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June 24, 2013

Phyllis Beaulieu Manager of Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU XOB 1J0

Re: Closure of Type "B" Nunavut Water Board Licenses 2BE-CAN0608, 2BETRE0608, 2BE-SIL07009 and 2BE-NTI0507

Dear Ms. Beaulieu,

Further to our conversation of earlier today and correspondence received from Eva Paul, Water Resources Officer (July 6, 2013) please accept this letter as an official request to close the files for the above referenced Type "B" water licenses held by Strongbow Exploration Inc.

To assist in the facilitation of the closure and the requisite inspections that are scheduled to take place during the summer of 2013 following please find a brief summary of the activities that were conducted under the authority of each of the respective licenses.

Type "B" Water License 2BE-CAN0608 Issued: June 5, 2006 Expired: September 30, 2008

This license authorized water use and waste disposal activities for a camp facility and drilling operations that were proposed for the Canoe Lake project located approximately 140 km SE of Bathhurst Inlet, within the Kitikmeot region of Nunavut, and was a renewal of 2BE-CAN0406.

During the 2 year term of this license the exploration work conducted included mapping, soil and rock sampling, prospecting and ground truthing of historical results. This work was conducted out of a temporary fly camp which was operational for a seven day period between July 23, 2006 and July 29, 2006. The camp consisted of five pup tents and a 14' x 16' Weatherhaven and was located at UTMs 494215E 7445880N (NAD 27, Zone 12W). Personnel during this time consisted of two to three geologists and two geological assistants.

Water for domestic purposes was drawn from Canoe Lake and measured less than 0.1 cubic meters per day.

No drilling activities were conducted under the authority of this license.

All camp supplies and fuel drums were removed from the land use area at the end of the 2006 exploration program.

A final land use report detailing the exploration activities conducted and the abandonment and reclamation activities that were completed at the camp location was submitted to the Nunavut Water Board for 2BE-CAN0608 on August 1, 2008.

Land use for the project was conducted under the authority of INAC Land Use Permit N2004C0008. On July 26, 2010 the Resource Management Officer for the Kitikmeot Region conducted a final inspection of the land use area and a letter was issued by INAC on November 18, 2010 granting final clearance and closure for the permit. A copy of the inspection report and closure letter have been attached for your reference.

Type "B" Water License 2BE-NTI0507 Issued: July 5, 2005 Expired: July 31, 2007

In March of 2003, Strongbow Resources Inc., a predecessor company of Strongbow Exploration Inc., and Nunavut Tunngavik Inc. ("NTI") signed a Mineral Exploration Agreement (MEA) to explore 600,000 ha of Inuit Owned Lands ("IOL") in the West Kitikmeot Region of Nunavut.

The area covered by the agreement included all or parts of 28 IOL parcels within the West Kitikmeot Region and included geological environments considered prospective for deposits of gold, base metals, and diamonds.

Type "B" Water Licence 2BE-NTI0305 authorized the use of water and the disposal of waste for camp activities and field exploration on several of the IOL Parcels covered by the MEA (CO-08, CO-20, CO-40, and CO-46), including a short, 2 week drilling program that was proposed for 2 priority target areas on IOL Parcel CO-20.

On March 31, 2005, after the completion of a fixed wing airborne geophysical survey and some limited field programs which included prospecting and field verification of mineral occurrences identified by past exploration, the area subject to the MEA between Strongbow and NTI was reduced to areas contained within 15 IOL Parcels, and no longer included CO-46. In addition to the elimination of IOL Parcel CO-46 from the land package, the total area subject to the MEA in CO-08, CO-20, CO-40 was also reduced. The exploration area covered by CO-40 remained the same.

The renewal application submitted for 2BE-NTI0507 reflected the reduction in exploration area that took effect on March 31, 2005 and also identified two additional proposed camp locations to support a newly designed, 2 phase summer exploration program which was to consist of a prospecting, ground geophysical surveys, and till sampling in July, and if results warranted it, the drilling of 5 to 8 short exploration drill holes in August or September of 2005.

Short field exploration programs were conducted on the land use area during the period that 2BE-NTI0507 and its predecessor were active, however most of these activities were supported by camp locations not covered under the authority of this license.

Water use and waste disposal did occur for an eight day period in July of 2005 when two, two person fly camps were established to support sampling activities conducted on IOL parcels CO-20 and CO-44.

Each fly camp consisted of three pup tents and utilized no more than 0.3 cubic meters of water for domestic purposes, daily. Sewage and grey water were buried in pits located within the general proximity of the camp, but more than 30 meters from the high water mark.

One fly camp was established on IOL parcel CO-20 for a period of five days at Latitude 66.54, Longitude -110.90, and the second camp was established on IOL parcel CO-44 for a total of three days. The fly camp on CO-44 was originally established on the shoreline of Blue Lake at Latitude 66.56, Longitude -110.90, however after one day of occupancy it was determined that for various reasons this location was not suitable. The two person crew then moved their tents a short distance away to another, more suitable location on the northern tip of the lake at Latitude 66.55, longitude -112.37 where they stayed for the remaining two days.

