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MANAGEMENT DISCUSSION AND ANALYSIS

October 31, 2017

Form 51-102 F1
Management Discussion and Analysis ("MD&A")
North Arrow Minerals Inc.
Containing Information up to and including December 15, 2017

Description of Business

North Arrow Minerals Inc. ("North Arrow", "NAR" or the "Company") is a Canadian mineral exploration company focused on evaluating prospective diamond exploration properties in Canada. The Company's key diamond properties include the Naujaat (Nunavut), Pikoo (Saskatchewan), Lac de Gras (Northwest Territories), Loki (Northwest Territories) and Mel (Nunavut). Shares of the Company trade on the TSX Venture Exchange ("TSXV") under the symbol NAR.

The following discussion and analysis of the Company's financial condition and results of operations for the six months ended October 31, 2017 should be read in conjunction with the financial statements of the Company for the six months ended October 31, 2017 and the years ended April 30, 2017 and April 30, 2016, together with the notes thereto. The MD&A supplements, but does not form part of the financial statements of the Company. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Unless otherwise noted, all currency amounts are stated in Canadian dollars.

Forward Looking Statements

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to sources of and anticipated financing requirements, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage.

These forward-looking statements include, among others, statements with respect to the Company's objectives for the ensuing year, our medium and long-term goals, and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," and words and expressions of similar import are intended to identify forward-looking statements. In particular, statements regarding the Company's future operations, future exploration and development activities or other development plans and estimated future financing requirements contain forward-looking statements.

All forward-looking statements and information are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company concerning anticipated financial performance, business prospects, strategies, regulatory developments, development plans, exploration, development and mining activities and commitments. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution readers not to place undue reliance on these statements as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements.

These factors include, but are not limited to, developments in world financial and commodity markets, risks relating to fluctuations in the Canadian dollar and other currencies relative to the US dollar, changes in exploration plans due to exploration results and changing budget priorities of the Company or its joint venture partners, changes in project parameters as plans continue to be refined; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing, the effects of competition in the markets in which the Company operates, the impact of changes in the laws and regulations regulating mining exploration and development, judicial or regulatory judgments and legal proceedings, operational and infrastructure risks, and the Company's anticipation of and success in managing the foregoing risks. The Company cautions that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.

Highlights for the six months ended October 31, 2017 and subsequent events up to December 15, 2017

Naujaat project, NU

- On July 28, 2017 the company announced it had completed collection of a 234 wet tonne mini-bulk sample from the Q1-4 kimberlite. A total of 250 bags of kimberlite had been filled and transported to the Company laydown at the Hamlet of Naujaat in preparation for shipment south on the annual sealift.
- On September 12, 2017, the Company announced completion of a summer drilling and bulk sampling program at the Q1-4 kimberlite. A total of 3,469 m of drilling was completed in 11 holes, of which 2,440 m of kimberlite was intersected. Samples of the kimberlite intersections will be used for petrography, indicator and microdiamond analysis and will contribute to a new geological model planned for 2018.
- The 250 mini-bulk sample mega-bags and two seacans of kimberlite drill core samples were shipped from Nauajat and on October 23, 2017. The Company announced the start the processing of samples at the processing laboratory in Thunder Bay, Ontario and anticipates that the dense media separation (“DMS”) processing of the mini-bulk will be completed by December 31, 2017 with final diamond recoveries received in February 2018.

Mel project, NU

- During the period ended October 31, 2017, the Company discovered kimberlite during four days of detailed prospecting on the Mel property near the up-ice termination of several kimberlite indicator mineral (KIM) trains identified from sampling programs conducted from 2013 through 2016.
- On October 16, 2017, the Company announced the discovery of diamonds in the ML-8 kimberlite discovery at the MEL project., that there were additional areas near and within the project with excellent potential for additional discoveries and that it had mobilized a crew for staking additional mineral claims.
- During the period ended October 31, 2017 the Company initiated plans to mobilize an exploration drill to the Mel project in the spring of 2018. The drill is presently located approximately 140km from the property and will be used for a planned summer 2018 drilling program.

Pikoo project, Saskatchewan

- On October 26, 2017, the Company announced that it had completed a till sampling project at its Pikoo project. Forty two till samples were collected in the southern part of the property to better define the South Pikoo and Bear Lake KIM trains. The purpose of the sampling was to identify additional drill targets. Processing of the samples should be completed in the first quarter of calendar 2018.

Lac de Gras joint venture project, NT

- During and subsequent to the six months ended October 31, 2017, the Lac de Gras joint venture, operated by partner Dominion Diamond Corporation, continued with a planned $2.8M exploration program including ground geophysics and the completion of an airborne geophysical survey over portions of the joint venture property. Planning is underway for further evaluation including drill testing of selected targets.

Loki project, NT

- During the period ended October 31, 2017, the Company was awarded a Mineral Incentive Program (MIP) grant of $170,000 by the Government of the Northwest Territories. MIP funding is to be used on approved exploration expenditures associated with planned geophysical surveys and exploration drilling of the Loki project.
- On October 26, 2017 the company announced it had completed a 302-line km helicopter borne electromagnetic and magnetic survey of several targets within the Loki project, including the EG05, EG01N, EG01S, EG02, and EG113 kimberlites.
- The Company also completed detailed ground magnetic surveys over 6 priority targets in the south Loki area. Results of the surveys will be used to prioritize targets for a March 2018 drilling program.

