



SENT VIA E-MAIL

Dec. 6, 2013

Ms. Eva Paul
Water Resource Officer
AANDC
Nunavut Regional Office
Building 918, PO Box 100
Iqaluit, NU X0A 0H0

Re: Inspection of Water License 2BE-CAN0608 - July 5, 2013

Dear Ms. Paul,

In response to your inspection report and comments dated Nov. 14, 2013, a thorough review was undertaken to address the concerns raised. As there has been much confusion with respect to camp locations, a review of historical NWB documentation with respect to CAN0608 (formerly CAN0406) was done in an effort to facilitate the cancellation of this water license. In addition to comments regarding camp locations, I've also reviewed your comments regarding debris and fuel found near the sites.

In 2007 a Memorandum of Understanding was completed between North Arrow Minerals and Strongbow Exploration whereby North Arrow would be taking over as operator on Strongbow's Nunavut properties. A renewal application and assignment were supposed to have originally been prepared and submitted however nothing has been found that suggests this was ever finalized. Since 2007, North Arrow has taken the responsibility of submitting annual reports and fees. North Arrow had originally intended to explore the Canoe Lake property (explaining the initial interest in reassigning the water license from Strongbow to North Arrow) however no work was ever done, and the license expired Sept. 30, 2008.

Below is a map showing the two camp sites used during the 2005 and 2006 work programs – these camps, as described in annual report filings, were removed following work activities. Prior to 2005, work was carried out on the property from another camp not covered by the water license. Since 2006, no work has been done on the property by North Arrow or Strongbow.

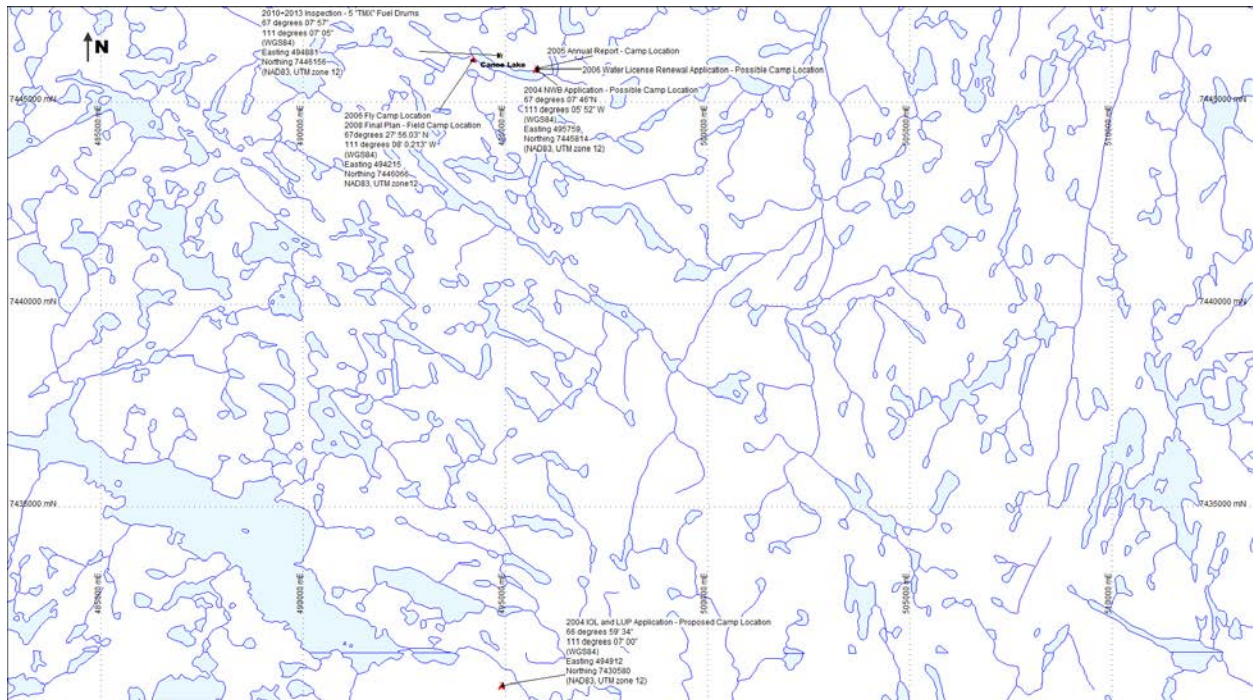


Figure 1 – Canoe Lake Property Map, with camp locations (NAD83, UTM zone 12)

