



North Arrow

MINERALS INC.



The Qilalugaq Project

**A Large Tonnage
Diamond Deposit**

**Nunavut Mining Symposium
April 2014**

TSX-V: NAR

This presentation contains projections and forward looking information that involve various risks and uncertainties, including, without limitation, statements regarding the potential extent of mineralization, resources, reserves, exploration results and plans and objectives of North Arrow Minerals Inc. These risks and uncertainties include, but are not restricted to, the amount of geological data available, the uncertain reliability of drilling results and geophysical and geological data and the interpretation thereof and the need for adequate financing for future exploration and development efforts. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward looking statements should circumstances or management's estimates or opinions change.

1. About North Arrow Minerals
2. Current status and history of Qilalugaq Project
3. 2014 Qilalugaq exploration program
4. Timing of Qilalugaq work, results and future potential.



Who Are We?

- A Vancouver, BC based public company; trades on TSX Venture Exchange; NAR : TSXV
- Explores for purely for diamonds in Canada.
- Management and Board of Directors have discovered / developed many important kimberlites in Canada and Africa including the **Diavik Diamond Mine** in the NWT.
 - Gren Thomas – Chairman
 - Ken Armstrong – President and CEO
 - Eira Thomas – Advisor
 - Chris Jennings – Director
 - William Lamb – Director
 - Blair Murdoch - Director
- Management was also involved in the largest exploration agreement negotiated by **Nunavut Tunngavik Incorporated.**



Redemption (NT)

- Near Diavik & Ekati mines
- Unexplained KIM trains
- >\$12M dataset
- Earning a 55% interest from Arctic Star

Lac de Gras (NT)

- Near Diavik & Ekati mines
- 1st \$5M funded by Dominion Diamonds

Pikoo (SK)

- Diamondiferous kimberlite field discovered in 2013
- 80/20 JV with Stornoway

Qilalugaq (NU)

- Large tonnage resource
- Potential for high value stones
- Bulk sample in 2014
- Under option from Stornoway

Mel (NU)

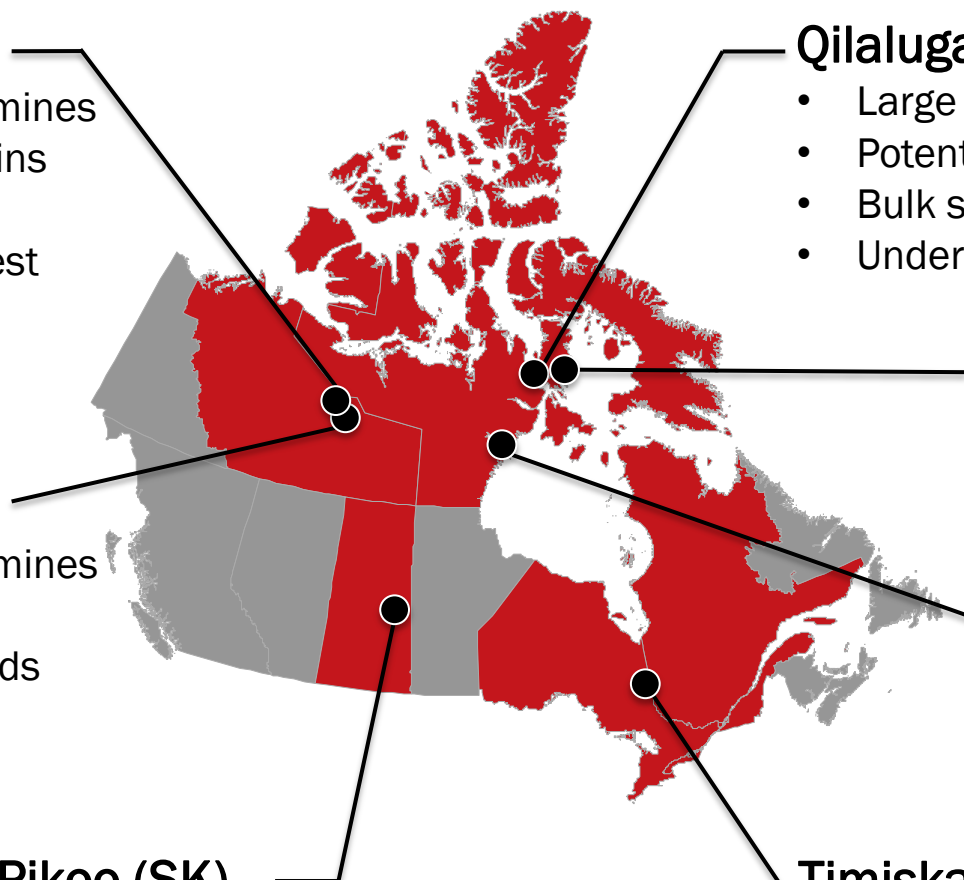
- KIM targets
- 100% NAR

Luxx (NU)

- KIM targets
- 100% NAR

Timiskaming (ON/QC)

- Six kimberlites
- Additional targets
- 80/20 JV with Stornoway



- **2000-2005** (BHP Billiton)
Eight kimberlite pipes discovered;
Q 1-4 is the largest ; 9 km from Repulse Bay.
- **2006-2012**
Stornoway acquired 100% interest from BHP; discovered eight kimberlite dikes; established an inferred resource estimate for Q1-4.
- **2013-2014**
Stornoway focused on building Renard diamond mine in Quebec;
North Arrow/Stornoway agreement;
North Arrow can earn an 80% interest by paying for a bulk sample of the Q1-4.

