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MANAGEMENT DISCUSSION AND ANALYSIS

October 31, 2016

Description of Business

North Arrow Minerals Inc. ("North Arrow" 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 Qilalugaq (Nunavut), Pikoo (Saskatchewan), Lac de Gras (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, 2016 should be read in conjunction with the audited financial statements of the Company for the years ended April 30, 2016 and April 30, 2015, together with the notes thereto. The MD&A supplements, but does not form part of the unaudited 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, 2016 and subsequent events up to November 29, 2016

Qilalugaq project, NU

- During the period, the Company continued with a diamond polishing and evaluation exercise to better understand the characteristics and value of fancy coloured diamonds recovered from the Q1-4 kimberlite, and to evaluate their potential impact on the project. Initial 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.

Pikoo project, SK

- On April 4, 2016, the Company announced completion of a winter 2016 drilling program. 2,124 m of drilling was completed with kimberlite encountered in 14 of 19 drill holes, including the discovery of the PK346 and PK347 kimberlite occurrences in the North Pikoo area. This brings the total number of discrete kimberlite occurrences in the Pikoo Project to ten.

- On May 31, 2016 and June 25, 2016, the Company reported microdiamond results from samples of the PK150, PK314 and PK346 kimberlites, which confirm that all five of the Pikoo project kimberlites that have been tested to date are diamondiferous.

- On September 13, 2016, the Company reported a total of 101 till samples were collected from the Project. Samples were collected from the North Pikoo, South Pikoo, East Pikoo and Bear Lake target areas where an evaluation of past results suggests that undiscovered kimberlites may be present.

Mel project, NU

- On September 13, 2016, the Company announced a total of 111 till samples were collected from the Mel property to follow up and test the up ice termination of at least two distinct kimberlite indicator mineral (KIM) trains identified from 2015 sampling.

Lac de Gras joint venture project, NT

- During the period ended October 31, 2016 the Lac de Gras joint venture, operated by partner Dominion Diamond Corporation, completed an airborne geophysical survey over portions of the joint venture property.

Loki project, NT

- On September 13, 2016, the Company announced North Arrow had staked mineral claims covering new target areas to the south and east of the Redemption project. The Company retains a 100% interest these new claims as well as several previously staked mineral claims located to the southeast of the Monument kimberlite cluster, which together comprise the Company's new Loki Diamond Project. A brief till and esker sampling program was conducted at the Loki Project in August 2016 with 56 samples collected to provide an initial evaluation of identified target areas.

Redemption project, NT

- During the period ended October 31, 2016 the Company relinquished its option to earn an interest in the Redemption project.

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, 2016	Expended During the Period	Write-offs During the Period	October 31, 2016
Diamond Properties				
Lac de Gras, Canada				
Exploration costs	$ 235,404	$ -	$ -	$ 235,404
Acquisition and tenure costs	277,918	-	-	277,918
Geological, data collection and assays	153,559	-	-	153,559
Office and salaries	134,040	-	-	134,040
	800,921	-	-	800,921
Pikoo, Canada				
Exploration costs	1,242,974	4,161	-	1,247,135
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	14,581	729	-	15,310
Geological, data collection and assays	1,374,630	132,054	(49,222)	1,457,462
Office and salaries	529,006	49,119	-	578,125
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	4,609,237	186,063	(49,222)	4,746,078
Loki, Canada				
Exploration costs	-	2,857	-	2,857
Acquisition and tenure costs	-	1,608	-	1,608
Geological, data collection and assays	-	45,899	-	45,899
Office and salaries	-	11,373	-	11,373
	-	61,737	-	61,737
Qilalugaq, Canada				
Exploration costs	357,350	23,445	-	380,795
Drilling	-	239,420		239,420
Acquisition and tenure costs	73,670	32,334	-	106,004
Geological, data collection and assays	3,395,314	60,608	-	3,455,922
Office and salaries	252,634	39,189	-	291,823
	4,078,968	394,996	-	4,473,964
Luxx, Canada				
Exploration costs	50,420	-	-	50,420
Acquisition and tenure costs	138,639	94	-	138,733
Geological, data collection and assays	121,301	-	-	121,301
Office and salaries	43,221	1,073	-	44,294
	353,581	1,167	-	354,748
Mel, Canada				
Exploration costs	83,128	16,099	-	99,227
Acquisition and tenure costs	130,866	1,120	-	131,986
Geological, data collection and assays	444,364	65,615	-	509,979
Office and salaries	55,906	19,546	-	75,452
	714,264	102,380	-	816,644
Redemption, Canada				
Exploration costs	-	5,399	(5,399)	-
Drilling	-	21,436	(21,436)	-
Acquisition and tenure costs	-	10,204	(10,204)	-
Geological, data collection and assays	-	6,567	(6,567)	-
Office and salaries	-	21,461	(21,461)	-
Recoveries	-	(56,100)	56,100	-
	-	8,967	(8,967)	-
TOTAL	$ 10,556,971	755,310	(58,189)	$ 11,254,092

