



North Arrow

MINERALS INC.

Suite 960 – 789 West Pender Street
Vancouver, BC, Canada V6C 1H2
Tel: 604.668.8355 Fax: 604.336.4813

FORM 52-102F6V

(As at April 30, 2018)

North Arrow Minerals Inc. (the "**Company**") is a Canadian mineral exploration company focused on evaluating prospective diamond exploration properties in Canada and trading on the TSX Venture Exchange ("**TSXV**").

Set forth below is the Statement of Executive Compensation – Venture Issuers (Form 52-102F6V) for the Company for the year ended April 30, 2018. In this Form 52-102F6V, unless otherwise noted, all dollar amounts are expressed in Canadian dollars and references to "\$" or "Cdn\$" are to Canadian dollars

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Form 52-102F6V, a Named Executive Officer ("**NEO**") of the Company means each of the following individuals:

- a) a CEO of the Company;
- b) a CFO of the Company;
- c) the most highly compensated executive officer of the Company, including any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 52-102F6, for that financial year; and
- d) each individual who would be an NEO under paragraph c) above but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the year ended April 30, 2018, the Company had two NEOs: Kenneth A. Armstrong, President & CEO and Wayne Johnstone, CFO.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

During the last two fiscal years, the Company did not pay compensation, other than compensation securities (stock options) to its non-executive directors.

The following table sets forth the total compensation paid to or earned by the Named Executive Officers and Directors, excluding compensation securities, for the Company's two fiscal years ended April 30, 2018 and April 30, 2017.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
NAME AND PRINCIPAL POSITION	YEAR ENDED	SALARY, CONSULTING FEE, RETAINER OR COMMISSION (\$)	BONUS (\$)	COMMITTEE OR MEETING FEES (\$)	VALUE OF PERQUISITES (\$)	VALUE OF ALL OTHER COMPENSATION (\$)	TOTAL COMPENSATION
Kenneth A. Armstrong, President & CEO Director	2018	225,000 ⁽¹⁾	Nil	Nil	Nil	3,594	228,594
	2017	225,000 ⁽¹⁾	Nil	Nil	Nil	3,378	228,378
Wayne Johnstone, CFO	2018	60,000	Nil	Nil	Nil	Nil	60,000
	2017	60,000 ⁽²⁾	Nil	Nil	Nil	Nil	60,000
D. Grenville Thomas Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Blair Murdoch Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Jennings Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

- (1) During the years ended April 30, 2017 and 2018, Mr. Armstrong received \$225,000 in salary in his capacity as President and CEO of the Company. He received no compensation in his capacity as a director. See "Statement of Executive Compensation – Employment, Consulting and Management Agreements".
- (2) During the year ended April 30, 2017, Mr. Johnstone became a part-time employee of the Company and receives \$60,000 per annum. See "Statement of Executive Compensation – Employment, Consulting and Management Agreements".

Stock Options and Other Compensation Securities

During the year ended April 30, 2018, the Company granted 1,400,000 stock options to directors and NEOs. The stock options vest 25% on the date of grant and 25% every six months thereafter, becoming fully vested eighteen months from the date of grant. The Company did not re-price, cancel and replace or materially modify any compensation securities during the year ended April 30, 2018.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Kenneth A. Armstrong, President & CEO Director	Stock Options	400,000 options exercisable into 400,000 common shares 6.1%	June 23, 2017	\$0.27	\$0.24	\$0.22	June 23, 2022
Wayne Johnstone, CFO	Stock Options	100,000 options exercisable into 100,000 common shares 1.5%	June 23, 2017	\$0.27	\$0.24	\$0.22	June 23, 2022

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
D. Grenville Thomas Director	Stock Options	300,000 options exercisable into 300,000 common shares 4.6%	June 23, 2017	\$0.27	\$0.24	\$0.22	June 23, 2022
Blair Murdoch Director	Stock Options	300,000 options exercisable into 300,000 common shares 4.6%	June 23, 2017	\$0.27	\$0.24	\$0.22	June 23, 2022
Christopher Jennings Director	Stock Options	300,000 options exercisable into 300,000 common shares 4.6%	June 23, 2017	\$0.27	\$0.24	\$0.22	June 23, 2022

- (1) As at April 30, 2018, Mr. Armstrong held 1,850,000 stock options exercisable into 1,850,000 common shares (28.4% of total stock options outstanding as at April 30, 2018).
- (2) As at April 30, 2018, Mr. Johnstone held 475,000 stock options exercisable into 475,000 common shares (7.3% of total stock options outstanding as at April 30, 2018).
- (3) As at April 30, 2018, Mr. Thomas held 1,200,000 stock options exercisable into 1,200,000 common shares (18.4% of total stock options outstanding as at April 30, 2018).
- (4) As at April 30, 2018, Mr. Murdoch held 1,050,000 stock options exercisable into 1,050,000 common shares (16.1% of total stock options outstanding as at April 30, 2018).
- (5) As at April 30, 2018, Mr. Jennings held 1,040,000 stock options exercisable into 1,050,000 common shares (16.1% of total stock options outstanding as at April 30, 2018).

