	19,139	39,759	58,898
Additions	3,211	5,402	8,613
Balance, October 31, 2017	\$ 22,350	\$45,161	\$ 67,511
Carrying amounts			
April 30, 2017	\$ 13,620	\$ 54,016	\$ 67,636
October 31, 2017	\$ 18,209	\$ 48,614	\$ 66,823

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8. EXPLORATION AND EVALUATION ASSETS

	April 30, 2017	Expended During the Period	Write-offs During the Period	October 31, 2017
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	1,254,897	23,497	-	1,278,394
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	212,097	1,251	-	213,348
Geological, data collection and assays	1,548,918	-	-	1,548,918
Office and salaries	615,038	12,566	-	627,604
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	5,078,996	37,314	-	5,116,310
Loki, Canada				
Exploration costs	5,800	1,074	-	6,874
Acquisition and tenure costs	4,842	34,915	-	39,757
Geological, data collection and assays	70,431	72,046	-	142,477
Office and salaries	34,025	8,208	-	42,233
Recoveries	-	(144,500)	-	(144,500)
	115,098	(28,257)	-	86,841
Naujaat (formerly Qilalugaq), Canada				
Exploration costs	402,134	271,646	-	673,780
Drilling	240,218	1,208,812	-	1,449,030
Acquisition and tenure costs	313,695	22,914	-	336,609
Geological, data collection and assays	3,456,366	437,469	-	3,893,835
Office and salaries	328,553	286,549	-	615,102
	4,740,966	2,227,390	-	6,968,356
Luxx, Canada				
Exploration costs	50,420	-	-	50,420
Acquisition and tenure costs	138,733	-	-	138,733
Geological, data collection and assays	121,301	-	-	121,301
Office and salaries	44,793	-	-	44,793
	355,247	-	-	355,247
Mel, Canada				
Exploration costs	114,996	35,157	-	150,153
Acquisition and tenure costs	132,046	137,411	-	269,457
Geological, data collection and assays	573,207	43,054	-	616,261
Office and salaries	87,995	11,008	-	99,003
	908,244	226,630	-	1,134,874
TOTAL	\$ 11,999,472	\$ 2,463,077	\$ -	\$ 14,462,549

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8. EXPLORATION AND EVALUATION ASSETS

	April 30, 2016	Expended During the Year	Write-offs During the Year	April 30, 2017
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	1,242,974	11,923	-	1,254,897
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	14,581	197,516	-	212,097
Geological, data collection and assays	1,374,630	223,510	(49,222)	1,548,918
Office and salaries	529,006	86,032	-	615,038
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	4,609,237	518,981	(49,222)	5,078,996
Loki, Canada				
Exploration costs	-	5,800	-	5,800
Acquisition and tenure costs	-	4,842	-	4,842
Geological, data collection and assays	-	70,431	-	70,431
Office and salaries	-	34,025	-	34,025
	-	115,098	-	115,098
Naujaat (formerly Qilalugaq), Canada				
Exploration costs	357,350	44,784	-	402,134
Drilling	-	240,218	-	240,218
Acquisition and tenure costs	73,670	240,025	-	313,695
Geological, data collection and assays	3,395,314	61,052	-	3,456,366
Office and salaries	252,634	75,919	-	328,553
	4,078,968	661,998	-	4,740,966
Luxe, Canada				
Exploration costs	50,420	-	-	50,420
Acquisition and tenure costs	138,639	94	-	138,733
Geological, data collection and assays	121,301	-	-	121,301
Office and salaries	43,221	1,572	-	44,793
	353,581	1,666	-	355,247
Mel, Canada				
Exploration costs	83,128	31,868	-	114,996
Acquisition and tenure costs	130,866	1,180	-	132,046
Geological, data collection and assays	444,364	128,843	-	573,207
Office and salaries	55,906	32,089	-	87,995
	714,264	193,980	-	908,244
Redemption, Canada				
Exploration costs	-	5,399	(5,399)	-
Drilling	-	21,436	(21,436)	-
Acquisition and tenure costs	-	12,859	(12,859)	-
Geological, data collection and assays	-	6,567	(6,567)	-
Office and salaries	-	21,461	(21,461)	-
Recoveries	-	(66,000)	66,000	-
	-	1,722	(1,722)	-
TOTAL	\$ 10,556,971	1,493,445	(50,944)	\$ 11,999,472

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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 Harry Winston Diamond Mines Ltd. (subsequently Dominion Diamond Corp.) (“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”). Under the terms of the agreement, Dominion had to incur more than \$5,000,000 of exploration expenditures to earn a 55% interest in the joint venture and the Company and Springbok would share equally a 45% interest in the JV Property.

On October 24, 2012, the Company entered into an agreement with Springbok to acquire Springbok’s interest in the JV Property (the “Springbok Interests”). Under the terms of the agreement with Springbok, the Company issued 1,000,000 shares at a value of \$235,000 to Springbok for the Springbok Interests. 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.