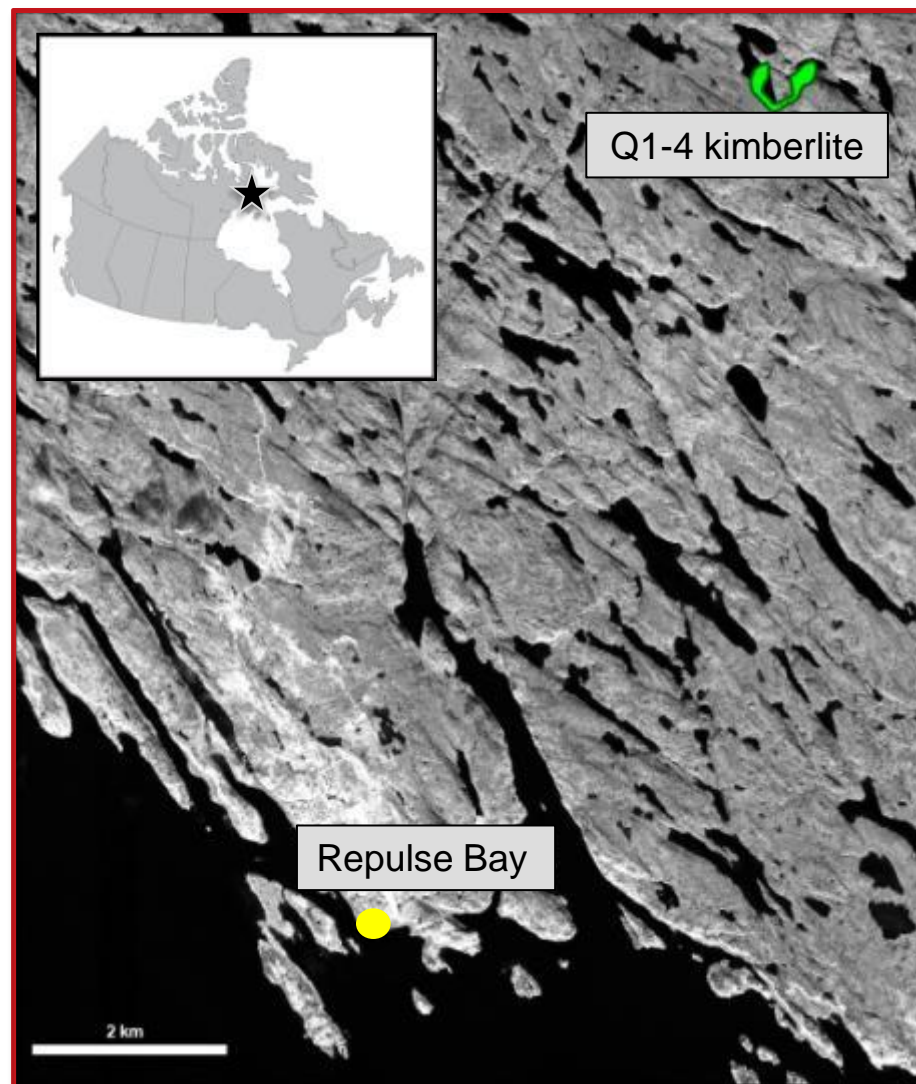
**2014 Objective: to collect a parcel of
~500 carats of diamonds to determine value**



- Can earn 80% from Stornoway by completing mini-bulk sample.
- SWY retains one time back-in right to 40% by paying 3X exploration costs.

Primary target is the Q1-4 kimberlite (Repulse Bay, NU)

- 7 km from tidewater; 9 km from town.
- Largest diamondiferous kimberlite in eastern Arctic (12.5 ha).
- May 2013 inferred resource estimate of 26.4 million carats, modeled to 205m.
- **Yellow diamonds could significantly impact value.**
- Needs large tonnage mini-bulk sample for preliminary evaluation (estimate \$3.7 million to collect/value 500 carats).

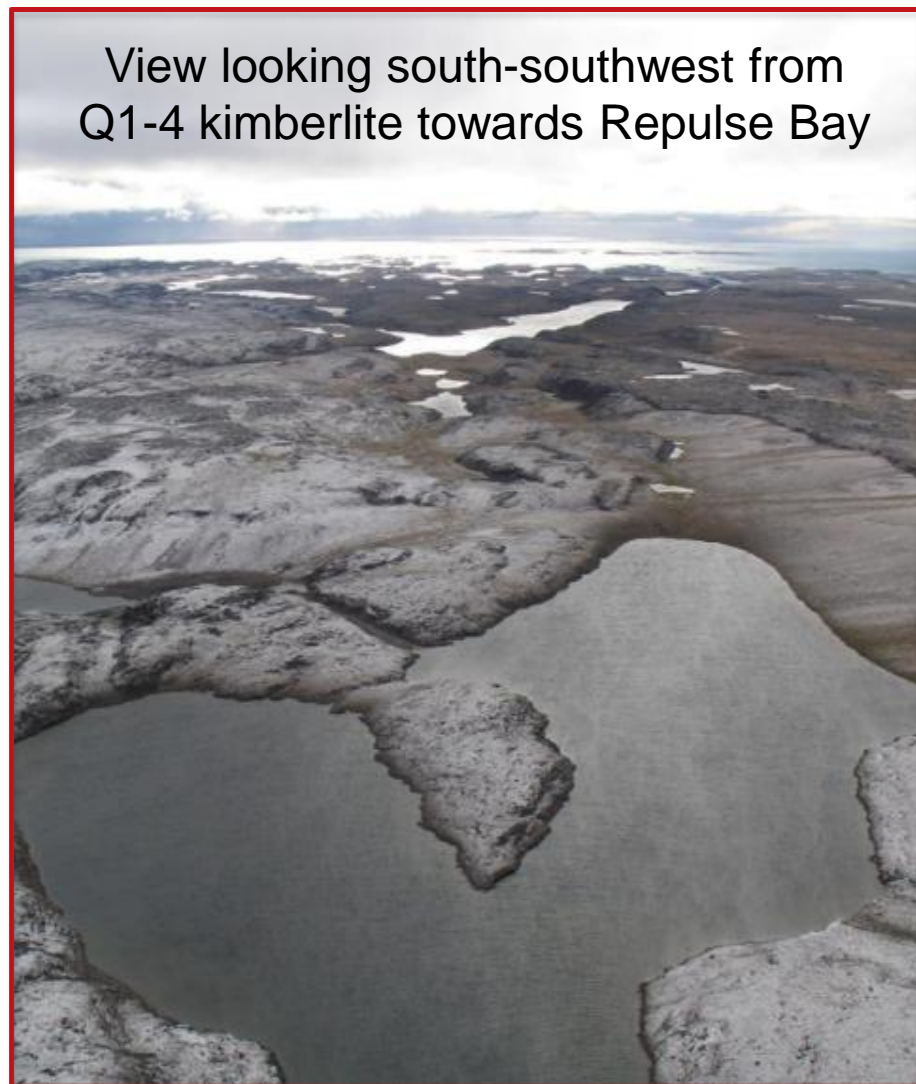


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View looking south-southwest from Q1-4 kimberlite towards Repulse Bay

