



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

October 17, 2008

Richard Dwyer
Licensing Administrator
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

**Re: 2BE-ANI0608 – Type B, Water Licence Renewal Application – North
Arrow Minerals Inc. - Anialik River Project**

Indian and Northern Affairs Canada (INAC) reviewed the Type 'B' Water Licence Application for renewal for the Anialik River Project located in the Kitikmeot Region, submitted to the Nunavut Water Board (NWB) by North Arrow Minerals Inc. on July 16th, 2008.

It is our understanding that North Arrow Minerals Inc has applied for a renewal of the Type 'B' water licence 2BE-ANI0608, with no changes to the project activities formerly licensed under 2BE-ANI0608 (expires July 31, 2008).

Please feel free to contact me should you have any questions or comments. I can be reached at (867) 975-4566 or by email at trenholmt@inac.gc.ca.

Sincerely,

Original signed by

Tanya Trenholm
Pollution Policy Specialist



October 17, 2008

Our File #: 9545-1-2ANIG
Doc. CIDMS #: 273410

Technical Review

To: Richard Dwyer, Licensing Administrator - Nunavut Water Board

From: Tanya Trenholm, Pollution Policy Specialist - Indian and Northern Affairs
Canada – Nunavut Regional Office – Water Resources Division

Re: North Arrow Minerals Inc. – Anialik River Project – Renewal Application

Previous Water Licence #: 2BE-ANI0608

Project Summary:

North Arrow Minerals Inc. operates the Anialik River Project. The company is undertaking mineral exploration activity to determine the extent of gold, base metals, and diamond deposits in an area located approximately 180 km southeast of Kugluktuk. North Arrow is proposing to carry out early-stage exploration work for the Anialik River Project including prospecting, geological mapping, sampling and ground geophysics. Depending on the results of this activity, a diamond drilling program may be initiated.

North Arrow Minerals Inc. submitted the application for renewal to the Nunavut Water Board on July 16, 2008.

As a result of my review of the renewal documents regarding this project, the following is provided for consideration in the water license approval process:

1) Spill Contingency Plan

North Arrow Minerals should update and resubmit their spill contingency plan to the Nunavut Water Board and include the following;

- Identification of all camps and fuel storage areas as soon as determined by the proponent
- A list of the contents of the spill kits
- List of the amounts and types of fuel / chemicals to be stored on site as soon as determined by the proponent
- MSDS sheets for all fuels and chemicals should be attached to the spill plan
- As per the existing licence, 2BE-ANI0608, Part G, 1. viii., the Licensee should include a site map of sufficiently large scale to show the location of buildings, contaminants storage areas, sensitive areas such as water bodies, probable pathways of contaminant flow and general topography



2) Existing Terms and Conditions

It is noted that the existing terms and conditions listed in water license # 2BE-ANI0608 are sufficient for water use and waste disposal activities proposed by North Arrow Minerals for the Anialik River Project (July 16, 2008 application to the Nunavut Water Board).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4568 or by email at TrenholmT@inac.gc.ca.

Sincerely,

Original signed by

Tanya Trenholm
Pollution Policy Specialist

Cc: Kevin Buck, Manager Water Resources Division, Nunavut Regional Office, Indian and Northern Affairs Canada