The two camp locations cited in the 2008 Final Plan report (dated August 1, 2008) are the “Field Camp Location” of the 2006 program and an incorrect camp location that was filed in both the 2006 (filed by Nicole Westcott of Strongbow) and 2007 (filed by Gord Clarke of North Arrow) NWB annual reports. This incorrect camp location (N67° 27’ 56.03” W111° 07’ 56.03” WGS84) was noted in the 2008 Final Plan report under the section “Water Usage.”

Below is a table of Camp and Water Usage Locations put together from applications, annual report filings, and water license renewal documents – it also includes the location of five full fuel drums noted by AANDC inspectors Melissa Joy (July 2010) and again by yourself (July 2013). The drums of fuel were noted as being labeled with “TMX” – this fuel does not belong to Strongbow (SBW) or North Arrow (NAM), and it is not located at any of the reported camp locations.

Table 1 – Canoe Lake Property, Camp and Water Use Locations

NameOfPoint	LAT_Deg/Min/Sec	LONG_Deg/Min/Sec	LAT_Deg/Min.m	LONG_Deg/Min.m	Easting	Northing	Easting	Northing	Company	Year	Comments
	WGS84		WGS84		NAD83, UTM zone 12		NAD27, UTM zone 12				
2004 IOL and LUP Application - Proposed Camp	66° 59' 34"	111° 07' 00"			494912	7430580			SBW	2004	IOL License Application for the Canoe Lake Project - Possible Camp Location
2004 NWB Approval Document - camp location - WRONG Coordinates	67° 59' 34"	111° 07' 00"			495121	7542064			SBW	2004	2004 NWB Approval document - WRONG coords, never fixed
2004 NWB Application - Possible Camp Location	67° 07' 46"	111° 05' 52"			495759	7445814			SBW	2004	Water License Application Form - Possible Canoe Lake Camp Location
2004 Annual Report Camp Location	67° 23' 27"	111° 04' 50"	67° 23.45'	111° 04.83'	496544	7474952			SBW	2004	Annual Water License Report - Year being reported (2004) - Work done by SBW out of Rush Lake Camp
2005 Annual Report Camp Location	62° 07' 46"	111° 05' 52"			495759	7445814			SBW	2005	Annual Water License Report - Year being reported (2005). Camp location Ailyn Resources worked out of
2006 Water license renewal application	67° 07' 46"	111° 05' 52"			495759	7445814			SBW	2006	Water License Renewal Application (CAN0406 changes to CAN0608)
2006 Annual Report Camp Location	67° 27' 56.03"	111° 07' 56.03"			494345	7483287			SBW	2006	Annual Water License Report - Year being reported (2006). Camp location SBW worked out of. 2010 Report found large pieces of woody debris, 2 burn barrels, core box debris, casing in ground
2007 Annual Report Camp Location	67° 27' 56.03"	111° 07' 56.03"			494345	7483287			NAM	2007	Annual Water License Report - Year being reported (2007). No Work Done. Submitted by NAM.
2008 Final Plan Field Camp Location	67° 07' 54.057"	111° 08' 0.213"			494215	7446066	494215	7445880	SBW	2008	Final Plan - NWB CAN0608 - Field Camp Location
2008 Final Plan Water Usage Location	67° 27' 56.03"	111° 07' 56.03"			494345	7483287			SBW	2008	Final Plan - NWB CAN0608 - Water Usage Location
2010+2013 Inspections - 5 Fuel Drums	67° 07' 57"	111° 07' 05"			494881	7446156			NWB	2010	From same 2010 report that noted woody debris, 2 burn barrel and core box debris at 2006 fly-camp site

Five full fuel drums (fill date 2005) noted in July 2010 report by Melissa Joy and again in July 2013 – “TMX” clearly visible.



