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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

February 19, 2016

File No: 2BE-LUX----

North Arrow Minerals Inc.
Suite 960 – 789 West Pender St.
Vancouver, BC V6C 1H2
Email: mmacmorran@northarrowminerals.com

Subject: North Arrow Minerals Inc. – Luxx Project/Luxx Property – New Application – Type “B”, Kivalliq

Dear: Mr. Michael Macmorran

The Nunavut Water Board (NWB) provides notice that, on November 2, 2015 a new application for a Type “B” water license for water use and/or waste disposal associated with activities in the Kivalliq region of Nunavut was filed by North Arrow Minerals Inc. By way of this correspondence, the Board invites parties to provide the NWB with their comments with respect to the application as outlined below. The application consists of the following documents:

- Certificate of Compliance
- Condensed Interim Consolidated Financial Statements
- Email Cover Luxx Project
- General Water Licence Application
- Luxx Project Abandonment and Restoration Plan
- Luxx Project Summary and Maps
- Luxx Project Project Summary and Maps
- Luxx Project NWB Cover Letter
- Spill Contingency Plan
- Land Use Permit Application Project Summary Oct 2015 Final English
- Land Use Permit Application Project Summary Oct 2015 Final Inuktitut

The application can be obtained from our ftp site at the following link:

<ftp://ftp.nwb-oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-LUX-----%20North%20Arrow/>

As noted in the NWB’s earlier correspondence acknowledging receipt of this application, under the Nunavut Land Claims Agreement (NLCA), Article 11, Section 11.5.9 and s. 76 (1) of *Nunavut Planning and Project Assessment Act* (NuPPAA), the proponent of a project proposal governed by the NLCA and NuPPAA that requires a water licence is required to submit a project proposal document (which may include the water licence application) directly to the Nunavut

Planning Commission (NPC or Commission). The NPC then reviews the project proposal and makes a determination regarding the applicable land use planning requirements and/or provides direction regarding whether the project proposal is subject to screening by the Nunavut Impact Review Board (NIRB). Under Articles 11, 12 and 13 of the NLCA, NuPPAA and Part 3 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA), until the project proposal has concluded the applicable land use planning and assessment process required by the NPC and the NIRB, the NWB cannot issue a water licence.

On this basis, the NWB, while previously acknowledging the receipt of the application, waited for the Commission's determination and recommendations before proceeding to the next steps in the NWB's processing of the application. Please be advised that on November 30, 2015 the NWB received the required determinations and recommendations from the Commission and on February 8, 2016 received the NIRB's determination in respect of the project proposal associated with the water licence application.

Now that the application has concluded the pre-licensing steps required under the NLCA, NuPPAA and the NWNSRTA, the NWB is now proceeding to the next steps in processing the application, including providing the attached Notice of Application which will be published in due course. In addition, to ensure this application is dealt with in a timely fashion, the NWB has forwarded notice of all documentation received by the NWB in respect of the application to regulators and Council of the Municipality(ies) most affected by the project. The NWB is also inviting interested parties to make representations about the application, including information requests, identifying issues of water user compensation and providing technical review comments directly to the NWB **within thirty (30) days from the date of this letter; on or before March 19, 2016.**

After the NWB receives and reviews the comments received, the Board may provide additional procedural instructions regarding the next steps in the Board's processing of the application. Please note that throughout the Board's consideration of the application, the NWB retains the right to request additional information and studies, as set out under ss. 48(1)-(3) of the NWNSRTA. If additional information will be requested, the NWB's technical staff will contact the applicant to discuss the Board's request in detail.

If the applicant or parties have any questions regarding this matter, please contact Sean Joseph, the Technical Advisor for the file.

Sincerely,

Valerie Kogvek
Licensing Administrator

Enclosure: Notice of Application
Cc: Distribution List – Kivalliq