Form 51-102F1
Interim Management's Discussion and Analysis
for
North Arrow Minerals Inc. ("North Arrow" or the "Company")

Containing Information up to and including September 29, 2010

Description of Business

North Arrow Minerals Inc. is a mineral exploration company with a diversified portfolio of lithium, diamond, gold, and base metal properties located in the Northwest Territories, Nunavut and North Carolina. 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 period ended July 31, 2010 and should be read in conjunction with the audited financial statements of the Company for the year ended April 30, 2010 together with the notes thereto. These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

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

Overview –General

This Management Discussion & Analysis contains certain forward-looking information. When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management's future plans, objects and goals for the Company and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

Highlights for the period ended July 31, 2010 and subsequent events up to September 29, 2010:

- In June 2010, the Company completed a seven hole (1,310 m) drill program on its wholly owned Beaverdam lithium project in North Carolina. All holes intersected spodumene (lithium) bearing pegmatites and included 1.4% Li_2O over 11.0 m.
- In July 2010, a legal survey of 32 mineral claims totaling 80,420.5 acres was completed on the Company's Lac de Gras diamond property. Ground investigations were also carried out on 70 priority airborne geophysical targets and 19 were selected for follow up ground geophysical surveys.
- In July 2010, the Company entered an option agreement to earn a 100% interest in certain mineral claims situated in north-central Yukon Territory. Both properties were staked to cover anomalous government stream silt geochemical results in an area having bedrock stratigraphy similar to ATAC Resources Ltd.'s Rau Gold Project. An exploration program was subsequently carried out and a total of 40 rock samples, 90 stream silt samples and 43 soil samples were collected and results are pending.
- In August 2010, the Company completed a non-brokered private placement of 3,958,333 flow-through units (the "FT Units") at a price of $0.18 per FT unit for potential gross proceeds of $712,500.
- In September 2010, total field magnetic and electromagnetc surveys were conducted over the Hammer kimberlite in the Coronation area of Nunavut.

- In September 2010, the Company received a land use permit for its Lac de Gras diamond project and a program of airborne anomaly checking and ground geophysical surveys began.

A summary of the exploration activities for the Company follows. 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 priorities and exploration targets.

Exploration Update

Summary of Exploration Expense for the period ended July 31, 2010:

	April 30, 2010	Expended During The Period	Write-off of Costs and Recoveries	**July 31, 2010**
Gold and Base Metal Properties, NWT and Nunavut				
Exploration costs	$ 31,523	$ 577	$ (577)	**$ 31,523**
Acquisition costs	352,982	22,466	(267)	**375,181**
Geological and assays	1,449	-	-	**1,449**
Office and salaries	20,948	5,483	(4,717)	**21,714**
	406,902	28,526	(5,561)	**429,867**
Lithium Properties, NWT and Nunavut				
Exploration costs	702,769	-	-	**702,769**
Acquisition costs	71,888	-	-	**71,888**
Geological and assays	18,909	104	-	**19,013**
Office and salaries	62,402	866	-	**63,268**
	855,968	970	-	**856,938**
Lithium Properties, USA				
Exploration costs	336,900	138,926	-	**475,826**
Acquisition costs	212,505	12,764	-	**225,269**
Geological and assays	13,015	12,508	-	**25,523**
Office and salaries	94,223	22,811	-	**117,034**
	656,643	187,009	-	**843,652**
Diamond Properties, NWT and Nunavut				
Exploration costs	39,238	17,692	-	**56,930**
Acquisition costs	14,326	68,074	-	**82,400**
Geological and assays	146,928	-	-	**146,928**
Office and salaries	87,646	14,743	-	**102,389**
	288,138	100,509	-	**388,647**
TOTAL	$ 2,207,651	$ 317,014	$ (5,561)	**$ 2,519,104**

Unless otherwise stated below, the Company's exploration activities are conducted under the supervision of Gordon Clarke, P.Geol. (NT&NU) Vice-President, Exploration of the Company. Mr. Clarke is considered to be a qualified person within the meaning of NI 43-101.

