Water Resources Nunavut Regional Office P.O. Box 100 Igaluit, NU, X0A 0H0

May 28, 2014

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU, X0A 1J0 Your file - Votre référence 2BE-TOR1014 Our file - Notre référence CIDM# 799494

Re: 2BE-TOR1014 - Torp Lake Project - North Arrow Minerals Inc. - Cancellation Application

Dear Ms. Beaulieu:

In response to the Nunavut Water Board's letter dated April 29, 2014, Aboriginal Affairs and Northern Development Canada (AANDC) Water Resources Division conducted a review of North Arrow Minerals Inc.'s application to cancel their Type 'B' Water Licence 2BE-TOR1014.

The following advice has been provided pursuant to AANDC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*. In conducting our review, AANDC Water Resources referred to documents on the FTP site relating to 2BE-TOR1014.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by e-mail at Jean.Allen@aandc-aadnc.gc.ca

Sincerely,

Jean Allen Water Management Specialist

Cc. David Abernethy, A/Manager of Water Resources, AANDC Eva Paul, A/Manager of Field Operations, AANDC

Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Jean Allen - Water Management Specialist, Water Resources, AANDC

Re: 2BE-TOR1014 - Torp Lake Project - North Arrow Minerals Inc. - Cancellation

Application

A. INTRODUCTION

North Arrow Mineral Inc. (the Licensee) was issued water licence 2BE-TOR1014 on January 7, 2010 to carry out early-stage lithium exploration work including regional prospecting, geological mapping, rock sampling, ground and possible airborne geophysics, and diamond drilling.

The Torp Lake Project (the Project), located at 67° 20' 56" N, 109° 32' 31" W, was authorized to operate a 16 person camp and the use of 55 m³ of water per day (2 m³/day from Torp Lake for camp use and 53 m³/day from McAvoy Lake or other water bodies proximal to the drill targets for drilling).

The Licensee submitted an application to the Nunavut Water Board (NWB) to cancel 2BE-TOR1014 because the licence will expire in December of this year and no work is planned for the Project. The application states that no abandonment measures were required for the Torp Lake Project because no work has been conducted under this water licence.

B. RESULTS OF REVIEW

The AANDC Water Resources Division offers the following comments/ recommendations for the NWB's consideration in regards to the above cancellation application for 2BE-TOR1014.

- AANDC notes that the Licensee failed to file all but one annual report (2011 Annual Report is located on the FTP site) with the NWB between 2010 and 2014. The 2011 Annual Report states that there was no activity on site which is confirmed by Block 8 of the application. AANDC recommends that a summary report for 2012-2014 be submitted to satisfy Part B, Item 2 of the water licence.
- 2. The Licensee was required to submit an addendum to the approved Spill Contingency Plan 30 days following issuance of the licence (Part H, Item 1). Considering there was no activity and thus no chemicals reported on site (to be confirmed in the annual report summary requested above), AANDC recommends that this requirement be waived.

C. CONCLUSION

An opportunistic overflight inspection was conducted at the Torp Lake Project on July 6, 2013 and no camp was noted at the proposed site. AANDC Field Operations Division confirmed that they are satisfied with the condition of the site and recommend that water licence 2BE-

TOR1014 be cancelled. AANDC Water Resources recommends cancellation of water licence 2BE-TOR1014 provided that the Licensee submits an annual summary report for 2012-2014, confirming that there was no use of water or deposit of waste on site during this time.