



Application for Water Licence Renewal

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Month/Day/Year

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DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo and request for background information	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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APPLICATION FOR WATER LICENCE RENEWAL

Your application may be classified as a **renewal** only if all operations remain the same as previously licensed and only the term of the licence requires change. If your application contemplates:

- a change to the volume of water authorized for use;
- a new activity related to water use or waste disposal;
- a new component related to water use or waste disposal;
- a change in predicted environmental impacts(s); and/or
- a change to any term or condition of the original licence

your application is **NOT** classified as a renewal but rather an amendment and will require submission of an Application for Water Licence Amendment. Licensees applying for combined renewal / amendment are also referred to the Application for Water Licence Amendment.

The applicant is referred to the NWB's Guide 7: *Licensee Requirements Following the Issuance of a Water Licence* for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-MPP1719

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: North Arrow Minerals Inc.

Address: 960 – 789 West Pender Street, Vancouver, BC V6C 1H2

Phone: 604-668-8355

Fax: 604-336-4813

e-mail: mmacmorran@northarrowminerals.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: Mike MacMorran

Address: Same as above

Phone: Same as above

Fax: Same as above

e-mail: Same as above

(Attach authorization letter.)

3. NAME OF PROJECT

Is the name of the project the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the name of the project including the name of the location: Mel Project, Melville Peninsula, NU

4. LOCATION OF UNDERTAKING

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Project Extents

NW: Latitude: (67°40'53.76"N) Longitude: (-82°33'58.70"W)

NE: Latitude: (67°40'53.76"N) Longitude: (-82°2'10.30"W)

SE: Latitude: (67°25'49.00"N) Longitude: (-82°2'10.30"W)

SW: Latitude: (67°25'49.00"N) Longitude: (-82°33'58.70"W)

Camp Location(s)

Latitude: (67°32'6.70" N) Long (-82°31'28.20" W)