Lithium Projects – Overview

The Company is currently exploring for lithium in the Tin-Spodumene belt of North Carolina (Beaverdam project), as well as the Phoenix and Torp projects in the Northwest Territories and Nunavut, respectively.

Beaverdam Lithium Project – North Carolina

In 2009, the Company initiated a lithium exploration program in the Tin-Spodumene belt of North Carolina. This area is historically the world's largest lithium producing region and hosts the past producing Kings Mountain and Bessemer City lithium mines. The respective owners of these mines, Chemetall Foote Corporation and FMC Lithium Inc., continue to maintain and operate lithium processing and research and development facilities in the area. These facilities include FMC Lithium's Center for Lithium Energy and Advanced Research (CLEAR), which is at the forefront of American development of rechargeable lithium ion batteries for electric vehicles and is located just 11 km from the Beaverdam project, where the Company has concluded seven option agreements with private land owners, allowing the Company to evaluate the lithium potential of approximately 420 contiguous acres.

During the period ending July 31, 2010, the Company completed a seven hole (1,310 m) drill program. Drill holes 10-BD-13 through 10-BD-15 were drilled along a 500 m strike length of the eastern pegmatite trend. All holes were drilled at an angle of -45 degrees and each encountered between 4 and 6 mineralized pegmatites exceeding 2 m in width with highlight intervals including 1.14% Li_2O over 9.95 m starting at 116.9 m in 10-BD-13 and 1.09% Li_2O over 11.3 m starting at 193.25 m in 10-BD-14.

Drill holes 10-BD-16 through 10-BD-18 tested the central pegmatite trend along the same east-west section. Each hole was drilled at an angle of -45 degrees and encountered between six and eight pegmatite dykes exceeding 2 metres in width. Highlight intervals include 10-BD-17 which encountered 1.43% Li_2O over 10.97 m starting at 63.1 m, including 2.74% Li_2O over 1.9 m starting at 72.1 m.

The final hole of the program (10-BD-19) tested a well exposed pegmatite in the central part of the property but failed to hit the target at depth. It is possible the pegmatite mapped at surface is faulted off or dipping in the opposite direction. Further drilling is required.

The current drilling program has confirmed the presence of numerous spodumene pegmatites within the Beaverdam property. Additional drilling is required to define the along strike and down dip continuity of the pegmatite trends identified within the property. Drilling results returned to date continue to highlight the project's potential for discovery of an American domestic lithium source.

Phoenix Lithium Project – Northwest Territories

The Company's Phoenix project is located in the Aylmer Lake area of the Northwest Territories, approximately 60 km east of existing winter road infrastructure that services the Ekati and Diavik diamond mines. The Company has identified nine localities where spodumene-bearing pegmatite dikes are located within the 23,000 acre project area. The two most important localities are the large Big Bird and Curlew pegmatites. The Big Bird pegmatite has been mapped over a 1,200 m strike length with observable widths up to 80 m. Channel sampling has returned assays of up to 3.13 % Li_2O over 1.60 m and drilling returned assays of up to 1.24% Li_2O over 34.3 m. The Curlew pegmatite has been mapped over a 400 m strike length with observable widths to 20 m. Surface grab samples have returned grades of up to 3.62% Li_2O and drilling returned 1.72% Li_2O over 14.87 m.

The significant surface assays and the grades and widths returned from a limited exploration work completed to date illustrate the potential for the Phoenix project area to host a number of large lithium rich pegmatites.

Exploration work on the Phoenix Project is carried out under the authority of a land use permit granted in July 2009 by the Mackenzie Valley Land and Water Board. In August 2009, the Company, along with the Attorney General of Canada, received notification that it had been named as a Respondent with respect to a Notice of Application to the Federal Court of Canada. The Applicants to the Notice, including the Yellowknives Dene First Nation and Lutsel K'e Dene First Nation, seek, among other things, the cancellation of the July 2009 land use permit and orders directing both the Canadian Government and the Company to consult with and accommodate the Applicants in respect of their rights, including their known and asserted Aboriginal and Treaty rights. The Company filed a Notice of Appearance with the Federal Court, however the Company is not an active participant in the proceedings as it believes the matter to be resolved is between the First Nation Applicants and the Federal Government. The hearing for the case took place in Yellowknife Northwest Territories on June 24th and 25th 2010. Judgment is pending.