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

Qilalugaq, Pikoo and Timiskaming Diamond Projects, Canada

In April, 2013 the Company closed an assignment agreement with 0954506 B.C. Ltd. ("BCCo") under which the Company acquired BCCo's interest and obligations in three option agreements to earn 80% interests in the Timiskaming, Pikoo and Qilalugaq diamond projects. At that time, Stornoway Diamond Corporation ("Stornoway") held a 100% interest in all three projects and had granted BCCo options to acquire the 80% interests in the projects. The Company paid to BCCo $20,000 and issued to BCCo of 500,000 transferrable share purchase warrants. Each share purchase warrant entitles the holder to acquire one common share of the Company at a price of $0.25 for a period of five years. BCCo is a private company controlled by Eira M. Thomas. Ms. Thomas is the daughter of D. Grenville Thomas, Chairman and a director of the Company.

Details on the status of each project are provided below.

Qilalugaq diamond project, Nunavut

The Qilalugaq diamond project is located near the community of Naujaat (Repulse Bay), Nunavut. The project is subject to a 3% net smelter returns royalty on metals produced and a 3% gross-overriding royalty on the sale of industrial minerals, including diamonds. 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.

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.

During the summer of 2014, the Company collected an approximate 1,500 wet tonne sample from the Q1-4 kimberlite for the purpose of recovering a larger parcel of diamonds to better determine diamond content, size distribution, diamond parcel value, and to establish whether or not coloured diamonds persist into the larger diamond sizes. The sample was collected by surface trenching an area of Q1-4 where there is limited (<1m) overburden cover. The sample was delivered to the processing laboratory in Thunder Bay, ON and sample processing commenced in October 2014. The sample was initially processed through a dense media separation (DMS) plant and the resultant concentrate was shipped to Stornoway's North Vancouver diamond sorting facility in North Vancouver where is was further upgraded and sorted for diamonds. On May 5, 2015, the Company reported that final diamond recoveries from the sample included 11,083 diamonds greater than +1 DTC (~1.00 mm) weighing 384.28 carats from 1,353.37 dry tonnes. The largest three diamonds are 4.42 carats (intense yellow cubic aggregate), 4.16 carats (greenish yellow cubic aggregate), and 3.53 carats (pale yellow cubic aggregate). The recovered diamonds include 15 diamonds larger than 1 carat. Yellow diamonds, representing a range of hues and tones, comprise approximately 9.0% by stone count (21.5% by carat weight) of the +1 DTC diamonds. On June 9, 2015, the Company reported that the cleaned parcel of 383.55 carats of diamonds greater than +1 DTC had been valued by WWW International Diamond Consultants (WWW) with a modelled range of possible values from a possible low of $43 per carat and a possible high of $92 per carat. The primary conclusion reached by WWW was that the valuation results and modelled values should be treated with considerable caution when assessing the Qilalugaq project due to the very small size of the diamond parcel.