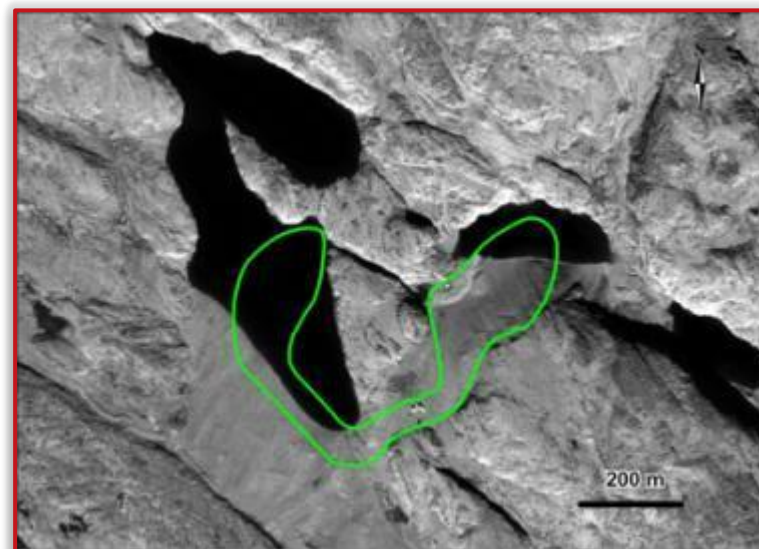
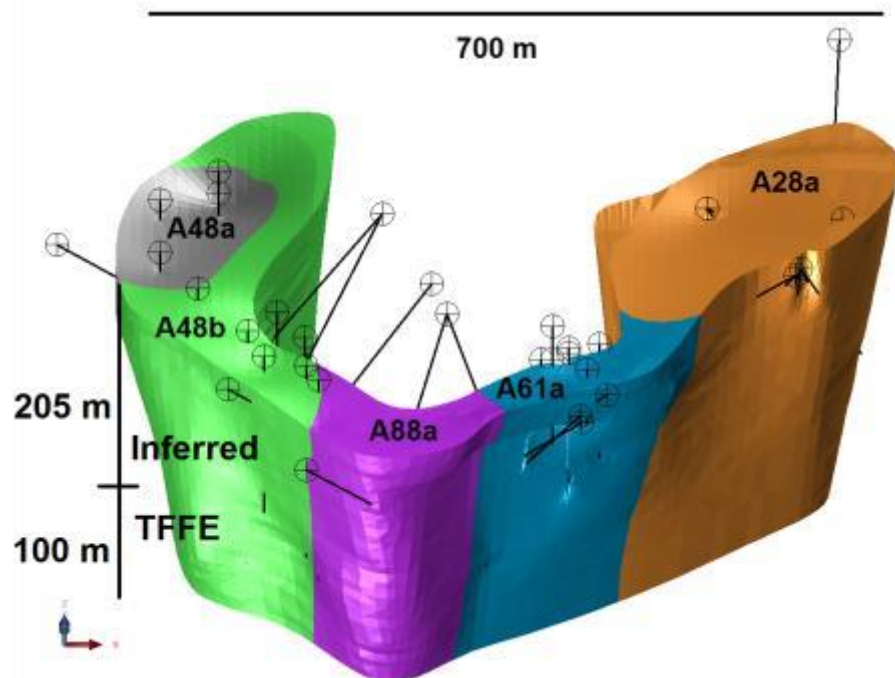


- **May 2013 resource estimate¹**
 - Inferred Resource = 48.8 Mt, 26.1 Mcts, total diamond content² 53.6 cpht.
 - TFFE³ = 14.1 to 16.6 Mt, 7.9 to 9.3 Mcts, total diamond content² 56.1 cpht.
 - **Size/grade compares favourably to other current advanced/development projects.**

¹Mineral resources are not mineral reserves and do not have demonstrated economic viability