Torp Lake Lithium Project – Nunavut

The Torp Lake project is located in Nunavut, 30 km southwest of tidewater on the Arctic coast and 245 km east southeast of the Hamlet of Kugluktuk. The project consists of two claims totaling 4,958.4 acres that contain the McAvoy lithium rich pegmatite.

Two rock sawn channel samples were collected in the fall of 2009 to test high concentrations of spodumene that are observable within the McAvoy pegmatite over a 110 m interval and widths of 10 to 15 m. The samples located 78 m apart returned 6.0 m grading 4.5% Li_2O and 7.0 m grading 3.3% Li_2O. These very high assay results were also associated with low iron values indicating the potential of the McAvoy pegmatite as a source of a high quality technical grade spodumene product. The Company is having samples of the pegmatite evaluated to determine the quality of the spodumene. Pending results of this evaluation further exploration of the property may be warranted and would include testing the down dip and additional along strike potential of the McAvoy pegmatite using ground geophysical surveys and drilling.

Diamond, Gold, and Base Metal Projects

Lac de Gras Project – Northwest Territories

The Lac de Gras project is located within the prolific Lac de Gras diamondiferous kimberlite field in Canada's Northwest Territories. The property directly adjoins the mineral leases that host the Diavik diamond mine, located 10 km to the north. The Ekati diamond mine is located within 40 km to the northwest. The kimberlites of the Diavik and Ekati diamond mines are among the richest diamond deposits in the world.

In early 2010, Dr. Chris Jennings carried out a comprehensive review of detailed airborne geophysical coverage for the project area using a proprietary geophysical technique. This same processing technique has been used on geophysical data collected outside of, but proximal to, the Lac de Gras property and in 2008 resulted in the discovery of diamondiferous kimberlites. From his review, Dr. Jennings selected over 70 priority targets and in February 2010 entered into an agreement to jointly explore the project area with the Company. Under the terms of the agreement, Dr. Jennings can earn a 50% interest in the Lac de Gras diamond property by paying the full legal survey costs required to convert selected existing mineral claims to mining leases, paying the first year's rental fees for the mining leases, conducting a review of existing geophysical magnetic data, and subscribing to a $500,400 private placement in the Company. The Company will be responsible for funding the first $1,000,800 in exploration expenditures on the property, subsequent to which exploration of the Lac de Gras property will be carried out based upon a 50/50 joint venture.

A legal survey of 32 claims totaling 80,420.5 acres was completed in July 2010. At the same time ground checks of 79 priority kimberlite airborne geophysical targets selected by Dr. Chris Jennings were carried out and 19 were selected for follow up ground geophysical surveys. In September 2010, a land use permit was received from the Mackenzie Valley Land and Water Board allowing for drilling on the property. Ground geophysical surveys, including magnetic and electromagnetic surveys, are presently being conducted on the 19 selected priority targets. Due to the late issuance of the land use permit, drilling has been rescheduled to spring 2011 to allow collection of ground geophysical information and to take advantage of logistical cost savings available through the use of the nearby Diavik winter road.

Cal and Dotty Project – Yukon Territory

During the period ending July 31, 2010, the Company acquired an option to earn a 100% interest in the Cal and Dotty gold properties, located approximately 50 km northwest of Keno City, Yukon. The target deposit type is carbonate hosted gold mineralization similar to the newly discovered Rau (Tiger Zone) deposit of ATAC Resources Ltd., located only 70 km to the east. The Cal and Dotty claim blocks were staked to cover anomalous results from government regional stream silt samples. On the Cal claims two samples are anomalous for gold and pathfinder elements. One of the samples contains 42 ppb Au and 310 ppb Mo, 21 ppm Pb and 5 ppm W. The other contains 37 ppb Au and 21 ppm As. In the Dotty claim area a sample returned a highly anomalous gold result of 210 ppb Au, as well as 331 ppm As, 1120 ppm Mo, 1230 ppm Ni, 3.4 ppm Sb, and 140 ppm W.