The reader is referred to the Company's news releases of April 21 2015, May 5 2015 and June 9 2015 available under the Company's profile at www.sedar.com or on the Company's website (www.northarrowminerals,com) for details on the processing of the bulk sample and related QA/QC measures.

The Q1-4 bulk sampling program and related diamond valuation was funded by the Company and fulfilled the Company's obligations to earn, from Stornoway, an 80% interest in the Qilalugaq project. On July 10, 2015, the Company delivered to Stornoway official notice that it had vested at an 80% interest in the project and ongoing exploration and evaluation of the project is subject to an 80%/20% (North Arrow/Stornoway) participating joint venture.

It is management's opinion that, in addition to its small size, the valuation of the Q1-4 diamond parcel was further complicated by 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. Initial 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 this polishing exercise and related data analyses, the Company has mobilized a diamond drill to the project site in anticipation of a spring 2017 drilling program.

The estimated cost of the polishing exercise and ongoing consultation and permitting work for the project is approximately $50,000. Stornoway has indicated it will not fund its share of these costs and as such the Company's interest in the project shall increase proportionately.

The project is 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. Subsequent to the period ended October 31, 2016 the Company, Stornoway and the underlying royalty holder concluded an amending agreement under which the NSR and GPR may each be reduced to 1% subject to future contingent cash payments totalling $5.15M and future staged exploration expenditures totalling $20M.

Pikoo diamond project, Saskatchewan

The 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. During the summer of 2013 the Company completed an initial exploration drilling program at the project, intersecting kimberlite in nine of the ten drill holes, confirming the presence of a new kimberlite field in this region. By funding the drilling program, the Company fulfilled its obligations to earn, from Stornoway, an 80% interest in the project. As a result, ongoing exploration and evaluation of the project is subject to an 80%/20% (North Arrow/Stornoway) participating joint venture.

Three drilling programs (53 drill holes; 7,369m) have been completed at the Pikoo project (2013, 2015, and 2016) and a total of 10 discrete kimberlite occurrences have been discovered. Microdiamond testing of four of the kimberlites discovered by the 2013 and 2015 drilling programs confirmed that the PK150, PK311, PK312, and PK314 kimberlites are diamondiferous. A full summary of the initial diamond results from these kimberlites can be found in the Company's MD&As for the years ended April 30, 2014 and 2016. The 2016 drilling program resulted in the discovery of the PK346 and PK347 kimberlite occurrences in the North Pikoo area as well as possible eastern and western extensions to the PK314 kimberlite. Additional drilling was also completed in the PK150, PK312 and PK311 areas. Microdiamond testing was completed on samples from the PK150, PK314 and PK346 kimberlites, with PK346 confirmed as diamondiferous bringing the total number of diamond bearing kimberlites on the property to five. A summary of the 2016 drilling results can be found in the Company's MD&A for the three months ended July 31, 2016. Results were first reported in North Arrow news releases dated April 4, 2016, May 31, 2016, and July 25, 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. During the period ended October 31, 2016 the Company collected a total of 101 till samples from the North Pikoo, South Pikoo, East Pikoo and Bear Lake target areas. Sampling was intended to better define additional potential drill targets within each of these areas in advance of a 2017 exploration drilling program.

Detailed petrographic work is also underway to aid in the interpretation of the Pikoo kimberlites in conjunction with diamond results, mineral abundances and core logging information. Initial results from this work suggest that additional, as yet undiscovered, kimberlites are located in the North Pikoo area. This conclusion is based on the relative lack of pyrope garnet in the mantle sample of PK314 and PK346 as compared to the abundance of pyrope garnets in till samples located down ice from these kimberlites.

Stornoway has elected not to contribute to the 2016 Pikoo project exploration budget. The Company has elected to solely fund the program and as a result its ownership interest in the Pikoo project is expected to increase to approximately 85%.