No director or Named Executive Officer exercised any compensation securities during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

The Board of Directors of the Company implemented a new stock option plan (the "**Stock Option Plan**") effective October 6, 2016, which was approved by the TSX Venture Exchange and the shareholders of the Company at its 2016 Annual General Meeting.

The maximum aggregate number of common shares issuable pursuant to options awarded under the stock option plan and outstanding from time to time may not exceed 10% of the issued and outstanding common shares from time to time.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. Pursuant to the Stock Option Plan, the Board of Directors may from time to time authorize the grant of stock options to Named Executive Officers, Directors, other officers, employees and consultants of the Company and its subsidiaries, or employees of companies providing management or consulting services to the Company or its subsidiaries.

2. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan must not exceed 10% of the issued and outstanding common shares of the Company at the time of grant. The exercise price of stock options, as determined by the Board in its sole discretion, must not be less than the closing price of the Company's common shares traded through the facilities of the TSX Venture Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX Venture Exchange or, if the shares are no longer listed for trading on the TSX Venture Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
3. The Board must not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company unless the Company has obtained the requisite disinterested shareholder approval to the grant, or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
4. The Directors have the discretion to impose vesting of options and, unless otherwise specified by the Directors, vesting will occur generally as to 25% on the grant date and 25% every six months thereafter and, for investors relations persons, on an equal 12 month vesting schedule under which no more than 25% vests in any quarter.
5. If any stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares underlying the stock option will again be available for the purposes of the Stock Option Plan. Options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the Board of Directors grant the option.
6. If the option holder holds his or her stock options as a Director of the Company and such option holder ceases to be a Director of the Company other than by reason of death, then the option granted will expire on the 90th day (or, in the case of a Director who continues to be an employee or consultant, the 180th day) following the date the option holder ceases to be a Director of the Company.
7. If the option holder holds his or her stock options as an employee or consultant of the Company and such option holder ceases to be an employee or consultant of the Company other than by reason of death, then the option granted will expire on the 90th day (or, in the case of an employee or consultant who continues to be in a different position with the Company, the 180th day) following the date the option holder ceases to be an employee or consultant of the Company.
8. The Stock Option Plan provides that if a change of control (as such term is defined) occurs, all shares subject to option will immediately become vested and may be exercised in whole or in part by the option holder.

Employment, Consulting and Management Agreements

The Company has an employment agreement dated December 1, 2015 with Kenneth A. Armstrong, the Company's President and CEO, which provides for the payments in excess of two times Mr. Armstrong's base salary in the event that Mr. Armstrong is terminated, without cause, or in the event of a change of control. Mr. Armstrong's annual base salary was \$225,000 plus benefits for the year ending April 30, 2018. Had Mr. Armstrong been terminated without cause or as a result of a change in control, he could have been entitled to a payment in excess of \$450,000.

Wayne Johnstone, the Company's CFO, is a part-time employee and provides services directly to the Company. The Company has no formal employment agreement with Mr. Johnstone, but Mr. Johnstone receives \$60,000 per annum. This amount was agreed upon between the CFO and the Company taking into account his specialized financial reporting experience as a Chartered Professional Accountant and his experience in senior financial management roles at a number of public mineral exploration and mining companies.

The Company has no agreements or arrangements with the Company's Directors to compensate them in their capacity as directors.

No agreement or arrangement with a Director includes provisions with respect to change of control, severance, termination or constructive dismissal, other than as described above. The only amount payable upon resignation, retirement or any other termination of a Named Executive Officer would be the Named Executive Officer's accumulated vacation pay.

Oversight and Description of Director and Named Executive Officer Compensation

The Company relies on its Compensation Committee and its Board of Directors, through discussion without any formal objectives, targets, criteria or analysis, in determining the compensation of its Named Executive Officers. The Board of Directors is responsible for determining all forms of compensation, including the provision of long-term incentives through the granting of stock options to the Named Executive Officers, Directors of the Company, and other persons eligible to receive stock options.