In early August 2010, an initial exploration program of silt sampling, prospecting and contour soil was carried out. During the program a total of 40 rock samples, 90 stream silt samples and 43 soil samples were collected and the results are pending.

The Cal (1,446 acres) and Dotty (620 acres) mineral claims were optioned from Cathro Resources Corp. (50%) and Cazador Resources Ltd. (50%), both private companies. Under the terms of the agreement the Company can earn a 100% interest in the property by funding a minimum $35,000 initial exploration program and by making cumulative payments totaling $150,000 and by issuing cumulative share payments totaling 750,000 shares over a period of four years. Upon completion of the option the vendors will retain a 2.0% net smelter return royalty of which 1% can be purchased at any time for $1,000,000. Advance royalty payments of $25,000 per year will be payable upon exercise of the option until such time as the regular royalty payments begin or the property is returned in good standing. Advance royalty payments can be credited against future royalty payments.

Hammer Project- Nunavut

The Hammer project is located in the Coronation diamond district of Nunavut and is a joint venture between Stornoway (75%) and the Company (25%). In July 2009, Stornoway Diamond Corporation ("Stornoway") notified the Company that a new kimberlite had been discovered on the Hammer property. Kimberlite bedrock was found within a prominent topographic low feature that is 225m long, between 15 and 100m wide, and has a surface expression of approximately 1 hectare.. A diamond (+0.106mm) was recovered from a small sample (6.6 kg) of the discovered kimberlite bedrock.
In September 2010, ground geophysical surveys were conducted over the Hammer kimberlite. A total of 7.6 line-km of total field magnetics and 2.2 line-km of Horizontal Loop Electromagnetics (HLEM) were completed. A magnetic anomaly was detected at the center of the work area, coinciding with the observable topographic low. The magnetic anomaly is ~530nT above background and is roughly 185 m in the NW-SE direction by 65 m in the NE-SW direction. A coincident moderate response conductor was detected with the HLEM survey. The HLEM conductive response outlines an area that matches the dimensions of the magnetic anomaly. A drilling program is planned for summer 2011.

Other Exploration Properties

The Company maintains an interest in a number of additional, non-material exploration properties. The Company continues to review the available exploration data associated with these properties in an effort to evaluate ways to further advance these properties. Included in these properties are the Hope Bay Gold property in Nunavut, and the Anialik and Rush Lake base metal properties in Nunavut.

Results of Operations

The Company's principal business activity is the acquisition and exploration of mineral properties. The Company currently has mineral property interests in the Northwest Territories and Nunavut, Canada and North Carolina, USA.

During the period ended July 31, 2010 (the "Current Period"), the Company recorded a loss of $180,094 ($0.00 loss per share) as compared to a loss of $132,210 ($0.00 loss per share) for the period ended July 31, 2009 (the "Comparative Period"). The main reason for this difference is a $41,149 increase the Company's administrative expenses (Current Period - $173,359; Comparative Period - $132,210).

The Company's administrative expenses of $173,359 increased from $132,210 in the Comparative Period. Stock-based compensation (Current Period - $40,770; Comparative Period - $19,564), and advertising, promotion and travel (Current Period - $35,597; Comparative Period - $26,599) had the largest impact on this increase, followed by increases in salaries and benefits (Current Period - $49,117; Comparative Period - $39,852), office, miscellaneous and rent expense (Current Period - $22,086; Comparative Period - $18,516) and regulatory and filing fees (Current Period - $4,376; Comparative Period - $2,023). Professional fees (Current Period - $21,243; Comparative Period - $25,413) and amortization expense (Current Period - $170; Comparative Period - $243) both decreased during the Current Period. In general, administrative expenses have increased as the Company's corporate activity levels have increased. Advertising, promotion and travel includes monthly fees of US $4,000 for the Windward Agency and monthly fees of $6,500 for Pierre Anglos, both related to investor relations activities. Salaries and benefits are higher as compared to the Comparative Period due to more corporate time required to manage the Company's affairs.