Pikoo Option Properties - In September 2014, the Company entered into separate option agreements with Eagle Plains Resources Ltd., Kalt Enterprises Ltd. and Canadian International Minerals Inc. to acquire interests in a group of contiguous mineral claims to the northeast of the Pikoo diamond project area. Under the terms of the agreements the Company can acquire 70% interests in the option properties by reimbursing staking costs that totalled $5,600 (paid) and discovering a kimberlite on the properties within a three-year period. In the event that North Arrow earns a 70% interest, the properties will be subject to a 2% gross overriding royalty on diamonds, payable to the vendor. There will be a retained right to purchase 1% of any royalty granted at any time for $1,000,000. The Company and Stornoway have separately agreed to evaluate the properties under the Pikoo joint venture. During the period ended October 31, 2016 the Company notified each of the three parties of its intent to relinquish its option to earn an interest in their respective properties and as such the Company wrote off $49,222 in related exploration expenditures.

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 the option agreement with Stornoway and the Company delivered notice to Stornoway that it had earned an 80% interest in the project. Surficial sediment sampling and geophysical data from the project suggest additional undiscovered kimberlites may be located within the project area.

Redemption Diamond Project, Northwest Territories

In July 2013, the Company entered into an agreement with Arctic Star Exploration Corp. under which Arctic Star granted the Company an option to earn a 55% interest in the Redemption diamond project in the Lac de Gras region of the Northwest Territories. On July 11, 2014, the Company and Arctic Star signed an addendum to the option agreement under which the project area was expanded to include three additional mineral claims and one mining lease. Under the terms of the agreement, as amended, the Company could earn a 55% interest in the Redemption project by incurring $5 million in exploration expenditures prior to July 1, 2017.

On February 10, 2016, the Company closed the sale of a royalty interest in the Redemption property to Umgeni Holdings International Limited ("Umgeni") for $800,000. Umgeni is a private company of which Christopher Jennings, a director of North Arrow, is a beneficiary of the sole shareholder. Umgeni paid North Arrow $800,000 to acquire the following royalty interests:

- a 1.5% gross overriding royalty on diamonds ("GOR") and a 1.5% NSR on base and precious metals for the three mineral claims owned 100% by North Arrow. These claims are not subject to the option agreement with Arctic Star and now form part of the Company's Loki project (see below);

- a 1.25% GOR and 1.25% NSR on 12 mineral claims and 5 mining leases (the "ADD Claims") that are subject to the Redemption option agreement with Arctic Star. These 1.25% royalties will be payable from North Arrow's ultimate interest in the ADD claims and NAR will have sole responsibility for paying them. If North Arrow decides not to proceed beyond 2016 with further exploration under the option agreement with Arctic Star, Umgeni has the right to acquire North Arrow's interest in the option. If Umgeni does not acquire North Arrow's interest in the option agreement and the option agreement terminates, then Umgeni will have no further right to receive royalties for any ADD Claims in which North Arrow does not retain an interest. Arctic Star consented to the granting of these 1.25% royalties on the ADD Claims and the possible future transfer to Umgeni of North Arrow's interest in the option agreement.

The Redemption project is located within the Lac de Gras diamond district, approximately 32 km southwest of, and 47 km to the west of the Ekati and Diavik diamond mines, respectively. The focus of exploration on the project was to explore the interpreted up ice termination of the South Coppermine KIM train. During the period extending from July 2013 through to May 2016 the Company completed exploration programs consisting of airborne and ground geophysical surveys, bathymetry surveys, till sampling, and two drilling programs. The purpose of this exploration was to discover a bedrock source to the South Coppermine KIM train, however kimberlite was not discovered as a result of these work programs. Details of these programs can be found in the Company's MD&A's for the years ended April 30, 2015 and April 30, 2016.