5. MAP

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

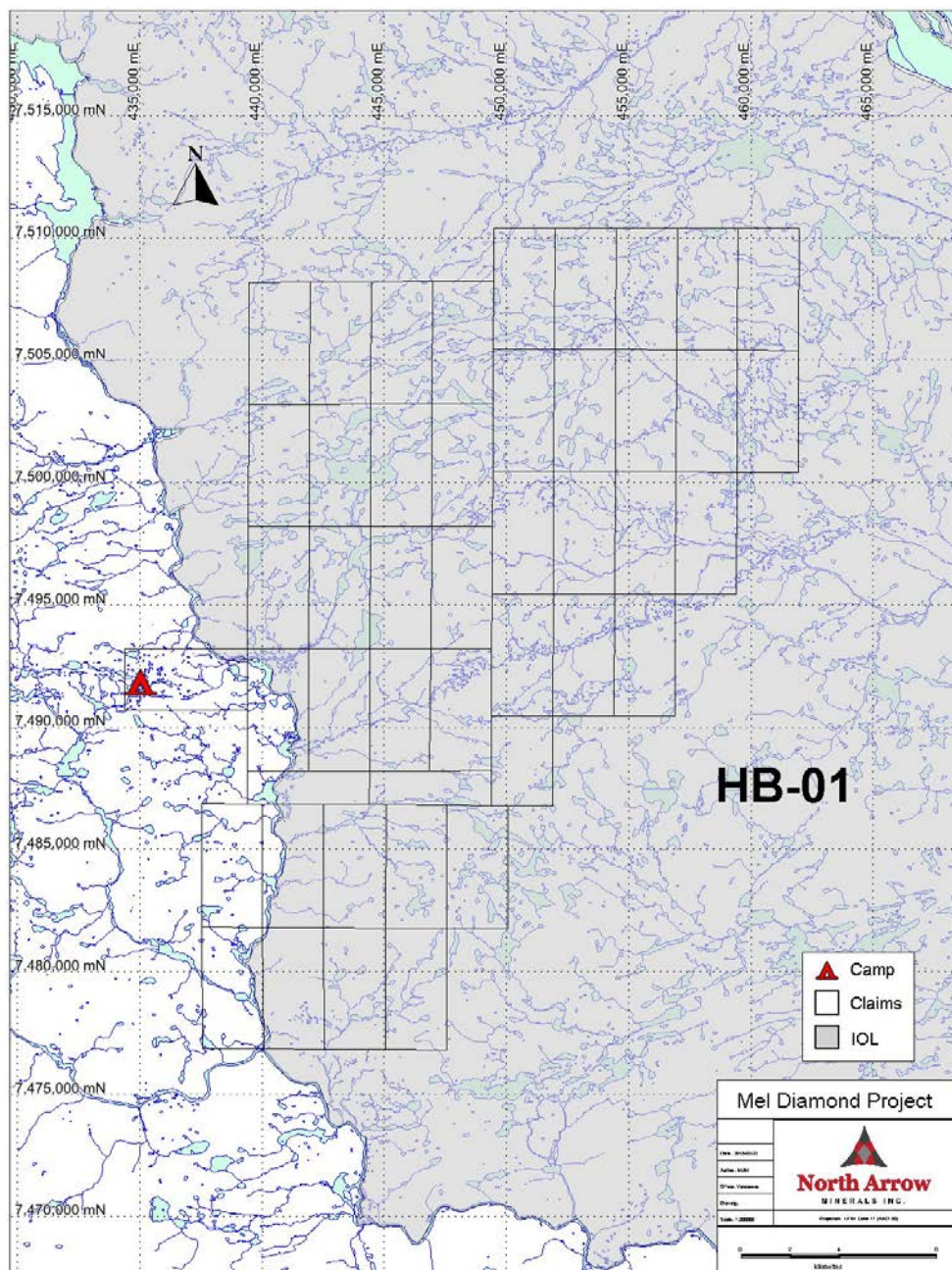
☒ Yes ☐ No

Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: 46O08/09/10 and 46P12

Map Name: Mel Diamond Project

Map Scale: 1:200,000



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6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

Surface

☒ Land Use Authorization from Crown Indigenous Relations and Northern Affairs Canada (CIRNAC)
Date (expected date) of issuance: N2017C0006 Date of expiry: April 30, 2022

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☒ IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: Q17L3003 Date of expiry: Renewal Pending

☐ Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin
☐ South Baffin
☐ Akunnig

☒ Keewatin
☐ Sanikiluaq
☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. Dec. 24, 2018

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. Feb. 28, 2019

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal.

10. OPTIONS

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below): |

See Schedule II of the *Northwest Territories Waters Regulations* for Description of Undertakings.

12. WATER USE

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- | | |
|--|---|
| <input checked="" type="checkbox"/> To obtain water for camp/ municipal purposes | |
| <input type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To alter the flow of, or store water | <input type="checkbox"/> Flood control |
| <input checked="" type="checkbox"/> Other: Drilling | |

13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence?

☒ Yes ☐ No

Name of water source(s): lakes/rivers/streams

Lakes/rivers/streams with sufficient capacity within the claims shown on the map included in section 5 (above).

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes ☐ No

Describe the quality of the water source(s) and the available capacity(s): only waterbodies with sufficient capacity will be used as a source of water.

Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes ☐ No

Provide the overall estimated quantity of water to be used: 50.5 m³/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantity(s) of water to be used from each source: somewhere between 0-50.5 m³/day

Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☒ Yes ☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): approximately 0.5 m³/day for camp, and somewhere between 0-50 m³/day for drilling.

Are the method(s) of extraction the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the method(s) of extraction: Water will be extracted by pump. All pumps will use a 1" inside diameter suction hose with a fine screen so as to not entrain fish or other small marine life.

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Estimated quantity(s) of water returned to source(s): 0-50.5 m³/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☒ Yes ☐ No

Describe the quality(s) of water(s) returned to source(s): The Project will not substantially affect the quality of water returned to the source as drilling additives and cuttings will not be allowed to re-enter the waterbody/water table. As well, camp greywater will also not contain harmful chemicals.

14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

☒ Sewage

☐ Solid Waste

☐ Hazardous

☐ Bulky Items/Scrap Metal

☐ Animal Waste

☐ Other (describe): _____

☐ Waste oil

☒ Greywater

☒ Sludges

☐ Contaminated soil and/or water

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Drill cuttings	Pulverized rock	0.1-1 cubic meters per drill hole (approx.)	n/a	Pumped into sumps and/or natural depressions
Sewage	Human waste	Up to 12 people for 6-8 weeks	n/a	Outhouse/Latrine Pit
Greywater	Kitchen waste; water from washing facilities	Up to 12 people for 6-8 weeks	n/a	Sumps for kitchen and washing facilities; kitchen grease to be backhauled to town
Combustible Wastes	Domestic (food containers, paper); scrap/leftover building materials	Small amount	n/a	Incinerate
Non-Combustible Wastes	Bulk items; scrap metal	Small amount	n/a	Backhauled to an approved facility down south for disposal and/or refilling
Hazardous Wastes	Diesel/Aviation Fuel Drums Propane Tank Engine oil/antifreeze/drilling mud and grease containers Salt Batteries			Backhauled to an approved facility down south for disposal and/or refilling Waste oil will be collected and sealed in clearly marked 205L drums and transported to an approved disposal site Lead batteries will also be stored in clearly marked areas

				and transported for disposal at an approved facility
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16. OTHER AUTHORIZATIONS