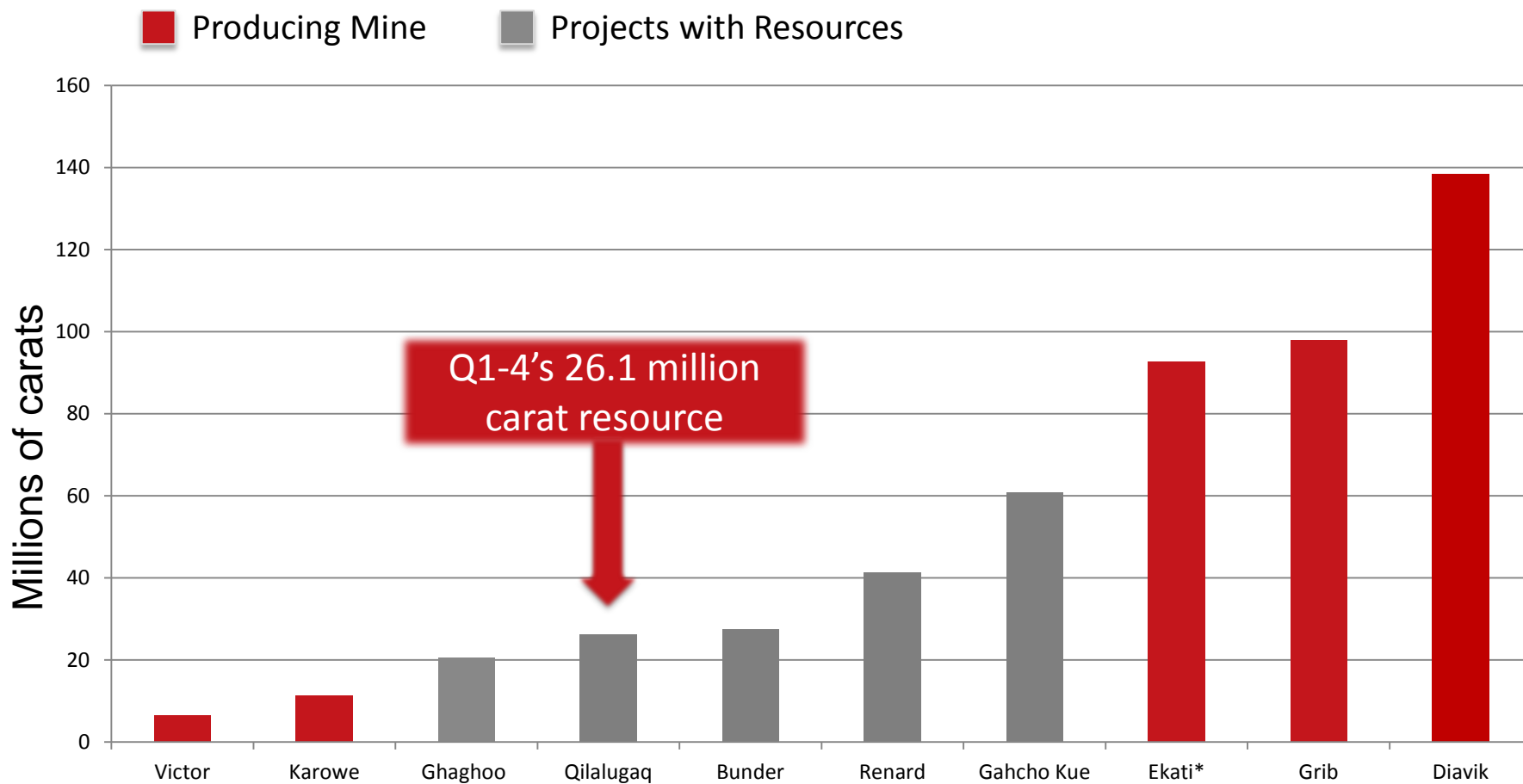
²Defined as 100% recovery of +1 to +23 DTC diamonds

³Target for further exploration - The potential quantity and grade of the TFFE referred to above is conceptual in nature and it is uncertain whether further exploration will result in the target being delineated as a mineral resource



12.5 ha surface area kimberlite

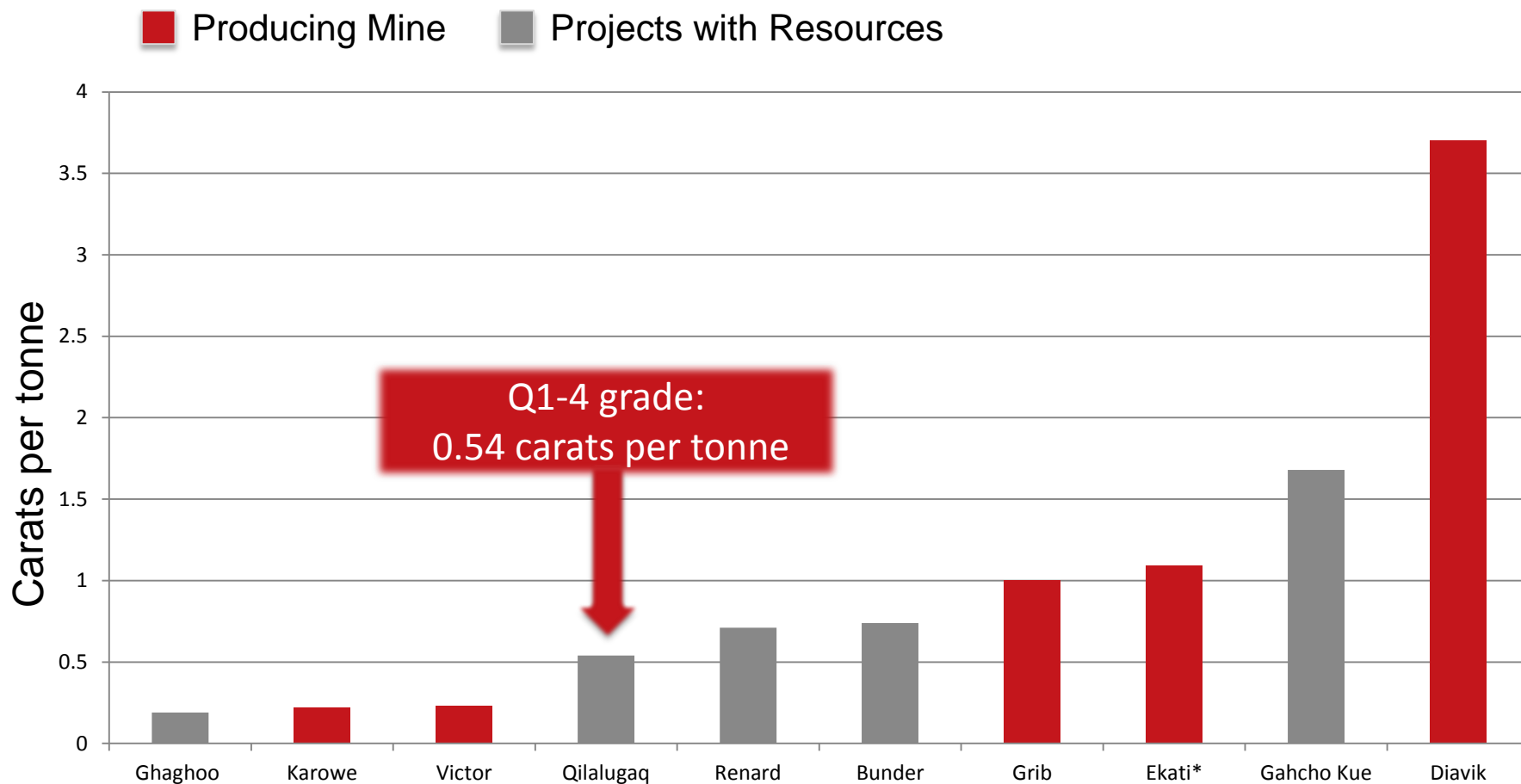
Resource Comparison of Mines at Startup and Current Projects with Resources**



**Ekati millions of carats numbers are based on the initial reserve. Information on the initial resource was not available.*

***Compares the Q1-4 Inferred resource to more advanced projects to show its potential relative size/diamond content*

Grade Comparison of Producing Mines at Startup and Current Advanced Projects*



**this chart compares the Q1-4 Inferred resource grade to more advanced projects to show its relative potential diamond grade*

- ✓ Determine the amount of kimberlite...