Assets increased from $3,363,074 at April 30, 2010 year-end to $3,807,835 at July 31, 2010 with capitalized resource property costs increasing from $2,207,651 at April 30, 2010 year-end to $2,519,104 at July 31, 2010. The Company's cash decreased from $1,126,124 at April 30, 2010 year-end to $887,107 at July 31, 2010. Total current liabilities increased from $191,837 at April 30, 2010 year-end to $553,322 at July 31, 2010 and consist primarily of exploration related payables and amounts due to related parties (July 31, 2010 - $49,467; April 30, 2010 - $76,610). There was an increase in share capital from $8,755,602 at April 30, 2010 year-end to $9,004,501 at July 31, 2010 due primarily to the exercise of 604,500 warrants for gross proceeds of $108,150 and the receipt of subscriptions totaling $116,100 for a private placement which closed in August 2010.

Summary of Quarterly Results

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

The following table sets out selected unaudited quarterly financial information North Arrow Minerals Inc. 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 Canadian generally accepted accounting principles and are expressed in Canadian dollars.

Quarter Ending	Revenues	Income or (Loss) from Continued Operation and Net Income (Loss)	Basic Earnings (Loss) per share[1] from Continued Operation and Net Income (Loss)	Fully Diluted Earnings (Loss) per share[1] - from Continued Operation and Net Income (Loss)
July 31, 2010	$ 795	$ (180,094)	$ (0.00)	$ (0.00)
April 30, 2010	$ Nil	$ (2,150,894)*	$ (0.00)	$ (0.00)
January 31, 2010	$ Nil	$ (236,563)	$ (0.01)	$ (0.01)
October 31, 2009	$ Nil	$ (235,440)	$ (0.01)	$ (0.01)
July 31, 2009	$ Nil	$ (132,210)	$ (0.00)	$ (0.00)

April 30, 2009	$	Nil	$	75,348*	$	0.00	$	0.00
January 31, 2009	$	202	$	(1,893,458)	$	(0.09)	$	(0.09)
October 31, 2008	$	2,064	$	(1,181,306)	$	(0.05)	$	(0.05)

(1) Based on the treasury share method for calculating diluted earnings.

*includes a future income tax recovery of $147,500 (April 30, 2009 - $476,876) due to the application of EIC-146, "Flow-through Shares", during the years ended April 30, 2010 and 2009. This is a non-cash item recorded in compliance with Canadian GAAP.

Risks and Uncertainties

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 and warrant exercises to further exploration on its properties.

The Company's corporate and administrative expenses cannot be financed with "flow-through" dollars (restricted for use on "grass-roots" exploration at the Company's Canadian mineral properties) so the Company's management is making decisions with a view to preserving its "hard dollars" for as long as possible. The majority of the Company's expenses are denominated in Canadian Dollars so its exposure to foreign exchange risk is limited. In July 2009, the Company acquired a land position, prospective for lithium, in North Carolina, USA. Exploration activities in the US may increase the Company's risk of litigation and expose the Company to foreign exchange risk.

The majority of the Company's receivables consist of sales tax receivables due from the federal government. From time-to-time, the Company will have receivables from companies with which it has exploration agreements or options. The maximum amount of the Company's exposure to credit risk with respect to its receivables is the carrying value of those receivables as at the balance sheet date.

The Company's liquidity risk, the risk that the Company won't be able to meet its obligations as they come due, has been reduced because the Company successfully completed several equity financings in 2010. The Company's management actively monitors its cash-flow and is making decisions and plans for the rest of 2010 and into 2011 accordingly. Under the terms of a flow-through private placement completed in June 2009, the Company was required to spend $500,000 on Canadian exploration expense ("CEE") on or before December 31, 2010. The Company had met this expenditure requirement as of April 30, 2010. The Company's mineral properties are all in good standing and the Company has sufficient financial resources to keep those properties in good standing into 2011. The Company regularly reviews its landholdings with a view to reducing or consolidating those landholdings to focus on specific areas of interest and exploration potential.