May 18, 2017 Financing

- Effective May 18, 2017, the Company closed a 20,000,000 unit private placement at a price of $0.25 per unit for gross proceeds of $5,000,000. Each unit consisted of one share and a share purchase warrant entitling the holder to purchase an additional share at a price of $0.40 for a period of three years. The proceeds raised are being used to fund ongoing exploration programs, including the drilling and mini-bulk sampling program at Naujaat, as well as general working capital.

A summary of the exploration activities for the Company follows, as well as a description of other corporate activities. These summaries include some discussion of management’s future exploration plans. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in these statements. The Company’s exploration programs are subject to change from time to time, based on the analysis of results and changing corporate priorities, exploration targets and funding consideration.

Exploration Projects Overview

An overview of the exploration activities for the Company follows. For additional details the reader is referred to the Company's continuous disclosure documents available on SEDAR (www.sedar.com)

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

Unless otherwise stated below, the Company's Canadian exploration activities are conducted under the supervision of Kenneth Armstrong, P.Geo. (ON), President and CEO of the Company.

Diamond Projects

Naujaat diamond project, Nunavut

The Naujaat diamond project is located near the community of Naujaat (Repulse Bay), Nunavut. During the year ended April 30, 2017 the company changed the project name from Qilalugaq to Naujaat (pronounced NOW-yat) to more accurately reflect the geographic location of the property. A total of eight kimberlite pipes (Q1-4, A34, A42, A59, A76, A94, A97 and A152) have been identified within the project as well as a number of laterally extensive kimberlite dyke systems. The Q1-4 kimberlite, located 9km north of the Hamlet of Naujaat, is the largest and most diamondiferous of the kimberlites discovered to date.

On May 15, 2013 the Company confirmed an Inferred Mineral Resource for the 12.5 hectare Q1-4 kimberlite to be 26.1 million carats from 48.8 million tonnes total content of kimberlite with an average +1 DTC total diamond content of 53.6 carats per hundred tonnes (cpht) extending from surface to a depth of 205m. Additional resource upside in the form of a target for further exploration was estimated at between 7.9 to 9.3 million carats of diamonds from 14.1 to 16.6 million tonnes total content of kimberlite with an average +1 DTC total diamond content of 56.1 cpht, extending from 205m depth to 305m depth. The mineral resource estimate comprised the integration of kimberlite volumes, density, petrology and diamond content-data obtained from 5,133 m of diamond drilling, 2,714 m of reverse circulation (RC) drilling, 2.9 tonnes of samples submitted for microdiamond analysis, 257.7 tonnes of samples submitted for macrodiamond sampling with 59.2 carats of diamonds (2,054 stones) recovered from RC drilling, 7.5 carats of diamonds (205 stones) recovered from surface trenching and 2.36 carats of diamonds (69 stones) recovered from HQ diameter diamond drilling.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. The potential quantity and grade of a target for further exploration referred to above is conceptual in nature, there has been insufficient exploration to define a mineral resource, and it is uncertain whether further exploration will result in the target being delineated as a mineral resource. For information on the data verification, exploration information and the resource and target for further exploration estimation procedures please see the technical report dated May 13, 2013 which is available under the Company's profile at www.sedar.com and on the Company's website (www.northarrowminerals.com). The authors of the report were Barb Kupsch, P.Geol. and David Farrow, P.Geo.

It is management's opinion that Q1-4 represents a compelling under evaluated diamond resource that benefits from its large size and close proximity to tidewater and infrastructure of the Hamlet of Naujaat. The Company has also identified the unusual occurrence of two identifiable diamond populations including a population of rare Type IaA - Ib coloured diamonds. In December 2015, the Company initiated a polishing exercise on select coloured diamonds. The purpose of this exercise was to address several of the outstanding questions related to these diamonds including their suitability for polishing, potential yield, and final polished colour. Results from this work have confirmed that i) a portion of the yellow diamond population are fancy orangey yellow diamonds that would be desirable for use in the gem and jewelry trade and ii) the presence of these fancy coloured diamonds could have a significant positive impact on the overall value of the Q1-4 diamond population. As a result of this polishing exercise and related data analyses, the Company mobilized a diamond drill to the project site in anticipation of a 2017 drilling program.

During the period ended October 31, 2017 the Company commenced a summer exploration program, including delineation drilling and mini-bulk sampling. On September 12, 2017 the Company announced the on budget completion of the program with approximately $2 million in expenditures incurred on the field program and a further $1 million budgeted for sample shipment and processing.