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

☒ Yes ☐ No

For each provide the following:

Authorization: n/a

Administering Agency: n/a

Project Activity: n/a

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

☒ Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

Given the nature and scope of the proposed program, environmental impacts will be minimal. Affected areas will be drilling locations only. Coring will take place at each drill-site – this will result in the production of drill cuttings at the surface. Following the completion of each drill hole, holes left as a result of coring will be back-filled. Sumps filled with drill cuttings will be back-filled where hand-dug sumps were created.

The camp will be dismantled and removed upon completion of the land use activity (see Final Abandonment Procedures in the *Abandonment and Restoration Plan* for the project).

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

North Arrow is not aware of anyone that will be affected by the proposed undertaking; however, all exploration activity planning will take into account any possible impacts to the cultural value, including subsistence harvesting of the area and quality of water.

19. INUIT WATER RIGHTS

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

☒ Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

There will be no substantial affect to the quality, quantity or flow of waters.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

During meetings and correspondence, concerns were raised about the impact on local wildlife from helicopter noise. As per the land use regulations, all aircraft will maintain a flight altitude of 610 m, except during take-off and landing, times of low-level ceiling, and during any unforeseen emergency situations. Operations/activities that may interfere with migration or calving will cease until the caribou and their calves have vacated the area. Should large concentrations of birds be observed, all aircraft will maintain a flight altitude of 1000 m vertical distance and 1500 m horizontal distance from the birds.

Community	Name	Organization	Date Contacted
Naujaat	Community for the general public	People from the community	Meetings held in Naujaat May 20, 2014; November 4, 2014
Naujaat	Naujaat Mayor and Council (Donat Milortuk was the point of contact)	Mayor and Council	November 4, 2014; May 14, 2015
Naujaat	HTO (David Tudtujuk was the point of contact)	HTO	November 4, 2014; May 14, 2015
Hall Beach	Peter Siakuluk	Hall Beach Mayor	November 19, 2014; July 20, 2015
Hall Beach	Salamonie Shoo	QIA	November 19, 2014; July 20, 2015
Hall Beach	George Qulaut	MLA	April 6, 2016
Hall Beach	Peter Siakuluk	Hall Beach Mayor	April 6, 2016
Hall Beach	P.J. Akeeagok	QIA	April 6, 2016
Hall Beach	Salamonie Shoo	QIA	April 6, 2016
Hall Beach	Salamonie Shoo	QIA	December 16, 2016
Hall Beach	Community Meeting	Hall Beach public	April 6, 2017
Hall Beach	Members of the HTA (Manager: Manasee Nauluq)	HTA	April 6, 2017
Hall Beach	Hall Beach Mayor and Council	Mayor and Council	April 6, 2017
Hall Beach	Darryl Dibblee	Interim SAO	Feb. 8, 2017
Hall Beach	George Qulaut	MLA	April 14, 2017
Hall Beach	Peter Siakuluk	Hall Beach Mayor	Sept. 7, 2017
Hall Beach	Jason Mikki	HTA Manager	Sept. 14, 2017
Hall Beach	Dany Arvilaq	HTA representative – tour of Mel Project site	Sept. 17, 2017
Hall Beach	Peter Siakuluk	Hall Beach Mayor	Oct. 17, 2017
Hall Beach	Peter Siakuluk	Hall Beach Mayor	Jan. 24, 2018
Hall Beach	Joelie Kaernerker	MLA	Jan. 26, 2018
Hall Beach	Jim Langille	SAO	Feb. 20, 2018
Hall Beach	Community Meeting	Hall Beach Community	April 12, 2018
Hall Beach	Members of the HTA (Manager: Joyce Arnardjuak)	HTA	April 12, 2018
Hall Beach	Hall Beach Mayor and Council	Mayor and Council	April 12, 2018
Hall Beach	Jim Langille	SAO	Sept. 24, 2018
Hall Beach	P.J. Akeeagok, Joel Fortier	QIA	Nov. 13, 2018
Hall Beach	Jim Langille	SAO	Nov. 13, 2018
Hall Beach	Jaypeetee Audlakiak	Mayor	Nov. 13, 2018
Hall Beach	Mayor Audlakiak and Counc.	Mayor and Council	April 4, 2019
Hall Beach	Members of the HTA	HTA	April 4, 2019
Hall Beach	35 attendees	Community	April 4, 2019

21. SECURITY INFORMATION

Is the financial security assessment the same as that considered in the existing water licence?