The Company has no long-term debt and, as of the report date, the Company has positive working capital, which will be used to continue operations and conduct exploration programs on the Company's properties over the next year. The most significant expenditures facing the Company in 2010 are those costs associated with maintaining a TSXV listing and the cost of exploring its various exploration properties; the Company has only one full-time employee. As of September 29, 2010, the Company has sufficient financial resources for its corporate and administrative expenditures for the next twelve months.

Liquidity and Capital Resources

Working capital as at July 31, 2010 was $733,315 as compared to working capital of $961,322 at April 30, 2010. Cash decreased by $239,017 in the Current Period (Comparative Period – increased by $540,045), to $887,107 as at July 31, 2010 (Comparative Period - $740,531). Cash flow used for operations was $154,679 (Comparative Period - $102,359) while cash flows from financing activities increased the Company's cash position by $222,600 (Comparative Period - $849,839). During the Current Period, the 604,500 common shares were issued upon exercise of warrants for gross proceeds of $108,150 and the Company received subscription receipts of $116,100 for a private placement which closed in August 2010. A description of the financing completed subsequent to the Current Period can be found under the heading "Financings" below.

The Company's primary investing activity is the acquisition and exploration of mineral properties. During the Current Period, the Company spent $306,938 to acquire and explore its mineral property interests (Comparative Period - $207,435). The majority of the Company's expenditures in the Current Period were in Canada ($100,509) and at its lithium properties in North Carolina ($187,009).

As at July 31, 2010, the Company had 3,317,000 outstanding stock options with exercise prices that range from $0.19 to $0.40 and 9,233,750 warrants with exercise prices ranging from $0.10 to $0.32. During the Current Period, a total of 4,659,500 warrants expired on June 1, 2010 while 604,500 warrants were exercised prior to the expiry date, which increased the Company's working capital by $108,150.

Financings

In August 2010, the Company completed a non-brokered private placement of 3,958,333 flow-through units (the "FT Units") at a price of $0.18 per FT unit, for total gross proceeds of $712,500. Each FT unit consisted of one flow-through common share of the Company and one-half of one non-flow-through common share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company until August 20, 2011 at a price of $0.25 per share. As part of this private placement, the Company paid finder's fees of $38,220.

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 at 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. Fewer dollars are available for investment in the current equity markets. However, recent emphasis on finding "green" energy sources has generated an interest in lithium prospects and the Company is actively exploring for lithium at several of its projects. 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. The funds that the Company does have that aren't required in the short-term for exploration or overhead expenditures are invested for up to 90 days in Bankers' Acceptance or Bankers' Deposit Notes to reduce the Company's exposure to credit risk. The Company has no exposure to asset-backed commercial paper nor does the Company have any long-term debt.

The Company's most significant fixed costs relate to salary expense for its one full-time employee and the costs associated with maintaining a TSXV listing. The Company has sufficient financial resources to keep its material landholdings and the majority of its non-material landholdings in good standing into 2011. Furthermore, the Company has also incurred sufficient exploration expenditures on these properties to keep them in good standing with the respective provincial and territorial governments into 2011 as well. All flow-through funds raised in 2009 have been expended. 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 expects that additional financings will be required to continue to further exploration efforts at its various exploration properties and to maintain its listing on the TSXV. In the interim, the Company is seeking to maximize the results received from its exploration efforts, to minimize variable expenses to the extent possible and to seek joint venture partners to continue to further exploration of its mineral properties.