=48.8 million tonnes

- ✓ Determine the number of carats of diamonds...

=53 carats of diamonds per hundred tonnes of kimberlite

- ☐ Determine the value of the diamonds in the kimberlite...

=?



- Size and grade on par with other operating mines; diamond value still unknown.
- 64 carat parcel recovered to date suggests a value on par with 'typical Canadian smalls'.
- Need a larger diamond parcel (+500 cts) for a more robust valuation.
- Qilalugaq's northern locale will require a higher than average diamond value to demonstrate potential economic viability - a 'sweetener'.



Q1-4: A88 +9+7+5 DTC

- Q1-4 diamond parcel includes a population of yellow diamonds described as ‘fully saturated’.
- Presence of yellow diamonds could have a significant positive impact on diamond valuations for Q1-4.
- Potential to bring up a modeled average value into the upper end of Canadian and World diamond values.



Selection of +9 DTC diamonds from the Q 1-4 kimberlite Qilalugaq Project, NU

**Note: Additional possible upside due to breakage in early sampling - 10-30% of +3DTC showed >50% breakage in RC samples (A48, A88 and A61). Almost 50% breakage for + 3DTC in the drill-core samples processed by DMS (A28). Could have an additional positive impact on grade, value and size distribution.*

The Ellendale Mine – Australia

- Kimberley Diamonds (the producer) has an off-take agreement with Laureilton Diamonds (Tiffany's) to sell the yellow stones so information is public.
- Produces ~50% of the world's yellow fancies.
- Yellow fancies make up ~80% of Ellendale's revenue.
- Yellows comprise ~9-16% of total run of mine production (Q1 2013 – 13%).
- **Q1 2013 US\$/carat for yellows sold to Tiffany: \$5,486**
Q1 2013 US\$/carat for all diamonds sold: \$880.
- Recovered grades achieved at Ellendale are 3.67 carats per hundred tonnes (June 2013). On track for 140,000 carats total in 2013 from ~6 million tonnes ore.
- As of Jan. 2012, 578,000 carats remain in the reserve and are included in the 3.97 million carats that remain in the resources (indicated & inferred).

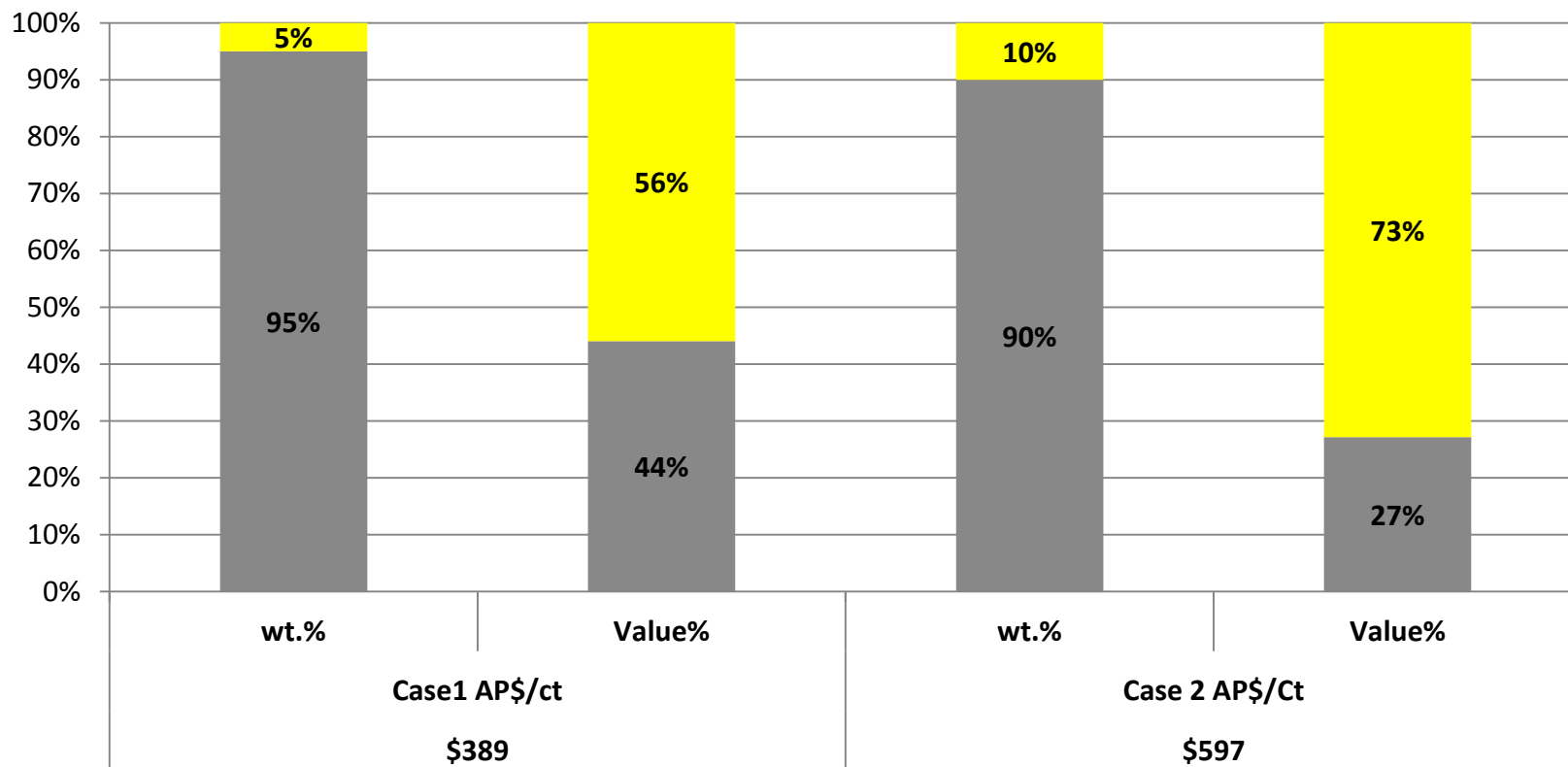
A look at the biggest single producer of yellow diamonds in the world