During the period ended October 31, 2016, Umgeni elected not to acquire the Company's interest in the Redemption option agreement and the Company issued a notice to Arctic Star of the Company's intent to relinquish its option to earn an interest in the Redemption project. Further to the July 11, 2014 addendum to the option agreement, the Company also notified Arctic Star of the Company's intent to retain a 55% interest in one mineral claim contiguous to the Redemption project.

Loki Diamond Project – Northwest Territories

On September 13, 2016, the Company announced formation of the new Loki Diamond project. The Loki project consists of 13 mineral claims covering 7,059 ha, acquired by staking between 2013 and 2016 in the Lac de Gras region of the Northwest Territories. The Company holds a 100% interest in these claims subject to a 1.5% GOR on diamonds and a 1.5% NSR on base and precious metals granted to Umgeni under the terms of the January 2016 royalty purchase agreement referred to above. The Loki project mineral claims cover identified target areas to the south of the Redemption project and to the southeast of the Monument kimberlite cluster. A brief till and esker sampling program was conducted at the Loki Project in August 2016 with 56 samples collected to provide an initial evaluation of identified target areas. Results from processing these samples are expected in December 2016 and January 2017. The Company intends to apply for the required permits to allow for exploration drilling of targets on the property.

Lac de Gras Diamond Project – Northwest Territories

The Lac de Gras Diamond project forms a very large, approximately 124,000 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. 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 $1,280,000 exploration budget for the period from February 2016 to January 2017. The program will consist of data compilation work, airborne geophysical surveys and ground follow up work. As part of this program, a 3,020-line kilometer helicopter-borne magnetic/electromagnetic survey was completed during September 2016.

Subsequent to the approval of the 2016 exploration program and budget, the Company elected not to contribute its 45% share of costs to the program. Dominion elected to fund the full program and budget and, assuming the full program budget is spent, the Company expects its interest in the LDG joint venture to dilute to approximately 39%. The decision to not participate in the approved program and budget allowed the Company to focus its exploration expenditures on the Pikoo and Redemption project drill programs while retaining a significant 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, Nunavut. 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 Qilalugaq diamond project. The property is located within 10 km of tidewater and hosts at least three unsourced KIM trains. The mineral trains are composed of pyrope and eclogitic garnets, as well as ilmenite.

On September 13, 2016 the Company announced completion of a till sampling program at the project. A total of 111 till samples were collected to follow up anomalous KIM counts identified by till sampling in 2015 and earlier programs. Results from the 2015 sampling program included five samples that returned in excess of 100 KIM grains (please see Company news release dated April 5, 2016 for details). For comparison, the most anomalous sample from previous till sampling had returned 22 KIM grains. These highly anomalous 2015 samples were all located at or near the up ice termination of at least two distinct KIM trains. The 2016 samples were collected over an area extending up to 2 km further up ice from the anomalous 2015 samples in an effort to fully define the up ice cut off of these KIM trains. The samples arrived at the processing laboratory in October, 2016 and results are expected during the winter of 2017. The Company intends to apply for the required permits to allow for 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 project is currently permitted 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.

Gold and Base Metal Projects

The Company maintains an interest in a number of non-material gold, base metal and lithium 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. The remainder of the HBVB is currently being evaluated by TMAC Resources Ltd. The ORO property covers an area of 40 sq. km, with TMAC's Doris gold mine located only 3.25 km to the south of the property boundary. The Doris deposit 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.

North Carolina Lithium Data Sale

During the period ended October 31, 2016, the Company sold certain data and information related to its former North Carolina lithium interests. Under the terms of the agreement with an arm's length third party purchaser, the Company may receive proceeds of up to US$50,000 for this data and information. During the period ended October 31, 2016 the Company received US$25,000.

Torp Lake (Nunavut) and Phoenix (Northwest Territories) Lithium Properties

In May 2016, the Company closed the sale of its interest in the mineral claims comprising the Torp Lake (Nunavut) and Phoenix (Northwest Territories) lithium projects to Clean Commodities Corp (TSXV-CLE; previously Athabasca Nuclear Corp.) for 2,500,000 shares of Clean Commodities at a deemed value of $0.08 per share. The Company also received 1,000,000 common share purchase warrants, each warrant entitling the Company to purchase one common share of Clean Commodities for $0.20 prior to May 20, 2018.