Figure 6. Barrels at Canoe Lake.

In the photos from your inspection earlier this year (below), core box wood debris and drill-casing is not related to Strongbow’s exploration activity at Canoe Lake. Given the amount of historical work this area has seen in relation to the High Lake, Ulu and Bamako mineral occurrences, it is common to see this type of remains throughout the region.

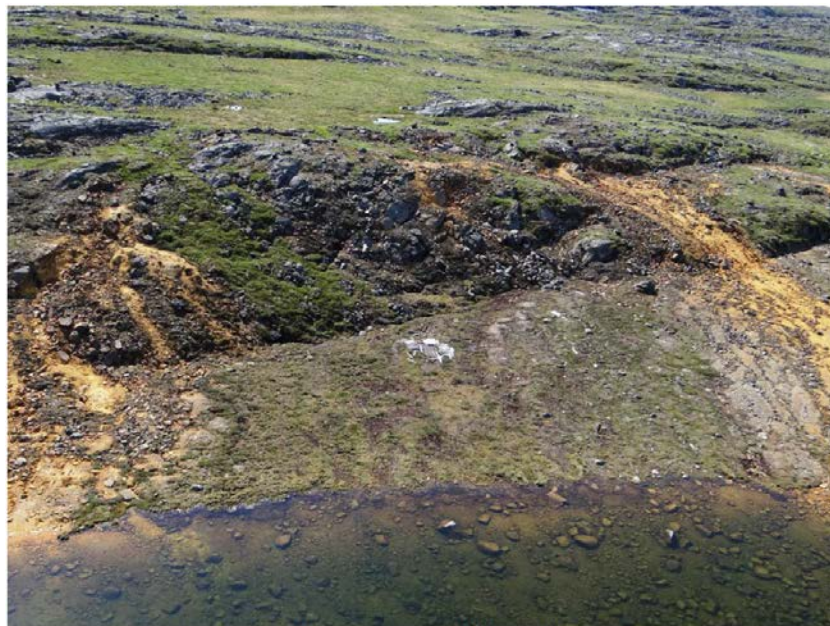


Figure 3. South West bank; location of fly camp. Historic drill site and debris of unclear ownership.

The two photos below, taken during Strongbow's 2006 program, supports the fact that the core box debris is historical and was already present at the site prior to arriving. In the second photo, the debris can be seen on the right hand side, and Strongbow's supplies (removed at the end of the program) are seen in the distance.



Photos from your inspection earlier this year (below), wood debris and drill-casing are not related to Strongbow's exploration activity at Canoe Lake.



Figure 4. Boards and debris left at fly camp. Drill casing assumed to be pre-existing.



Figure 5. Wire and boards at fly camp location.



Figure 2. Debris noted in the outlet.

The six points of confusion highlighted in your document dated Nov. 14, 2013 are all verified and correct except for point #3. In point #3 you mention that the camp location given in the 2005 Annual Report and in the 2006 renewal application lists the camp water source as N62° 07' 46" W111° 05' 52"(WGS84). Having gone back and reviewed both documents, the 2006 renewal application lists the camp location not at N62° 07' 46" W111° 05' 52"(WGS84), but instead at N67° 07' 46" W111° 05' 52"(WGS84) – which is the proposed camp location from the 2004 NWB Water License Application.

I hope this helps to clear up some of the uncertainty regarding the camp/work locations covered by NWB 2BE-CAN0608 (and its predecessor 2BE-CAN0406). I look forward to continuing to work with you on closing this file.

Should you have any additional comments and/or questions, please do not hesitate to contact me regarding this matter.

Best regards,

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