Case Study: Potential Impact of Fancy Yellows on Average Diamond Price

■ Yellow Goods
 ■ Commercial Goods

% of Run of Mine Diamond Population



Each case assumes a world average price of commercial goods (~US\$139/carat based on rough import average price into Antwerp in 2012) and an average price for yellow diamonds of \$4350/ct (price achieved for yellows from Ellendale in Q1 2012)

- 1,500 tonne sample from the Q1-4 kimberlite, July and August, 2014.



- Taken at surface using a small helicopter portable mini-excavator.



- Filled one tonne bags flown daily to a drop-off area to await shipping south by sealift.

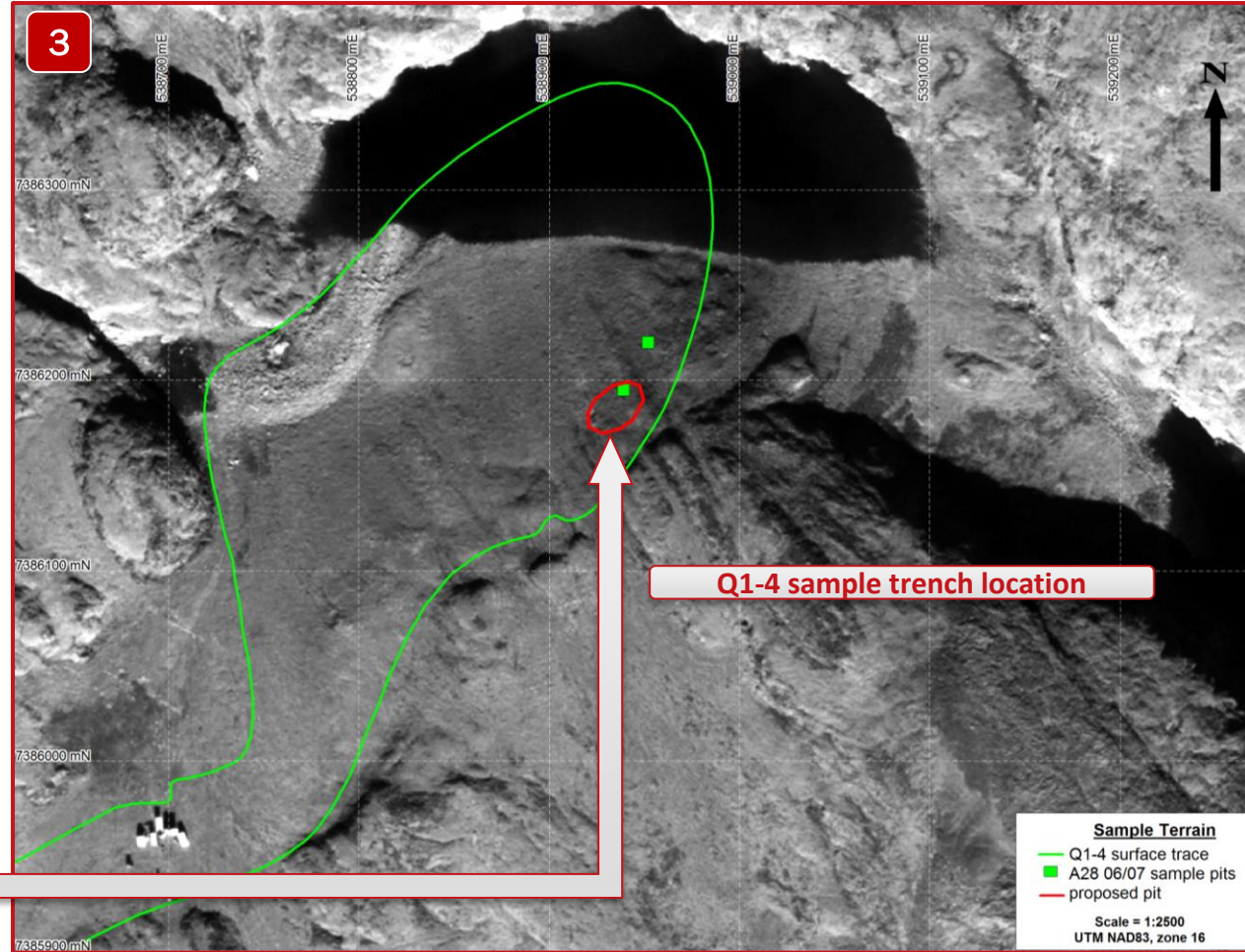
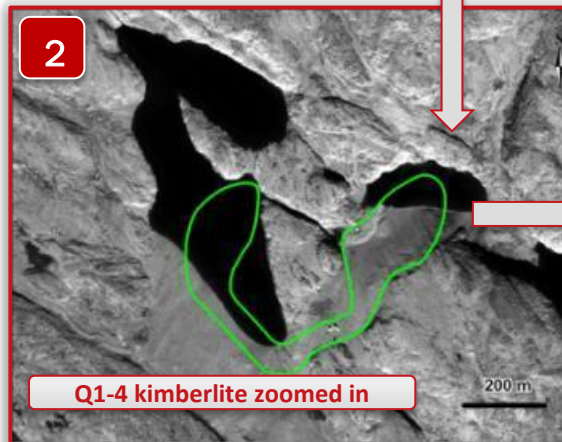
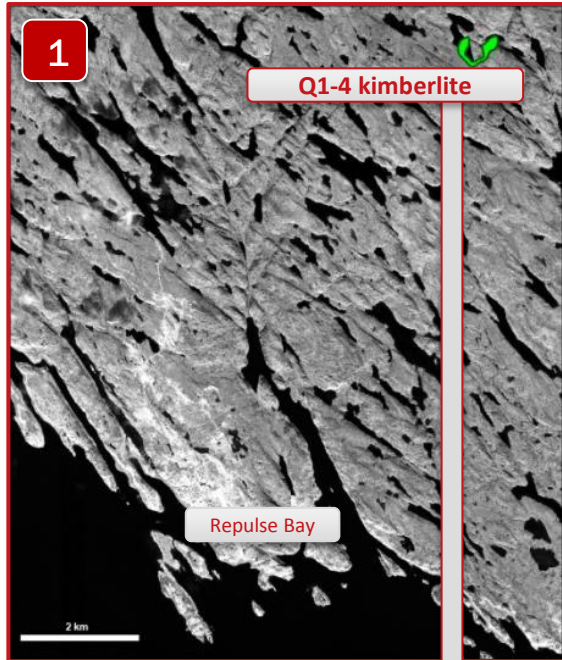