In reviewing the historical documentation associated with this license it has been discovered that this eight days of domestic water use was inadvertently omitted from the 2005 Annual Report submitted to the Nunavut Water Board for 2BE-NTI0305. If you would like the licensee to submit an amended annual report reflecting this error please advise and a new version will be sent as soon as possible.

No drilling activities were conducted under the authority of this license.

Land use for this project was authorized by the Kitikmeot Inuit Association under Inuit Owned Land Use License 3 KTL306C014, Inuit Owned Land Use License 3 KTL303C009, and Inuit Owned Land Use License 1 KTL104C024. Final inspections have been conducted by the Kitikmeot Inuit Association on the land use area subject to these licenses and closure for these three authorizations has been granted.

Type "B" Water License 2BE-SIL0709 Issued: May 17, 2007 Expired: May 31, 2009

This license authorized water use and waste disposal activities for a camp facility and drilling operations for the Silvertip project located approximately 460 km SE of Kugluktuk, within the Kitikmeot region of Nunavut.

In accordance with a Memorandum of Understanding completed between Strongbow Exploration Inc. and North Arrow Minerals Ltd., in 2007 North Arrow Minerals took over as operator of all of Strongbow Exploration Inc.'s properties located in Nunavut, including the Silvertip project.

From July 25, 2007 to August 17, 2007 and from September 19, 2007 to September 23, 2007 North Arrow Minerals conducted a regional prospecting and rock sampling program and a series of ground geophysical surveys on the land use area.

This work was supported by a camp location established on the east side of Mouse Lake at  $64^{\circ}$  47′ 57.51″ N,  $107^{\circ}$  59′ 47.37″ W.

No drilling activities were conducted during the 2007 exploration season.

During the summer/fall of 2008 the camp location was again utilized to support a short, early stage drill program operated by North Arrow Minerals Ltd.

At the end of the 2008 program a partial cleanup of the camp location was undertaken, sumps were backfilled and recontoured, and all camp materials apart from some lumber and a few barrels of fuel were removed from the site. In April of 2009 these items were removed from the area, thereby completing the abandonment and restoration activities on the land use area.

Land use for the portion of project located on Crown land (including the camp location) was authorized under INAC Land Use Permit N2007C0013. On August 11, 2011 the Resource Management Officer for the Kitikmeot Region conducted a final inspection of the camp location. A copy of this inspection has been attached for your reference.

Land use for the portion of the project located on Inuit Owned Land parcels was authorized by the Kitikmeot Inuit Association under Inuit Owned Land Use License 3, KTL307C006. A final inspection has been conducted by the Kitikmeot Inuit Association on the land use area subject to this authorization and final closure of this license has been granted.

Coordinates for all water sources and waste disposal locations for both the 2007 and 2008 programs can be found in the annual reports filed with the Nunavut Water Board for each of the respective years.

Type "B" Water License 2BE-TRE0406 Issued: June 5, 2006 Expired: September 31, 2008

This license authorized water use and waste disposal activities for a camp facility and drilling operations that were proposed for the Tree River project, located within the Kitikmeot region of Nunavut, and was a renewal of 2BE-TRE0406.

During the two, 2 year terms for which these licenses were valid, limited exploration work was conducted on the property, and water was only utilized during a three week period spanning from July 16, 2004 to

August 7, 2004 when a series of three temporary, short term fly camps were established. The details of these activities can be found in the annual report submitted to the Nunavut Water Board for the 2004 exploration season, which is supplemented by additional information provided in the report for 2005 (as requested by comments received for the 2004 report).

No drilling activities were conducted under the authority of these authorizations.

Land use for the portion on the project located on Inuit Owned Land parcels was authorized by the Kitikmeot Inuit Association under Inuit Owned Land Use License 3 KTL306C010 and Inuit Owned Land Use License 3 KTL304C011. A final land use inspection has been conducted by the Kitikmeot Inuit Association on the land use area subject to these authorizations and final closure has been granted.

Land use for the portion of project located on Crown land (including the camp location) was authorized under INAC Land Use Permit N2004C0010. On July 19, 2010 the Resource Management Officer for the Kitikmeot Region conducted a field inspection on this property and on November 18, 2010 a letter was issued by INAC (now AANDC) granting final clearance for land use permit N2004C0010.

A copy of the inspection and the final closure letter have been attached for your reference.

If you have any questions regarding this correspondence please do not hesitate to contact the undersigned or Ken Armstrong, president of Strongbow Exploration Inc., at your convenience.

Strongbow Exploration Inc. and its representatives look forward to working with you in order to facilitate an expedient and orderly closure to these files.

Yours truly,

STRONGBOW EXPLORATION INC.

Per:

Nicole Westcott

Cc: Eva Paul, Water Resources Officer, Kitikmeot Region, AANDC

Enclosures:

- Inspection Report N2004C0008 ANNDC, Resource Management Officer
- Closure Letter N2004C0008 AANDC, Land Administration
- Inspection Report N2000010 ANNDC, Resource Management Officer
- Closure Letter N2004C0010 AANDC, Land Administration
- Inspection Report N2007C0013 AANDC, Resource Management Officer
- Closure Letter N2007C0013 –AANDC, Land Administration