The Board of Directors incorporates the following goals when it makes its compensation decisions with respect to the Company's Named Executive Officers: (i) the recruiting and retaining of executives who are critical both to the success of the Company and to the enhancement of shareholder value; (ii) the provision of fair and competitive compensation; (iii) the balancing of the interests of management with the interests of the Company's shareholders; (iv) the rewarding of performance, both on an individual basis and with respect to the operations of the Company as a whole; and (v) the preservation of available financial resources.

The Company's Compensation Committee currently comprises Blair Murdoch, Christopher Jennings, and D. Grenville Thomas and has the responsibility of administering compensation policies related to Named Executive Officers and Directors of the Company. The Compensation Committee makes recommendations, typically on an annual calendar year basis, regarding the compensation to be awarded to the Named Executive Officers to the full Board of Directors (either on its own volition or based upon the advice it receives from the Named Executive Officers). The deliberations of the Compensation Committee are conducted at least once each year in a special session from which management is absent.

The Company is an exploration company focused on the acquisition and exploration of diamonds. The Company has no revenues from operations and often operates with limited financial resources. As a result, to ensure that funds are available to complete scheduled programs, the Compensation Committee considers not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial condition of the Company in the future.

The Board of Directors reviews the Compensation Committee's recommendations regarding the compensation to be awarded to Named Executive Officers and Directors to ensure such arrangements reflect the responsibilities and risks associated with the position of each such Named Executive Officer and Director.

Since the preservation of cash is an important goal of the Company, an important element of the compensation awarded to the Named Executive Officers and Directors is the granting of stock options, which do not require cash disbursement by the Company. The other element of the compensation the Company awards to its Named Executive Officers is cash compensation in the form of salary or consulting fees. The determination of the amount of cash compensation for each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the Named Executive Officer, and salary ranges for similar positions in comparable companies. The compensation of the Named Executive Officers does not depend on the fulfillment of any specific performance goals or similar criteria. The Company does not provide its Named Executive Officers or Directors with perquisites or personal benefits; other than with the option to participate in the Company's employee benefit plan.

In regards to the total compensation paid to Mr. Armstrong, Mr. Armstrong's compensation is calculated as to approximately 80% for his base salary and approximately 20% as a bonus; however, there is no set or targeted bonus percentage and the payment of a bonus is entirely at the discretion of the Board of Directors, based on the recommendation of the Compensation Committee.

Mr. Johnstone is a part-time employee of the Company and his compensation is calculated as to 100% for his base salary. The decision by the Compensation Committee or the Chief Executive Officer to provide Mr. Johnstone a bonus is not based upon any goals met by Mr. Johnstone.

In the current financial year, the Company completed on-budget field exploration programs at the Naujaat, Mel and Loki projects. This work included the discovery of new kimberlites at both Mel and Loki. The Company also negotiated a \$3,128,892 unit and flow through financing after the financial year ended April 2017, which closed in June 2018. The proceeds of this financing are being used to further evaluate the above noted projects. These accomplishments were taken into account in the calculation of Mr. Armstrong's or Mr. Johnstone's salary.

There were no significant changes to the Company's compensation policies during or after the most recently completed financing year that could or would have affected the Named Executive Officers compensation.

The Board of Directors determines whether the Company should compensate its Directors. The compensation of Directors is recommended by management of the Company to the Compensation Committee and then provided to the full Board for approval. Currently, the Company does not pay any cash compensation or fees to its non-executive Directors in their capacity as directors. The Company only compensates Directors through stock option grants. Directors or their companies may receive consulting fees for other services not related to their services or roles as directors of the Company.

The granting of options to the Named Executive Officers and Directors under the Company's Stock Option Plan helps to align the interests of the Named Executive Officers and Directors with the interests of the Company and provides an appropriate long-term incentive to management to create shareholder value.

The number of options the Company grants to each Named Executive Officer reasonably reflects the Named Executive Officer's specific contribution to the Company in the execution of such person's responsibilities. The number of options the Company grants to each of these Directors reasonably reflects each Director's contributions to the Company in his capacity as a director and as a member of one or more committees of the Board (if applicable), including without limitation the Compensation Committee and the Audit Committee. Previous grants of options to Named Executive Officers and Directors are taken into consideration by the Compensation Committee in developing its recommendations with respect to the granting of new options.

Pension Benefits

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.