Delineation Drilling

Eleven drill holes were completed during the program, totaling 3,469 m of drilling with approximately 2,440 m of kimberlite core recovered. The holes are part of approximately 6,000 m of planned drilling to increase confidence in the Q1-4 geological model, including the target for further exploration (TFFE) between 205 and 305m below surface (-135 to -235 meters above sea level "masl") outlined in the most recent May 2013 technical report on the project. Drilling tested all five phases of the kimberlite with a number of holes entering kimberlite earlier and/or staying in kimberlite longer than predicted using the current geological model. Three drill holes (17Q-007, 17Q-008, and 17Q-010) collared in kimberlite and three holes (17Q-003, 17Q-004 and 17Q-011) were terminated within kimberlite. The deepest drill hole into the kimberlite is 17Q-004 which terminated in kimberlite at a depth of 376 m below surface (approximately -

311 masl). The table below summarizes the main kimberlite intercept in each drill hole and provides an indication of how each hole compared to modelled kimberlite/country rock contacts. Further drilling is required in the spring of 2018 prior to completing a new geological model, however the 2017 drilling has confirmed the overall size of the Q1-4 kimberlite, although there will be changes to shape and internal geological contacts of the kimberlite.

					Kimberlite/Country Rock Contacts					
Drill Hole	Kimberlite Phase	End of Hole (m)	Hole Angle (°)	Hole Azimuth (°)	Modelled Entry (m)	Actual* Entry (m)	Difference (m)**	Modelled Exit (m)	Actual* Exit (m)	Difference (m)**
17Q-001	A61/A28	299	-57	310	50	164	(114)	245	270	25
17Q-002	A61	296	-81	175	115	98	17	278	230	(48)
17Q-003	A48b/A88	398	-64	068	125	125	0	333	398	65
17Q-004	A48a/A48b	428	-61	053	66	23	43	316	428	112
17Q-005	A48a/A48b	326	-53	224	77	132	(55)	286	299	13
17Q-006	A28	380	-47	267	115	12	103	346	354	8
17Q-007	A28	371	-69	142	0	0	0	241	358	117
17Q-008	A28	101	-49	246	0	0	0	87	83	(4)
17Q-009	A61	238	-65	105	67	37	30	207	114	(93)
17Q-010	A61	291	-59	308	0	0	0	265	216	(49)
17Q-011	A88	333	-45	300	55	31	24	n/a	n/a	n/a

* Kimberlite intervals do not i) include kimberlite dykes encountered in some holes outside of the geological model, or ii) account for country rock dilution internal to the model in the form of country rock blocks and/or wedges. A total of nine country rock blocks (> 2.5 m up to 25 m; total: 113.7 m) were encountered in holes 17Q-001 (3), 17Q-002 (2), 17Q-003 (1), 17Q-005 (2), and 17Q-011 (1).
** Numbers represent, in metres, more or (less) kimberlite than predicted with the current geological modelled.

Mini-Bulk Sample

As reported in North Arrow news release dated July 24, 2017, a 234 wet tonne mini-bulk sample was collected from a single sample pit at the Q1-4 kimberlite. A total of 250 megabags of kimberlite were collected using a mini-excavator with kimberlite exposed beneath 0.5 m to 1.0 m of glacial till. Initial evaluation of the exposed kimberlite identified a north trending internal contact between distinct kimberlite phases and the sample was therefore divided into three subsamples: Blue Kimberlite (60 bags), Green Kimberlite (31 bags) and Mixed Blue-Green Kimberlite (159 bags). The "Green Kimberlite" (tentatively interpreted as part of the A61 phase) made up approximately 30% of the pit area and is described as a dark green, massive, very xenolith poor, very olivine rich, phlogopite coherent kimberlite with fine to very coarse macrocrysts (pre-dominantly olivine) and a good mantle sample. The Blue Kimberlite (tentatively interpreted as part of the A88 phase) is a blue-green, massive, poorly sorted, xenolith poor, olivine rich volcaniclastc kimberlite with fine to very coarse olivine and a moderate mantle sample. Petrographic and indicator mineral and microdiamond analyses are all underway and will help confirm the interpretation of each unit.

The 250 mini-bulk sample bags, as well as two seacans of drill core samples, were shipped to the Microlithics laboratory in Thunder Bay Ontario for macrodiamond, microdiamond and indicator mineral analyses. Processing of the Mini-bulk sample is expected to be complete by December 31, 2017, with final diamond recoveries reported in February 2018.

As part of the 2017 program, North Arrow also commissioned archeological, ecological mapping and initial engineering surveys of potential road routes from the Company's lay down, located 1 km north of Naujaat, out to the Q1-4 kimberlite. Results of these surveys will be used to pursue permitting options for a road or winter trail to the kimberlite to take advantage of the deposit's close proximity the Hamlet of Naujaat during future evaluation and bulk sampling of the deposit.

The Naujaat project is subject to a 0.5% GOR and NSR on diamond, precious metal and base metal production from the project. The holder of this royalty will also receive a payment of $2.5 million at the time the first royalty payment relating to the project is due.

The Naujaat project is also subject to a 3% net smelter royalty ("NSR") on metals and a 3% gross production royalty ("GPR") on the sale of industrial minerals, including diamonds. Subject to a November 2016 amending agreement, the NSR and GPR may each be reduced to 1% subject to future contingent cash payments to the royalty holder totalling $5.15M and future staged exploration expenditures totalling $20M.