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at September 29, 2010, there were 48,658,378 common shares issued and outstanding. As at September 29, 2010 the Company had the following options and warrants outstanding:

	Number of Shares		Exercise Price	Expiry Date
Options	78,000	$	0.25	March 16, 2011
	54,000	$	0.25	September 15, 2011
	148,000	$	0.25	March 29, 2012
	1,125,000	$	0.40	August 7, 2012
	1,410,000	$	0.20	June 4, 2014
	200,000	$	0.30	September 2, 2014
	150,000	$	0.19	March 26, 2015
	150,000	$	0.25	March 26, 2015
	3,315,000			
Warrants	1,045,750	$	0.32	February 21, 2011
	4,000,000	$	0.10	February 26, 2011
	57,500	$	0.32	February 26, 2011
	1,390,000	$	0.30	March 26, 2011
	2,740,500	$	0.30	April 20, 2011
	9,233,750			

Transactions with Related Parties

Related party transactions disclosed in Note 7 of the interim consolidated financial statements for the period ended July 31, 2010 are as follows:

a) During the period ended July 31, 2010, the Company paid or accrued $36,568 (July 31, 2009 - $36,134) for shared technical services and rent to Strongbow. As at July 31, 2010, Strongbow owned approximately 10.79% (April 30, 2010 – 10.94%) of the Company's issued and outstanding shares.

b) During the period ended July 31, 2010, the Company paid or accrued $8,268 (July 31, 2009 - $6,140) for administrative and accounting services to Stornoway.

		July 31, 2010		April 30, 2010
Strongbow, a company with two common directors and a common officer	**$**	**28,675**	$	28,364
Stornoway, a company with a common officer		**7,170**		7,301

Directors		**13,622**		40,945
	$	**49,467**	$	76,610

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as well as the reported expenses during the reporting period. Such estimates and assumptions affect the determination of the potential impairment of long-lived assets, estimated costs associated with reclamation of exploration properties and the determination of stock-based compensation and future income taxes. Management re-evaluates its estimates and assumptions on an ongoing basis; however, due to the nature of estimates, actual amounts could differ from its estimates. The most critical accounting policies upon which the Company depends are those requiring estimates of impairment, assumptions about fair value and future income taxes.

Impairment of long-lived assets

The Company uses the guidance set out in AcG-11 as the basis for determining whether its mineral properties should be written off. Paragraph 16 AcG-11 sets out factors that may indicate the need for a write-down:

a) unfavourable changes in the property or project economics;
b) an inability to access the site;
c) environmental restrictions on development;
d) an inability to create an efficient distribution mechanism; and
e) political instability of the region in which the property is located.

Paragraph 18 AcG-11 states: "In addition to the above general presumption, there should be a presumption of impairment in the carrying amount of property, plant and equipment and intangible assets of enterprises in the development stage engaged in extractive operations when any of the following conditions exist:

a) the enterprise's work program on a property has significantly changed so that previously identified resource targets or work programs are no longer being pursued;
b) exploration results are not promising and no more work is being planned for the foreseeable future; or
c) remaining lease terms are insufficient to conduct necessary studies or exploration work.

Using these conditions as a guideline for estimating whether an impairment exists on its mineral properties and based on the Company's plan to further evaluate and advance these properties by analyzing results received to-date, management has determined that as of July 31, 2010 capitalized exploration and acquisition costs of $5,561, which relate to various non-material properties in NWT and Nunavut, should be written off because no exploration programs of significant are planned for the foreseeable future.

Stock-based compensation

The Company's current market price and the volatility of the Company's market price will affect the estimates made for stock-based compensation. The volatility of the Company's stock price and the stock price at the grant date have the most significant impact on the estimate of fair value of stock-based compensation.

Recent Accounting Pronouncements

Business combinations

In January 2009, the CICA issued the new handbook Section 1582 - *Business Combinations* ("Section 1582"), 1601 – Consolidated Financial Statements ("Section 1601") and 1602 – Non-controlling Interests ("Section 1602") which replaces CICA Handbook Section 1581 – Business Combinations and 1600 – Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after February 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning February 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

International financial reporting standards

The Canadian Accounting Standards Board recently confirmed that IFRS will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions. The Company will be required to prepare fully IFRS compliant financial statements for the year ended April 30, 2012, with the first interim financial statements prepared under IFRS for the three-month period ended July 31, 2011.

The Company's conversion plan consists of four phases: scoping and planning, detailed assessment, implementation and post implementation. The Company has completed the scoping and planning stage and is now in the detailed assessment stage. The Company has not commenced the implementation and the post implementation stages. While the Company has begun the detailed assessment process, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. IFRS education and reports to the Audit Committee commenced in calendar 2009 and continues to be ongoing.