- All crew will be staying in town and flying out daily. Local hires can live at home.



- A28a sample location is on land; minimal overburden.
- Stornoway extracted just over 20 tonnes by hand in 2008; (*sample grade of ~ 30 cpht*).
- 1500 tonne sample is very achievable with an excavator.



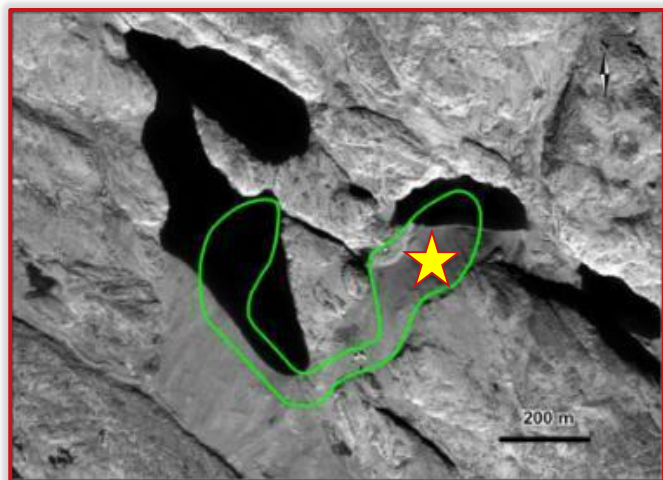


**Collection of 1500 tonnes of Q1-4 kimberlite
from one, 30 metre long, 20 metre wide trench**

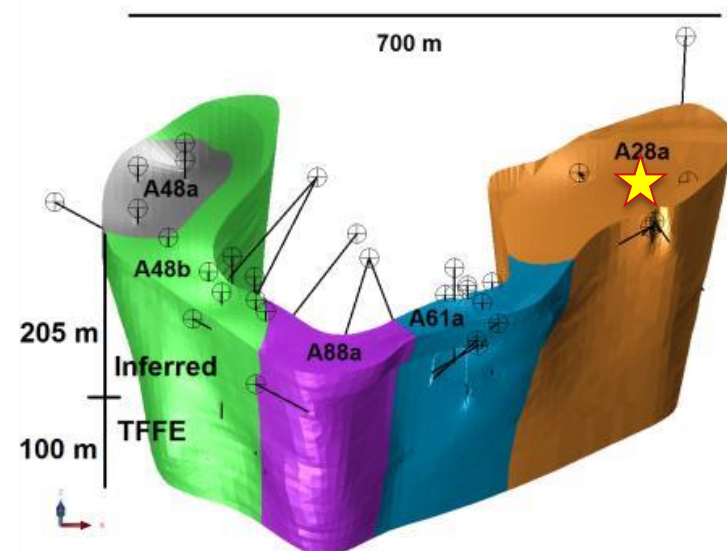
Sample Location is Representative

- Q1-4 Diamond population observed by diamantaires considered to be consistent; limited grade variability
- KPK units make up 73% of the total deposit volume; A28a 41%.
- If diamond value at A28a is not high the deposit most likely won't be viable.

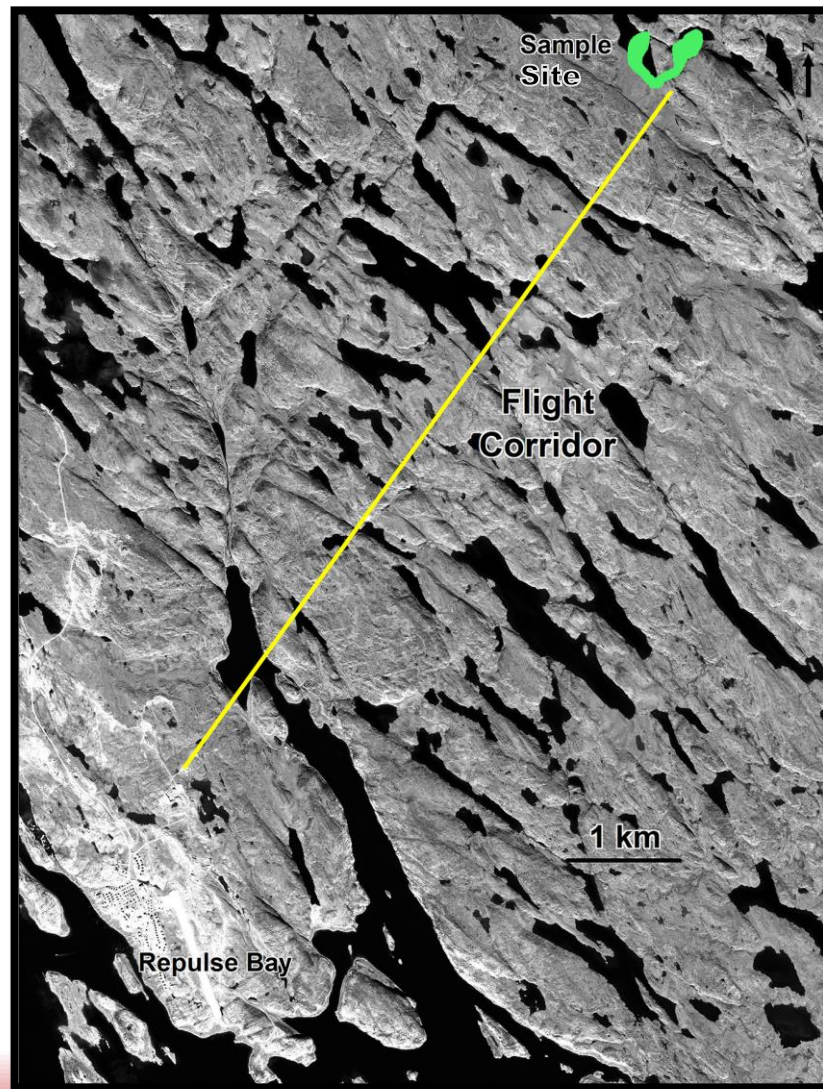
Unit	Model Colour Code	% of Total Volume of Q 1-4	Kimberlite Classification	NI 43-101 Model Grade
A28a	Brown	41	KPK	52
A48b	Green	20	KPK	52
A48a	Grey	14	HK	44
A61a	Blue	13	HK	77
A88a	Purple	12	KPK	52