Pikoo diamond project, Saskatchewan

The Company's 100% owned Pikoo diamond project consists of 33,374 hectares of mineral claims located approximately 140 km east of La Ronge, Saskatchewan. An all-season road to the community of Deschambault Lake comes to within 6 km of the project's southern boundary. Three drilling programs (53 drill holes; 7,369m) have been completed at the project (2013, 2015, and 2016) and a total of 10 discrete kimberlite occurrences have been discovered. Microdiamond testing of five of the kimberlites have confirmed that the PK150, PK311, PK312, PK314, and PK346 kimberlites are diamondiferous. A full summary of the initial diamond results from these kimberlites can be found in the Company's MD&A's for the years ended April 30, 2014 and 2016 as well as the MD&A for the three months ended July 31, 2016.

All of the kimberlite occurrences within the Pikoo project have been discovered at or near the up-ice termination of well-defined kimberlite indicator mineral (KIM) trains. The trains have been geographically described as the South Pikoo target area (1 KIM train; four kimberlite discoveries); North Pikoo area (1 KIM train; 4 kimberlite discoveries) and the East Pikoo area (2 KIM trains, 2 kimberlite discoveries). A fourth target area, called Bear Lake, has been identified on the basis of a cluster of anomalous KIM results from till samples collected in the southern part of the project area. Detailed evaluations of the petrography of the discovered kimberlites in conjunction with diamond results, mineral abundances and core logging information have been conducted and indicate that additional, as yet undiscovered kimberlites are located in the North Pikoo area.

During October 2017 the Company completed a till sampling program. The goal of the program was to further define several of the KIM trains in the South Pikoo and Bear Lake areas, in advance of further exploration drilling. Processing of 42 collected till samples is presently underway and final results are expected in the first quarter of the calendar 2018.

The Pikoo project is subject to a 1% GOR and NSR on diamond, precious metal and base metal production and a contingent cash payment of $1.25 million owing to the royalty holder at the time the first royalty payment is due.

Loki Diamond Project – Northwest Territories

The Loki diamond project consists of 17 mineral claims covering approximately 7,600 ha, acquired by staking between 2013 and 2017 in the Lac de Gras region of the Northwest Territories. The Company holds a 100% interest in these claims. Thirteen of the mineral claims are subject to a 1.5% GOR on diamonds and a 1.5% NSR on base and precious metals. The Loki project mineral claims cover identified target areas to the southwest of Lac de Gras ('South Loki') and to the southeast of the Monument kimberlite cluster ('East Loki').

During the period ended October 31, 2017 the Company completed detailed ground magnetic surveys of four of the targets in the South Loki area. The surveyed targets are well located up ice from a distinct KIM train and will be tested as part of a March 2018 drilling program.

During the period ended October 31, 2017 the Company also completed a 307 line km Geotech VTEM electromagnetic and a magnetic helicopter borne geophysical survey in the East Loki area. The Survey was completed in two blocks to cover the EG05, EG01N, EG01S, EG02 and EG130 kimberlites as well as a number of identified kimberlite targets. Further drilling of the EG05 kimberlite is planned as part of the March 2018 drill program. Several new targets have also been identified within the survey area which may also be tested during the program.

During the period ended October 31, 2017 the Company was notified it had been awarded a $170,000 grant as part of the government of the Northwest Territories Mineral Incentives Program (MIP). The grant monies are to be used on eligible exploration expenditures related to geophysical and drilling programs on the Loki project.

Lac de Gras Diamond Project – Northwest Territories

The Lac de Gras Diamond project forms a very large, approximately 147,200 ha contiguous block of mineral claims and mining leases located within the Lac de Gras region of the Northwest Territories. The project area directly adjoins the mineral leases that host the Diavik diamond mine, located 10 km to the north, and the mineral claims of the Company's Loki project to the west. The Ekati diamond mine is located within 40 km to the northwest.

The project is being evaluated under a joint venture arrangement between the Company and Dominion Diamond Corporation ("Dominion"). Dominion is the project operator. In January 2016, the joint venture approved a program and budget for the period from February 2016 to January 2017. The program consisted of data compilation work and airborne geophysical surveys. As part of this program, a 3,020-line kilometer helicopter-borne magnetic/electromagnetic survey was completed during September 2016.

The joint venture is currently conducting an approved $2,821,500 exploration program and a budget for the period from February 2017 through January 2018 (F2018). The program was to consist of airborne and ground geophysical surveys and exploration drilling. Dominion has notified the Company that 22 ground geophysical survey grids were completed in the spring and fall of 2017 and a 5,567 line km airborne magnetic/electromagnetic geophysical survey was also completed. Exploration drilling of selected targets will not occur until the winter or spring of 2018.

Subsequent to the approval of both the calendar 2016 (Fiscal 2017) and calendar 2017 (Fiscal 2018) exploration programs, the Company elected not to contribute its proportionate share of costs to these programs. Dominion elected to fund the full programs and budgets and, assuming the full calendar 2017 (F2018) program budget is spent, the Company expects that its interest in the LDG joint venture could be diluted to approximately 31% on completion of these programs. The decision to not participate in the calendar 2017 approved program and budget allows the Company to focus its exploration expenditures on the Naujaat, Mel, Loki, and Pikoo projects while retaining a meaningful interest in the LDG joint venture.