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

Overall performance

	October 31, 2016	April 30, 2016	April 30, 2015
Current assets	**$ 1,246,020**	$ 2,641,314	$ 2,268,159
Non-current assets	**11,331,399**	10,643,950	10,729,416
Liabilities	**(34,182)**	(608,670)	(278,449)
Shareholders' equity	**$ 12,543,237**	$ 12,676,594	$ 12,719,126

Financing/Use of Proceeds

On May 28, 2015, the Company completed a private placement of 4,211,000 flow-through shares at a price of $0.95 per share for total gross proceeds of $4,000,450. As part of this private placement the Company paid finders' fees and costs totalling $347,697. The Company has used these funds for exploration of its Canadian exploration and evaluation assets in calendar 2015 and 2016 and renounced these expenditures to the investors December 31, 2015 using the look back rules.

Results of Operations

During the three and six months ended October 31, 2016 (the "current quarter and current period respectively"), the Company recorded losses of $137,460 or $0.00 per share and $100,025 or $0.00 per share respectively. This is compared with losses of $188,983 or $0.00 per share and $569,249 or $0.01 per share respectively for the three and six months ended October 31, 2015 (the "comparative quarter and comparative period"). The $469,224 reduction in the loss for the current period was largely a result of the gain the Company recorded on its sale of mineral properties and the reductions it had in both share based compensation and property investigation costs. During the six months ended October 31, 2016, the Company sold the Torp and Phoenix property mineral claims as well as data and information relating to an expired North Carolina lithium project resulting in a gain of $266,024 (comparative period - $nil). In addition, the Company did not grant stock options during the period and reduced exploration start-up costs resulting in reduced share-based compensation and property investigation costs.

Expenses for the current quarter were $137,693 (comparative quarter - $201,565) a decrease of $63,872 from the comparative quarter. The reduction in expenses during the current quarter was largely related to reductions in share-based compensation $nil (comparative quarter - $38,460) and property investigation costs $568 (comparative quarter - $26,913). In addition, during the current quarter the Company realized a gain of $32,500 (comparative quarter - $nil) from the sale of data and information relating to expired exploration properties located in North Carolina, wrote-off $18,205 (comparative quarter - $nil) of exploration and evaluation assets and recorded a non-cash loss of $13,915 (comparative quarter - $nil) on the warrants it received on the Torp/Phoenix property sales. During the current quarter the Company has continued its exploration programs and incurred administrative costs to maintain its public listing and administer activities.

Expenses for the current period were $296,495 (comparative period - $590,711) a decrease of $294,216 from the comparative period. The reduction in expenses during the current period was largely related to reductions in share-based compensation $2,068 (comparative period - $121,106) and property investigation costs $13,606 (comparative period - $150,432).

In addition, during the current period the Company sold data and exploration and evaluation assets realizing a gain of $266,024 (comparative period - $nil), wrote-off $58,189 (comparative period - $nil) of exploration and evaluation assets and recorded losses of $15,510 (comparative period - $nil) on its marketable securities. During the current period the Company has continued its exploration programs and incurred administrative costs to maintain its public listing and administer activities.

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, 2016	$ 1,448	$ (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
October 31, 2015	$ 12,582	$ (188,983)	$ 0.00	$ 0.00
July 31, 2015	$ 7,373	$ (380,266)	$ (0.01)	$ (0.01)
April 30, 2015	$ 6,977	$ (396,027)	$ (0.01)	$ (0.01)
January 31, 2015	$ 12,564	$ (427,573)	$ (0.01)	$ (0.01)

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 $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.