During the year ended April 30, 2015, Dominion had incurred \$5,000,000 of expenditure and earned a 55% interest in the joint venture.

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. Subsequent to December 2015, the Company has elected not to contribute its proportionate share of costs to the 2016 (F2017) and 2017 (F2018) exploration programs and holds an approximate 35% interest in the joint venture at October 31, 2017.

Timiskaming, Pikoo and Qilalugaq Diamond Projects, Canada

In April 2013, the Company closed an assignment agreement with 0954506 B.C. Ltd. (“BCCo”) under which the Company acquired BCCo’s interest and obligations in three option agreements to earn 80% interests in the Timiskaming, Pikoo and Naujaat (formerly Qilalugaq) diamond projects. Stornoway Diamond Corporation (“Stornoway”) was the holder of a 100% interest in all three projects. BCCo is a private company controlled by a party related to a director of the Company.

Under the terms of the assignment agreement the Company paid BCCo \$20,000 and issued BCCo 500,000 transferrable share purchase warrants having a fair value of \$314,325 which was included in acquisition costs at the time the Company earned its interest in the Timiskaming project. Each share purchase warrant entitles the holder to acquire one common share of the Company at a price of \$0.25 for a period of five years from the date of issuance.

During the year ended April 30, 2014, the Company earned an 80% interest in the Timiskaming diamond project in accordance with the terms of an option agreement with Stornoway Diamond Corporation (“Stornoway”). Accordingly, ongoing evaluation of the project is subject to an 80%/20% (Company/Stornoway) participating joint venture.

During the year ended April 30, 2016, the Company wrote off \$497,300 of exploration and acquisition costs related to the Timiskaming project in recognition of the lack of significant planned exploration expenditures on the property.

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8. EXPLORATION AND EVALUATION ASSETS - continued

Diamond Properties, Canada - continued

Naujaat (formerly Qilalugaq) project, Nunavut

During the year ended April 30, 2016, the Company earned an 80% interest in the Naujaat (formerly Qilalugaq) project in accordance with the terms of an option agreement with Stornoway.

Effective February 15, 2017, the Company acquired Stornoway's remaining interests in the Naujaat and Pikoo (see below) diamond projects by issuing to Stornoway 2,000,000 common shares of the Company. The shares were issued at a fair value of \$380,000 of which \$190,000 was allocated to acquisition costs for the Naujaat project. In addition, the Company agreed to pay Stornoway \$2.5 million at the time the first royalty payments relating to the Naujaat project are payable. Stornoway retains a 0.5% GOR and NSR on diamond, precious metal and base metal production from the Naujaat project.

The Naujaat project is also subject to an additional 3% net smelter royalty ("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 to from 3% to 1% subject to future contingent cash payments totaling \$5.15 million and future staged exploration expenditures totalling \$20 million.

Pikoo project, Saskatchewan

During the year ended April 30, 2014, the Company earned an 80% interest in the Pikoo diamond project in accordance with the terms of an option agreement with Stornoway.

Effective February 15, 2017, the Company acquired Stornoway's remaining interests in the Pikoo and Naujaat (see above) diamond projects by issuing to Stornoway 2,000,000 common shares of the Company. The shares were issued at a fair value of \$380,000 of which \$190,000 was allocated to acquisition costs for the Pikoo project. In addition, the Company agreed to pay Stornoway \$1.25 million at the time the first royalty payments relating to the Pikoo project are payable. Stornoway retains a 1% GOR and NSR on diamond, precious metal and base metal production from the Pikoo project.

In September 2014, the Company entered into separate option agreements with three third parties to acquire interests in mineral properties in the Pikoo diamond project area. Under the terms of the agreements the Company could acquire 70% interests in the properties by reimbursing staking costs totalling \$5,600 (paid) and discovering a kimberlite on the properties within a three-year period. In the event that the Company earned an interest in any of the properties, the property in question would be subject to a 2% GOR on diamonds, payable to the vendor. During the year ended April 30, 2017, the Company relinquished its option interest in the three agreements and wrote-off \$49,222 of expenditures.

Redemption project, Northwest Territories

In July 2013, the Company entered into an option agreement with Arctic Star Resources Ltd. ("Arctic Star") whereby it could earn a 55% interest in Arctic Star's Redemption project in the Lac de Gras region of the Northwest Territories by incurring \$5,000,000 in exploration expenditures prior to July 1, 2017. On July 11, 2014, the Company and Arctic Star signed an addendum to the option agreement under which the project area was expanded to include three additional mineral claims and one mining lease.