Pursuant to a previous acquisition agreement between the Company and Springbok Holdings Inc. ("Springbok") (Please see the Company's Annual Management Discussion and Analyses for the year ended April 30, 2016 for further details on the acquisition agreement), in the event the Company incurs $2 million in joint venture expenditures on the Lac de Gras Joint Venture Property, the Company will issue to Springbok that number of common shares of the Company having a value of $1 million.

Mel Diamond Project - Nunavut

The Company maintains a 100% interest in the Mel diamond project. The project consists of approximately 7,500 hectares on the Melville Peninsula, approximately 140 km south of the community of Hall Beach and 210 km northeast of the community of Naujaat which is also the location of the Company's Naujaat diamond project. The property is located within 18 km of tidewater and hosts at least three well defined KIM trains. The mineral trains are composed of pyrope and eclogitic garnets, as well as ilmenite with anomalous samples returning from 10's to 100's of KIMs with one sample returning in excess of 1,300 KIMs per 20kg of till. These exceptionally high KIM counts and sharp cut-off of these KIM trains suggest close proximity to a kimberlite bedrock source.

On October 16, 2017, the Company announced the discovery of the diamondiferous ML-8 kimberlite during detailed prospecting near the up-ice termination of several KIM trains identified from previous North Arrow till sampling programs. The kimberlite was identified as float and possible subcrop over an approximate 100 m by 10 m extent at the up ice termination of one of the KIM trains. Kimberlite blocks up to 0.50 m in diameter were identified within, and immediately north of, a 200 m x 400 m lake and coincident with previously identified magnetic anomaly ML-8. A second locality of kimberlite float was identified approximately 500 m east from the main discovery. The ML-8 kimberlite is described as a dark grey-green, medium to very coarse (>1.6 cm) grained coherent kimberlite containing abundant olivine as well as common ilmenite, orange to purple garnet and phlogopite. Caustic fusion results from a 62.1 kg composite sample of the ML-8 kimberlite are summarized in the following table:

	Number of Diamonds per Sieve Size (mm Square Mesh Sieve)							
Sample Weight Dry Kg	+0.106 -0.150	+0.150 -0.212	+0.212 -0.300	+0.300 -0.425	+0.425 -0.600	+0.600 -0.850	+0.850 -1.18	Total Stones
62.1	9	3	5	4	0	1	1	23

The Mel project area includes a number of additional KIM train and geophysical targets and during the period ended October 31, 2017 the Company staked additional mineral claims to expand the project area. The claims are currently being recorded with the Nunavut Mining Recorder's Office.

North Arrow has made plans to mobilize an exploration drill to the property during the spring of 2018 in advance of a 2018 program of ground geophysics and drilling. All required permits for the 2018 exploration program are presently in place, including construction of an exploration camp and exploration drilling of targets on the property.

The Mel project is subject to a 1% GOR held by Anglo Celtic Exploration Ltd., a private company controlled by D. Grenville Thomas, a director of the Company. The Company retains the right to buy back half of the GOR (0.5%) for $1 million at any time.

Luxx Diamond Project - Nunavut

The Company maintains a 100% interest in the Luxx diamond project, Nunavut. The project was acquired to cover unexplained KIM trains identified from public datasets and consists of approximately 2,300 acres on the tidewater of Chesterfield Inlet, approximately 60 km from the community of Chesterfield Inlet and 100 km north of the community of Rankin Inlet. The project includes at least one, and possibly three KIM trains comprised of Mg-ilmenite, pyrope and eclogitic garnet. The Company presently has the required permits to allow for exploration drilling of targets on the property.

The Luxx project is subject to a 1% GOR held by Anglo Celtic Exploration Ltd., a private company controlled by D. Grenville Thomas, a director of the Company. The Company retains the right to buy back half of the GOR (0.5%) for $1 million at any time.

Timiskaming diamond project, Ontario/Quebec

The Timiskaming diamond project is located in the Cobalt-New Liskeard-Elk Lake-Notre Dame du Nord (Ville Marie) region of northeastern Ontario and northwestern Quebec. Between 1995 and 2012, Stornoway and its predecessor companies conducted comprehensive diamond exploration programs within the project area resulting in the discovery of nine kimberlites. In May 2013, the Company announced the completion of a drilling program that fulfilled the requirements of the option work program under an option agreement with Stornoway Diamond Corp. ("Stornoway") and as a result the Company earned an 80% interest in the project. Accordingly, ongoing evaluation of the project is subject to an 80%/20% (Company/Stornoway) participating joint venture. Surficial sediment sampling and geophysical data from the project suggest additional undiscovered kimberlites may be located within the project area.

Gold and Other Projects

The Company maintains an interest in a number of non-material metals projects in northern Canada, particularly Nunavut. The Company continues to pursue opportunities to see these properties further evaluated, however has no plans to fund or conduct exploration of these properties on its own. Details on specific properties are provided below.

Hope Bay ORO Gold Project – Nunavut

The Company's 100% owned ORO gold property is located in the Hope Bay Volcanic Belt (HBVB) in Nunavut and is strategically located on tide water covering the northern end of the HBVB, approximately 3.25km to the north of TMAC Resources' Doris gold mine. Gold mineralization at the Doris gold mine occurs along a well-defined stratigraphic volcanic contact, which extends northward onto the ORO property. The ORO property hosts numerous gold showings and potentially gold bearing structures including the Elu shear zone and Wombat zone.