The $188,983 loss for the second quarter of fiscal 2016 reflects the Company's ongoing administration, a non-cash $38,460 (comparative quarter - $223,130) share-based compensation charge for options granted to directors, officers, employees and consultants and a $26,913 (comparative quarter – recovery of $2,557) property investigation charge for project evaluation costs.

The $380,266 loss for the first quarter of fiscal 2016 reflects the ongoing administration costs, a non-cash $82,646 (comparative quarter - $189,454) share-based compensation charge for options granted to directors, officers, employees and consultants and a $123,519 (comparative quarter - $10,977) property investigation charge for project evaluation costs.

The $396,027 loss for the fourth quarter of fiscal 2015 reflects a non-cash $115,035 (comparative quarter - $215,665) share-based compensation charge for options granted to directors, officers, employees and consultants, a $nil (comparative quarter - $128,301) write-down of exploration and evaluation assets and the ongoing administration costs of the Company.

The $427,573 loss for the third quarter of fiscal 2015 reflects a non-cash $192,431 (comparative quarter - $240,581) share-based payment charge for options granted to directors, officers, employees and consultants and ongoing costs of administering the requirements of a public company active in exploration.

October 31, 2016 compared to April 30, 2016

During the first two quarters of fiscal 2017 the Company has continued its exploration activities and completed work at the Pikoo, Qilalugaq, Mel and the Loki areas. In addition, during the current period the Company sold its interest in non-core properties and data for a gain of $266,024.

At October 31, 2016, the Company had working capital of $1,211,838, exploration and evaluation assets of $11,254,092 and shareholder equity of $12,543,237. These financial position numbers are compared to working capital of $2,032,644, exploration and evaluation assets of $10,556,971 and shareholders' equity of $12,676,594 at April 30, 2016. The $820,806 reduction in working capital from April 30, 2016 is largely a result of the Company's net expenditure of $697,121 on the maintenance, exploration and evaluation of its mineral interests and $100,025 on administration costs during the first two quarters of fiscal 2017.

Liquidity

At October 31, 2016, the Company had working capital of $1,211,838 compared to a working capital of $2,032,644 at April 30, 2016 and $4,186,995 at October 31, 2015. During May 2015, the Company raised $4,000,450 of flow through funding and has carried out work programs to meet its expenditure commitments related to this funding. During the current period the Company's cash position decreased $1,480,609 (comparative period – increased $1,992,166) as a result of $nil (comparative period - $3,652,753) raised on a flow through financing and cash expenditures of $1,232,783 (comparative period - $1,202,372) on exploration programs on the Company's projects.

Operating activities

During the current period the Company's operating activities used $247,826 (comparative period - $458,215) of cash. The use of cash in operating activities in fiscal 2017 reflects the Company's loss of $100,025 (comparative period – loss of $569,249) for the period adjusted for cash and non-cash items affecting operations. The non-cash items that affected operating activities consisted of the gain on disposal of mineral properties $266,024 (comparative period - $nil), share-based compensation $2,068 (comparative period - $121,106), write-offs $58,189 (comparative period - $nil), depreciation $9,672 (comparative quarter - $9,808) and marketable security transactions $15,510 (comparative period -$nil). These non-cash adjustments were offset by an increase in cash of $32,784 (comparative period – use of cash $19,880) related to funding changes in items such as accounts receivable and accounts payable.

Investing activities

The Company's primary investing activity is the acquisition of exploration and evaluation assets. During the six months ended October 31, 2016, the Company used $1,232,783 (comparative period - $1,202,372) of cash to evaluate its exploration and evaluation assets and purchase equipment.

Financing activities

During the six months ended October 31, 2016, financing activities provided cash of $nil (comparative quarter - $3,652,753) from the issuance of shares.