Effective January 25, 2016 the Company closed the sale of a royalty interest in the Redemption property to Umgeni Holdings International Limited ("Umgeni") for \$800,000. Umgeni is a private company of which a director of the Company is a beneficiary of the sole shareholder. Umgeni paid the Company \$800,000 to acquire the following royalty interests in the Redemption project:

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8. EXPLORATION AND EVALUATION ASSETS - continued

Diamond Properties, Canada - continued

Redemption project, Northwest Territories - continued

- a 1.25% GOR and 1.25% NSR on 12 mineral claims and 5 mining leases (the “ADD Claims”) that were subject to the option agreement with Arctic Star. These 1.25% royalties are payable from the Company’s ultimate interest in the ADD claims and the Company will have sole responsibility for paying them.

In addition, Umgeni also acquired certain royalty interests in the Company’s Loki diamond project (see below).

Effective April 30, 2016, the Company wrote off exploration and acquisition costs of \$2,290,248 related to the Redemption project in recognition of the lack of exploration success with the drilling programs. In August, 2016, Umgeni elected not to acquire the Company’s interest in the option agreement and the Company issued a notice to Arctic Star of the Company’s intent to relinquish its option to earn an interest in the Redemption project. Further to the July 11, 2014 addendum to the option agreement, the Company also notified Arctic Star of the Company’s intent to retain a 55% interest in one mineral claim contiguous to the Redemption project. This mineral claim remains subject to Umgeni’s 1.25% GOR and 1.25% NSR referred to above.

Loki project, Northwest Territories

The Loki project consists of 17 mineral claims staked in the Lac de Gras region of the Northwest Territories. The Company holds a 100% interest in these claims. Thirteen of the claims are subject to a 1.5% GOR on diamonds (“GOR”) and a 1.5% NSR on base and precious metals granted to Umgeni under the terms of the January 25, 2016 royalty purchase agreement referred to above.

Mel project, Nunavut

The Company maintains a 100% interest in the Mel diamond project in Nunavut. The project was acquired from Anglo Celtic Explorations Ltd., a private company controlled by a director, for 250,000 warrants entitling the holder to acquire 250,000 shares at a price of \$0.65 per share and is subject to a 1% gross overriding royalty (GOR) payable to Anglo Celtic Exploration Ltd. The Company retains the right to buy back one half of the GOR for \$1,000,000 at any time.

Luxx project, Nunavut

The Company maintains a 100% interest in the Luxx diamond project in Nunavut. The project was acquired from Anglo Celtic Explorations Ltd., a private company controlled by a director, for 250,000 warrants entitling the holder to acquire 250,000 shares at a price of \$0.65 per share and is subject to a 1% gross overriding royalty (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.

Other Properties

Beaverdam, North Carolina, USA

Effective September 30, 2016, the Company sold data and information related to the previously written off Beaverdam Project in North Carolina to WCP Resources Ltd. for proceeds of \$66,250 (US\$50,000).

Torp Lake, Nunavut and Phoenix, Northwest Territories

Effective May 19, 2016, the Company sold its interest in the in the previously written off Torp Lake and Phoenix mineral claims to Clean Commodities Corp. (Note 6) for consideration of 2,500,000 common shares of Clean Commodities Corp. having a fair value of \$200,000 and warrants entitling the Company to purchase an additional 1,000,000 common shares at a price of \$0.20 for a period of two years with a fair value of \$33,524 (Note 6).

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8. EXPLORATION AND EVALUATION ASSETS - continued

Other Properties – continued

Contwoyto

During the six months ended October 31, 2017, the Company completed the sale of its 100% interest in the Contwoyto Project, Nunavut, including the Butterfly gold prospect, to Crystal Exploration Inc. (“Crystal”) for consideration of \$100,000 and 1,000,000 common shares of Crystal. Under the terms of the agreement, the Company received \$50,000 and 500,000 shares, having a fair value of \$52,500 (Note 6), on closing of the transaction with the balance of the shares and cash due on or before December 15, 2018. The Company retains a 1.0% gross overriding royalty on diamonds and a 1.0% net smelter return on precious and base metals. Half of the royalties can be purchased by Crystal at any time with the payment of \$1.0 million. The Company will also receive conditional share payments of 500,000 Crystal shares in the event that Crystal reports an inferred gold resource exceeding 250,000 ounces associated with the Butterfly gold prospect and a further 500,000 Crystal shares in the event Crystal reports a separate inferred resource of at least 250,000 ounces of gold outside of the Butterfly area.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2017	April 30, 2017
Trade payables	\$ 322,380	\$ 50,103
Accrued liabilities	63,000	33,000
	\$ 385,380	\$ 83,103

10. 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

- a) On February 15, 2017, the Company issued 2,000,000 common shares in conjunction with its acquisition of Stornoway’s remaining interests in the Naujaat and Pikoo diamond projects and allocated 1,000,000 shares to each of the projects as acquisition costs at a valuation of \$190,000 to each project.
- b) On May 18, 2017, the Company completed a non-brokered private placement of 20,000,000 units at a price of \$0.25 per unit for gross proceeds of \$5,000,000. Each unit consisted of one common share and one common share purchase warrant. At May 18, 2017, the Company’s market price was \$0.215 per share; accordingly, \$700,000 of the proceeds were assigned to the value of the warrants under the residual method. Each warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share for a period of three years.