Contwoyto Project, Nunavut

During the period 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 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% GOR on diamonds and a 1.0% NSR on precious and base metals. Half of the GOR and NSR 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.

FINANCIAL CONDITION, LIQUIDITY, CAPITAL RESOURCES, OPERATIONS AND FINANCIAL RESULTS

Overall performance

		October 31, 2017		April 30, 2017		April 30, 2016
Current assets	**$**	**3,105,791**	$	573,152	$	2,641,314
Non-current assets		**14,529,372**		12,067,108		10,643,950
Liabilities		**(385,380)**		(83,103)		(608,670)
Shareholders' equity	**$**	**17,249,783**	$	12,557,157	$	12,676,594

Financing/Use of Proceeds

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. 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. The proceeds raised will be used for drilling and mini-bulk sampling programs at Naujaat, ongoing exploration work at other projects and working capital.

Results of Operations

During the three and six months ended October 31, 2017 (the "current quarter" and "current period", respectively), the Company recorded losses of $222,697 or $0.00 per share and $589,265 or $0.01 per share respectively. This is compared with losses of $137,460 or $0.00 per share and $100,025 or $0.00 per share respectively for the three and six months ended October 31, 2016 (the "comparative quarter and comparative period"). The $489,240 increase in the loss for the current period compared to the comparative period was largely due to reduced sales of non-core exploration assets and increased share-based compensation costs. Share-based compensation costs were lower in the comparative period because the Company did not grant stock options during that period.

Expenses for the current quarter were $229,419 (comparative quarter - $137,693) an increase of $91,726 from the comparative quarter. The increase in expenses during the current quarter was largely related to increased share-based compensation $62,445 (comparative quarter - $nil) and an increase in advertising, promotion and travel $47,161 (comparative quarter - $6,572). During the current quarter the vesting of options and increased promotional activities resulted in increased share-based compensation and advertising, promotion and travel costs.

Expenses for the current period were $686,424 (comparative period - $296,495) an increase of $389,929 from the comparative period. The increase in expenses during the current period was largely related to increased share-based compensation $326,455 (comparative period - $2,068) and an increase in advertising, promotion and travel $96,546 (comparative period - $21,124). During the current period options granted vested resulting in increased share-based compensation costs and the Company increased its investor awareness activities resulting in increased advertising, promotion and travel costs.

In addition, to the increased expenses during the current period the Company sold non-core exploration and evaluation assets to unrelated third parties for $102,500 (comparative period - $266,024), lost $18,098 (comparative period – $15,510) on marketable securities and warrants and wrote off $nil (comparative period - $58,189) of exploration and evaluation assets.

Summary of quarterly results

The following table sets out selected unaudited quarterly financial information of North Arrow and is derived from the Company's unaudited quarterly consolidated financial statements prepared by management. The Company's interim consolidated financial statements are prepared in accordance with IFRS and are expressed in Canadian dollars.

Quarter Ending	Interest Income	Income or (Loss) from Continued Operation and Net Income (Loss)	Basic Earnings (Loss) per share from Continued Operation and Net Income (Loss)	Earnings (Loss) per share
October 31, 2017	$ 10,599	$ (222,697)	$ (0.00)	$ (0.00)
July 31, 2017	$ 7,036	$ (366,568)	$ (0.01)	$ (0.01)
April 30, 2017	$ 419	$ (214,458)	$ (0.01)	$ (0.01)
January 31, 2017	$ 1,137	$ (152,947)	$ 0.00	$ 0.00
October 31, 2016	$ 1,769	$ (137,460)	$ 0.00	$ 0.00
July 31, 2016	$ 2,697	$ 37,435	$ 0.00	$ 0.00
April 30, 2016	$ 8,928	$ (3,012,863)	$ (0.06)	$ (0.06)
January 31, 2016	$ 7,799	$ (269,253)	$ 0.00	$ 0.00

Variations in Quarterly Results

The Company's quarterly results can be affected by many factors such as seasonal fluctuations, variations in capital markets, the write-off of capitalized amounts, stock-based compensation costs, tax recoveries and legal matters.

The $222,697 loss for the second quarter of fiscal 2018 reflects the Company's ongoing administration costs, share based compensation costs of $62,445 and increased advertising, promotion and travel costs.

The $366,568 loss for the first quarter of fiscal 2018 reflects the Company's ongoing administration costs, share based compensation costs of $264,010 and a $102,500 recovery on the sale of exploration and evaluation assets.

The $214,458 loss for the fourth quarter of fiscal 2017 reflects the Company's ongoing administration costs as it has maintained its properties and undertaken activities to raise funds.

The $152,947 loss for the third quarter of fiscal 2017 reflects ongoing administration, a gain of $33,750 on the completion of the sale of mineral property information, a recovery of amounts previously written off related to exploration and evaluation assets and marketable security transactions.

The $137,460 loss for the second quarter of fiscal 2017 reflects ongoing administration, a cash gain of $32,500 on the sale of mineral property information, a write-off of exploration and evaluation assets and marketable security transactions.