Expected Areas of Significance

Standard	Description
Share based payments (IFRS 2)	The Company will need to apply the graded vesting method for all stock option grants. This is not expected to have a material change upon transition to IFRS.
Exploration for and evaluation of mineral resources (IFRS 6)	The Company currently capitalizes all acquisition, exploration and evaluation costs as assets therefore, there will be no change upon transition to IFRS.
Property, plant and equipment (IAS 16)	The Company will continue to record its property, plant and equipment assets at cost, less accumulated amortization assets therefore, there will be no change upon transition to IFRS.
Asset impairment (IAS 36)	The Company's exploration assets are the Company's most significant long-lived asset and must be reviewed for impairment when circumstances suggest that their carrying values may be impaired. The adoption of this standard is not expected to have a material change on the Company's financial reporting.
Income taxes (IAS 12)	Management is currently evaluating how the adoption of this standard will impact the Company.

As the detailed assessment phase is currently ongoing, the summaries above should not be considered as a complete list of the standards or changes that will result from The Company's transition to IFRS. These summaries are intended to highlight the areas identified to-date by management where the conversion to IRFS is expected to have the most significant impact. It should be noted that management's assessment of the impact of certain differences between Canadian GAAP and IFRS is still in progress and there are a number of decisions remaining where choices of accounting policies are available. Quantification of the impact of transitioning to IFRS will form part of the detailed assessment phase, which is currently ongoing.

Next Steps

The detailed assessment phase is currently underway and requires management to undertake an in-depth technical analysis to develop an understanding of the potential impacts and to quantify those impacts resulting from the adoption of IFRS; to make recommendations for accounting policy choices and to then draft accounting policies under IFRS. In addition, this phase will result in the identification of additional resource and training requirements and the processes for preparing financial statements, establishing IT system requirements and preparing detailed transition plans. The Company is currently working on this phase and management expects that a detailed technical analysis should be finished before the end of calendar 2010.

During the implementation phase, IFRS compliant financial statements and notes will be drafted and an opening balance sheet as at May 1, 2010 will be prepared. In addition, management will continue its review and assessment of the impact of transition on the Company's existing internal controls over financial reporting, its disclosure controls and its information technology and data systems. The last phase of post-implementation will involve monitoring of changes in IFRS and assessing the impact of those changes on the Company's reporting. While the Company has begun the detailed assessment process, the financial reporting impact of the transition to IFRS remains to be quantified. IFRS education and reports to the Audit Committee commenced in 2009 and continue to be ongoing.

Off-Balance Sheet Arrangements

Not applicable.

Financial Instruments

The Company's financial instruments consist of cash and equivalents, receivables, accounts payable and accrued liabilities and amounts due to related parties. The carrying value of receivables, accounts payable and accrued liabilities and amounts due to related parties approximates their fair values due to their immediate or short-term maturity. Cash and equivalents is measured at fair value using a level 1 fair value measurement.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, equity risk and foreign currency risk. An analysis of the impact of these specific risks can be found in Note 3 to the interim consolidated financial statements as at July 31, 2010. The Company presently has some exposure to foreign currency risk with its acquisition of mineral properties in the United States however, the majority of its assets and liabilities are denominated in Canadian dollars. The Company does not presently invest in foreign currency contracts to mitigate this risk. It is management's opinion that the Company is not exposed to significant foreign currency, interest rate and credit risk arising from these financial instruments. 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.

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 mineral properties 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 spend its existing working capital and 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 mineral property costs is provided in the Company's Statement of Operations and Deficit and the Mineral Properties Notes contained in its interim Consolidated Financial Statements for the three months ended July 31, 2010 and July 31, 2009 and its audited Consolidated Financial Statements for the years ended April 30, 2010 and 2009. These statements are available on its SEDAR Page Site accessed through 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 interim MD&A. A copy of this interim MD&A will be provided to anyone who requests it.