At the Company’s Annual General Meeting held on November 9, 2016, the shareholders approved the adoption of a new 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”).

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10. CAPITAL STOCK AND RESERVES – continued

Stock options and warrants – continued

Stock options and warrants

Options granted can have a term up to 5 years with vesting provisions determined by the directors in accordance with TSXV policies for Tier 2 Issuers, with a typical vesting period of 25% upon grant and 25% every six months thereafter.

As at October 31, 2017, the following stock options were outstanding:

Number of Shares	Exercise Price	Number of Shares Vested	Expiry Date
2,075,000	\$ 0.27	2,075,000	May 10, 2018
200,000	\$ 0.50	200,000	September 23, 2018
985,000	\$ 0.70	985,000	January 28, 2019
680,000	\$ 0.60	680,000	September 25, 2019
200,000	\$ 0.54	200,000	December 16, 2019
2,230,000	\$ 0.27	557,500	June 23, 2022
6,370,000		4,697,500	

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

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2015	4,318,000	\$ 0.47
Expired and forfeited	(125,000)	0.51
Balance, April 30, 2016	4,193,000	\$ 0.47
Expired and forfeited	(53,000)	2.00
Balance, April 30, 2017	4,140,000	0.45
Options granted	2,230,000	0.27
Balance, October 31, 2017	6,370,000	\$0.39

Share-based compensation

During the six months ended October 31, 2017, the Company granted 2,230,000 stock options (2016 – nil) having a total fair value of \$457,377 and a weighted average grant-date value of \$0.21 per option. During the six months ended October 31, 2017, the Company recognized share-based compensation of \$326,455 (2016 – \$2,068) 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:

	Six Months ended October 31, 2017	Six Months ended October 31, 2016
Risk-free interest rate	1.33%	-
Expected dividend yield	Nil	-
Expected stock price volatility	131.43%	-
Expected life	5 years	-
Expected forfeiture rate	Nil	-

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10. 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, 2016 and April 30, 2017	*1,000,000	\$ 0.45
Issued	**20,000,000	0.40
Balance, October 31, 2017	21,000,000	\$ 0.40

*- 500,000 warrants exercisable at a price of \$0.25 per share expiring April 29, 2018

*- 500,000 warrants exercisable at a price of \$0.65 per share expiring August 19, 2018

**-20,000,000 warrants exercisable at a price of \$0.40 per share expiring May 18, 2020

11. RELATED PARTY TRANSACTIONS

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

The Company incurred the following transactions in the normal course of operations in connection with companies which have an officer and/or director in common.

- a) Paid or accrued consulting fees of \$9,000 (2016 - \$9,000) to the Corporate Secretary of the Company. This amount is included in salaries disclosed below.
- b) Paid \$1,924 (2016 - \$1,924) for office and rent to a company controlled by a director.
- c) Charged related parties \$13,800 (2016 - \$13,800) for rent, office and administrative costs.
- d) Included in other receivables is \$883 (April 30, 2017 - \$6,632) due from companies having a director or officers in common.
- e) Amounts totaling \$2,249 (April 30, 2017 - \$6,896) are owing to related and previously related parties.

The remuneration of directors and key management personnel during the six months ended October 31, 2017 was as follows:

	October 31, 2017	October 31, 2016
Salaries ¹	\$ 98,080	\$ 110,414
Salaries in exploration costs ¹	53,420	41,086
Share-based compensation ²	208,611	2,068
Total	\$ 360,111	\$ 153,568

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.

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11. RELATED PARTY TRANSACTIONS - continued

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.

12. COMMITMENTS

Commitments for rental of the Company's office space and equipment is as follows:

<u>Year ending</u>	
April 30, 2018	\$39,579
April 30, 2019	\$78,226
April 30, 2020	\$78,226
April 30, 2021	\$59,579
April 30, 2022	\$ 3,636

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the six months ended October 31, 2017 were:

- the Company incurred exploration and evaluation expenditures of \$348,987 (April 30, 2017 - \$22,171) that are included in accounts payable and accrued liabilities at year end.
- the Company received 500,000 common shares valued at \$52,500 pursuant to the sale of certain exploration and evaluation assets.
- the Company received nil (2016 – 2,500,000 common shares) valued at \$nil (2016 - \$200,000) and nil (2016 – 1,000,000 warrants valued at \$33,524) pursuant to the sale of certain exploration and evaluation assets.

14. 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 may 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.

15. SEGMENTED INFORMATION

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