The $37,435 net income for the first quarter of fiscal 2017 reflects a non-cash gain on the sale of mineral properties of $233,524 (comparative quarter - $nil), a write-off of $39,984 (comparative quarter - $nil) of exploration and evaluation assets and ongoing administration costs of the Company.

The $3,012,863 loss for the fourth quarter of fiscal 2016 reflects a $2,787,548 (comparative quarter - $nil) write-down of the Timiskaming and Redemption properties, ongoing administration costs and a $13,263 (comparative quarter - $115,035) non-cash share-based compensation cost.

The $269,253 loss for the third quarter of fiscal 2016 reflects the Company's ongoing administration, a non-cash $21,936 (comparative quarter - $192,431) share-based compensation charge for options granted to directors, officers, employees and consultants in prior periods and a $99,113 (comparative quarter – $1,043) property investigation charge for expenditures related to project evaluation costs and a cancelled drill program.

October 31, 2017 compared to April 30, 2017

At October 31, 2017, the Company had cash of $2,909,384, exploration and evaluation assets of $14,462,549, accounts payable and accrued liabilities of $385,380 and shareholders' equity of $17,249,783. These amounts are compared to cash of $368,124, exploration and evaluation assets of $11,999,472, accounts payable and accrued liabilities of $83,103 and shareholders' equity of $12,557,157 at April 30, 2017. The improvement in the Company's cash, working capital and shareholders' equity was a result of the Company completing a private placement for net proceeds of $4,963,748 which has enabled and the Company to continue exploration at its projects.

During the current period, as a result of the Company's financing, it has continued exploration and evaluation activities on its projects and incurred exploration and evaluation expenditures of $2,463,077. In addition, as a result of the activity level of the exploration programs, accounts payable at October 31, 2017 was increased from April 30, 2017 and included $348,987 (April 30, 2017 - $22,171) of exploration and evaluation expenditures.

Liquidity

At October 31, 2017 the Company had working capital of $2,720,411 compared to a working capital of $490,049 at April 30, 2017. During the current period the Company's cash position increased $2,541,260 (comparative period – decreased - $1,480,609) as a result of completing a $4,963,748 (comparative period - $nil) financing less cash expenditures of $354,947 (comparative period - $247,826) and $2,067,541 (comparative period - $1,232,783) spent on operating and investing activities respectively.

Operating activities

During the current period the Company's operating activities used $354,947 (comparative period - $247,826) of cash. The use of cash in operating activities during the period reflects the Company's funding of a loss of $589,265 (comparative period – $100,025) adjusted for both non-cash gains and expenditures and the use of cash of $16,348 (comparative period – source of $32,784) for funding changes in items such as accounts receivable, prepaid expenses, due to related parties and accounts payable.

Non-cash gains and expenditures consist of the recovery of exploration and evaluation assets $102,500 (comparative period - $266,024), share-based compensation $326,455 (comparative period - $2,068), write-offs $nil (comparative period - $58,189), depreciation $8,613 (comparative period - $9,672) and a loss of $18,098 (comparative period - $15,510) on warrants and marketable securities.

Investing activities

During the current period the Company's investing activities used $2,067,541 (comparative period - $1,232,783) of cash. During the current period the Company used $2,144,061 (comparative period - $1,271,688) to evaluate its exploration and evaluation assets and purchase equipment. The investing expenditures for the current period were reduced by the cash the Company received of $76,520 (comparative period - $38,905) from the sale of exploration and evaluation assets and marketable securities.

Financing activities

During the current period, the Company raised net proceeds of $4,963,748 (comparative period - $nil) from the issuance of units by way of a private placement.

Capital Resources

The Company's financial condition and future prospects are significantly affected by overall economic conditions. The Company has no source of operating revenue and relies on equity financings, joint ventures and warrant and stock option exercises to further exploration on its properties.

The Company's long-term financial success is dependent on management's ability to discover and develop economically viable mineral deposits. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and the Company's ability to raise additional funds on favourable terms. Management recognizes there will be risks involved that may be beyond their control. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

The Company's ability to generate cash is very much affected by the current market conditions, its share price and third-party interest in its assets. In the current equity market, funds for companies at an early/grass-roots stage of exploration are limited and dilution to existing shareholders from an equity financing increases as the share price decreases. The Company has no credit facilities that could be used for ongoing operations because it has no operating cash flow.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales, from the exercise of convertible securities and, in the past, from the sale of investments. Although the Company has had past success in obtaining financing, there can be no such assurance that it will be able to obtain adequate financing in the future or that the terms of any financing will be favourable. Many factors influence the Company's ability to raise funds, including the state of the resource market and commodities prices and, the climate for mineral exploration.

The Company's management actively manages its landholdings in an effort to keep those landholdings with the greatest exploration potential in good standing for as long as possible. The Company's management regularly reviews its cash position against future plans and makes decisions regarding these plans accordingly.

The Company raised additional funds in May 2017 to further exploration efforts at its various exploration properties and to maintain its listing on the TSXV. The Company is seeking to minimize variable expenses to the extent possible and may seek joint venture partners to continue to further exploration of its mineral properties.