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 may have to raise additional funds 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 to 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 ore resources and corresponding grades being mined or dedicated to future production. Until ore is actually mined and processed, quantity of reserves and grade must be considered as estimates only. In addition, the quantity of reserves may vary depending on diamond or metal prices. Any material change in quantity of reserves, 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 reserves 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 bodies of ore. 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 reserves through drilling, to develop metallurgical processes to extract the metal or diamonds from the resources and, 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 mining 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 November 29, 2016, the Company had the following shares, options and warrants outstanding:

		Number
Shares issued and outstanding		54,155,741
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
Warrants:		
April 29, 2018	$0.25	500,000
August 19, 2018	$0.65	500,000
Fully diluted		59,295,741

Share issuances

On May 28, 2015, the Company completed a private placement of 4,211,000 flow-through shares at a price of $0.95 per share for total gross proceeds of $4,000,450. As part of this private placement the Company paid finders' fees and costs totalling $347,697. The Company intends to use the funds for exploration of its Canadian exploration and evaluation assets in calendar 2015 and 2016 and has renounced these expenditures to the investors using the look back rules.

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

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed below. Details of the transactions between the Company and related parties not disclosed elsewhere in the Company's financial statements are disclosed below.

Related party transaction

Certain companies which have an officer and/or director or former officer and/or director in common and render services or are charged for certain services are as follows:

	Nature of transactions
Anglo Celtic Exploration Ltd.	Interest and consulting
Strongbow Exploration Inc.	Exploration and administration
New Dimension Resources Ltd.	Administration
Northair Silver Corp.	Accounting and corporate services

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 (2015 - $nil) to the corporate secretary of the Company. This amount is included in salaries disclosed below.
b) Paid $1,924 (2015 - $1,924) for office and rent to Anglo Celtic Exploration Ltd.
c) Received or accrued from New Dimension Resources Ltd. and Strongbow Exploration Inc. $13,800 (2015 - $9,300) for rent, office and administrative costs.
d) Amounts due to related parties of $2,249 (April 30, 2016 - $2,249) is owing to Northair Silver Corp., a company that previously had common officers.
e) Included in other receivables is $3,121 (April 30, 2016 - $9,116) due from companies having a director or officers in common

The remuneration of directors and key management personnel during the year ended October 31, 2016 was as follows:

		October 31, 2016		October 31, 2015
Salaries[1]	$	110,414	$	112,748
Salaries in exploration costs[1]		41,086		31,676
Share-based compensation[2]		2,068		73,692
Total	$	153,568	$	218,116

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 Corp. 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

As at October 31, 2016, the commitment for rental of the Company's office space is as follows:

Year ending	
April 30, 2017	$ 34,761
April 30, 2018	$ 53,613

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

Nature and continuance of operations

North Arrow Minerals Inc. 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, 2016, the Company has a deficit of $19,269,203, no current source of revenue 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. There can be no assurances that management's plans for the Company will be successful. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. 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.

Significant accounting policies

The October 31, 2016 Management Discussion and Analysis should be read in conjunction with the audited annual financial statements of the Company for a listing of the Company's significant accounting policies.

Statement of Compliance

The Company's condensed interim financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and the 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 Reporting. The accounting policies applied in 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, 2016. The condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2016. The 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, valuation of warrants and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) Valuation of share-based payments and warrants

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

New Accounting pronouncements

i) The IASB has issued several new 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, 2015. The adoption of the standards and amendments did not have a material effect on the consolidated financial statements.

ii) Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at October 31, 2016. 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, 2016, 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 IFRS 9

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". 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. The extent of the impact of adoption of IFRS 9 has not yet been determined.

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 consolidated 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 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, 2016, the Company had cash of $1,027,031 (April 30, 2016 - $2,507,640) available to settle current liabilities of $34,182 (April 30, 2016- $608,670).

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, consisting of shares and warrants, which are classified as available for sale and fair value through profit and loss respectively. 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.

Foreign currency risk

The Company's activities are within Canada and accordingly the Company is not subject to significant foreign currency risk.

Capital Management

The capital of the Company consists of the items included in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities. There have been no changes to the management of capital during the fiscal period.

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, 2016 and 2015. 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.