**2014
Q 1-4
Sample
Site**

- Daily transport of personnel to and from the sample site.
- Transport of excavator to and from the sample site. Once at start of program, once at end.
- Transport of one tonne sample bags from sample site to location near the hamlet's quarry.
- Fuel for helicopter and excavator located near the quarry in a permitted location; stored in an industry approved berm.



- Sample bags will be stored at drop off site.
- Will be shipped south on the Desgagnés annual sealift arriving August 25, 2014.
- Sample will be transported to the beach by loader and flatbed truck.
- Estimate 3-4 days to load the sample as the sealift is unloaded.
- Empty fuel drums will be loaded in sea containers and shipped south for disposal.



- All fuel and equipment will be removed from the land at the end of the six week program.
- The trench will be re-contoured to match the surrounding terrain.
- There will be no piles of rock left at the site as all of the rock that is dug up will be taken away for testing.



- **July / August 2014** – Extraction and transport of sample to Repulse Bay.
- **Late August 2014** – loading and shipping of sample to Montreal by Sealift.
- **September / October** - Trucking of sample to Thunder Bay for diamond recovery at Microlithics throughout the fall.
- **October / December** - shipping of concentrate to Stornoway Flow Sort and picking facility in North Vancouver for final diamond recovery.
- **January / February 2015** – Valuation of ~ 500 carats in Antwerp, Belgium.



Diamond values in Canada range from US\$90 / carat to over US\$500 / carat. If diamond values end up on the higher side of this range the Qilalugaq Project could very quickly become a new and important development track project in Nunavut

The \$3.7 million sampling program in 2014 will decide the future of this deposit.

- ✓ Determine the amount of kimberlite...

=48.8 million tonnes

- ✓ Determine the number of carats of diamonds...

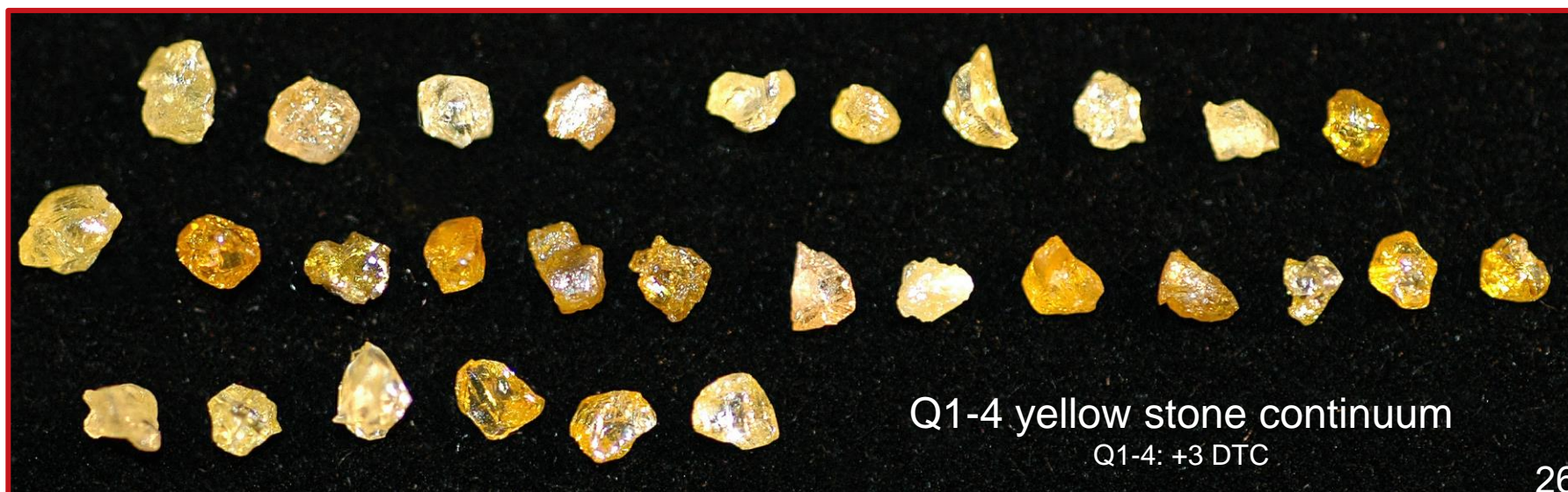
=53 carats of diamonds per hundred tonnes of kimberlite

- ☐ Determine the value of the diamonds in the kimberlite...

=?



- **WAY FORWARD:** collect ~1,500 tonnes of kimberlite from surface pits planned for summer 2014 in a 6-8 week program.
- **COST:** \$3.7 million.
- **GOAL:** to recover a +500 carat diamond parcel to determine grade, size distribution and the potential for fancy yellows in commercial sizes. Also, to get a preliminary sense of yellow's impact on the overall diamond value.





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