Risks and Uncertainties

Industry

An investment in natural resource companies involves a significant degree of risk. The degree of risk increases substantially where the Company's properties are in the exploration as opposed to the development stage. Investment in the securities of the Company should be considered as highly speculative due to the nature of the Company's business. The following additional risk factors should be given special consideration.

Exploration, Development and Mining Risks

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of diamonds and base/precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and reserves and the corresponding grades that could be mined or dedicated to future production. Until reserves are actually mined and processed, calculations of quantity and grade must be considered as estimates only. In addition, the quantity of resources and reserves may vary depending on diamond or metal prices. Any material change in resources and reserves, including grade or recovery ratio, may affect the economic viability of the Company's properties. In addition, there can be no assurance that diamond and metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors, which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews.

The Company's properties are currently being assessed for exploration and as a result, the Company has no source of operating cash flow. Failure to obtain additional financing could result in a delay or indefinite postponement of further exploration. Development of the Company's mineral properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of mineralization that can be converted into resources or reserves. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish resources and reserves through drilling, to develop metallurgical processes to extract the metal or diamonds, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Foreign Operation Risks

Historically, the majority of the Company's expenses have been denominated in Canadian Dollars so its exposure to foreign exchange risk has been limited. Exploration activities outside of Canada can expose the Company to foreign exchange risk. Presently, the Company does not have foreign operations or use foreign-exchange contracts to mitigate this risk, but that may change in future, depending upon the size of the Company's exploration programs denominated in currencies other than the Canadian Dollar.

Insurance

The Company's involvement in the exploration for mineral properties may result in the Company becoming subject to liability for pollution, property damage, personal injury or other hazards. Although the Company may have insurance to address many risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Environmental Risks

All phases of the mineral exploration and development business present environmental risks and hazards and are subject to environmental legislation. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with mineral exploration and mining operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Prices, Markets and Marketing of Diamonds and Base/Precious Metals

The Company’s revenues, if any, are expected to be in large part derived from the mining and sale of diamonds and base/precious metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company’s control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities, increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of diamonds and base/precious metals, and therefore the economic viability of any of the Company’s exploration projects, cannot accurately be predicted.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as the proximity and capacity of milling facilities, mineral markets and processing equipment and governmental regulations including regulations relating to royalties, allowable production and importing and exporting of minerals.

Substantial Capital Requirements and Liquidity

The Company anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of its mineral properties in the future. The Company currently has no revenue and may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

Issuance of Debt

From time to time the Company may enter into transactions or activities that may be financed with debt which could impair the Company’s ability to obtain additional financing in the future. The inability of the Company to access sufficient capital for the repayment of any debt could have a material effect on the Company’s financial condition, results of operations or prospects.

Outstanding Share Data

The Company’s authorized capital is unlimited common shares without par value.

As at December 15, 2017, the Company had the following shares, options and warrants outstanding:

		Number
Shares issued and outstanding		76,155,741
Options:		
Expire May 10, 2018	$0.27	2,075,000
Expire September 23, 2018	$0.50	200,000
Expire January 28, 2019	$0.70	985,000
Expire September 25, 2019	$0.60	680,000
Expire December 16, 2019	$0.54	200,000
Expire June 22, 2022	$0.27	2,230,000
Expire November 21, 2022	$0.25	150,000
Warrants:		
April 29, 2018	$0.25	500,000
August 19, 2018	$0.65	500,000
May 18, 2020	$0.40	20,000,000
Fully diluted		103,675,741

Share issuances

Effective February 15, 2017, the Company acquired Stornoway’s remaining interests in the Pikoo and Naujaat 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 which was allocated to acquisition costs for the Naujaat and Pikoo projects. 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 and $1.25 million at the time the first royalty payments relating to the Pikoo project are payable. In addition, Stornoway retains a 0.5% GOR and NSR on diamond, precious metal and base metal production from the Naujaat project and a 1% GOR and NSR on diamond and base metal production from the Pikoo project.

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. 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. The proceeds raised will be used for a planned drill program at Naujaat, ongoing exploration work at other projects and working capital**.**

Stock options and warrants

At the Company’s Annual General Meeting held on November 9, 2016, the shareholders of the Company 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 TSXV.

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

Transactions with Related Parties

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 totalling $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.
3 – CEO - $112,500, CFO $30,000 and Corporate Secretary $9,000.

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.

Commitments

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

Year ending	
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

CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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. The Company's 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.

The Company's 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.

Statement of Compliance

The Company's 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 the condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended April 30, 2017. The Company's financial statements should be read in conjunction with its audited financial statements for the year ended April 30, 2017. The Company's financial statements are presented in Canadian dollars unless otherwise noted.

Historical cost

The Company's financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

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:

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, the 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.

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.

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.

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.

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.

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.

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.

Capital Management

The capital of the Company consists of the items included in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities.

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

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and exploration and evaluation assets and expenses is provided in the Company's statement of financial position, statement of changes in equity, statement of loss and comprehensive loss and the Exploration and Evaluation Assets note contained in its financial statements for the six months ended October 31, 2017 and 2016. These statements are available on SEDAR at www.sedar.com.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com and is available on the Company's website at www.northarrowminerals.com.

Approval

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.