☒ Yes ☐ No

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

See North Arrow's "Condensed Interim Consolidated Financial Statements" (attached below)

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an updated statement of financial security.

See North Arrow's "Condensed Interim Consolidated Financial Statements" (attached below)

If the applicant is a business entity, please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☒ Yes ☐ No

Provide a list of the officers of the company.

Ken Armstrong, President and CEO
Wayne Johnstone, CFO
Brenda Nowak, Corporate Secretary
Gren Thomas, Chairman of the Board of Directors

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name. Attached below

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Assessment Report, Mel Project, Melville Peninsula (2013, 2017)

There have been no inspections of the property, to date. To the best of North Arrow's knowledge, there is nothing outstanding in regard to permits or annual reports related to the project.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☒ Yes ☐ No

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction

Proposed Start Date: _____ n/a _____ Proposed Completion Date: _____ n/a _____
(month/year) (month/year)

Operation

Proposed Start Date: _____ May 2019 _____ Proposed Completion Date: _____ Sept. 2024 _____
(month/year) (month/year)

Closure

Proposed Start Date: _____ To be determined _____ Proposed Completion Date: _____ To be determined _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ n/a _____ Proposed Completion Date: _____ n/a _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Closure

☐ Winter ☒ Spring ☒ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☒ Spring ☒ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? _____ June 2, 2019 _____

Indicate the proposed term of the renewal (maximum of 25 years): _____ 5 years _____

Requested date of renewal issuance: _____ June/2019 _____ Requested Expiry Date: _____ Sept. 2024 _____
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

☒ Yes ☐ No If no, date expected _____

Updated plans, including designs and reports (see Block 23).

☒ Yes ☐ No If no, date expected _____

Updated security assessment (see Block 21).

☒ Yes ☐ No If no, date expected _____

Updated financial statement (see Block 22).

☒ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

☒ Yes ☐ No If no, date expected _____

English Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

☒ Yes ☐ No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☒ Yes ☐ No If no, date expected _____

28. SIGNATURE

I, _____ (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.

Signature

Date



Dec. 24, 2018

NIRB - Nunavut Impact Review Board
Natasha Lear
Manager, Technical Administration
P.O. Box 1360, Cambridge Bay, NU X0B 0C0
info@nirb.ca
nlear@nirb.ca

NWB - Nunavut Water Board
Richard Dwyer, Manager of Licensing
P.O. Box 119, Gjoa Haven, NU X0B 1J0
licensing@nwb-oen.ca

INAC – Indigenous & Northern Affairs Canada
Tracey McCaie
P.O. Box 100, Iqaluit, NU X0A 0H0
tracey.mccaie@aandc.gc.ca
landsmining@inac.gc.ca

QIA - Qikiqtani Inuit Association
Stephen Bathory
Director, Dept of Major Projects
Qikiqtani Inuit Association
P.O. Box 1340, Iqaluit NU X0A 0H0
dmp@qia.ca

PROPONENT:
Mike MacMorran
North Arrow Minerals Inc.
960 - 789 West Pender Street
Vancouver BC V6C 1H2
mmacmorran@northarrowminerals.com

Dear Ms. Lear, Mr. Dwyer, Ms. McCaie, Mr. Bathory, Mr. MacMorran:

RE: NPC File # 148999 [North Arrow Minerals - Mel Project]

The following works and activities have been proposed in the above-noted project proposal:

1. Continuation of Mineral Exploration Base Camp
2. Addition of Waste Incinerator
3. Location: Qikiqtani Region; [Western Melville Peninsula, about halfway between Hall Beach and Naujaat, inside both the Qikiqtani Region and the area of jurisdiction of the Keewatin Regional Land Use Plan (KRLUP)]

A complete description of the project proposal reviewed by the NPC can be accessed online using the link below.

The Nunavut Planning Commission (NPC) has completed its review of the above noted project proposal. The NPC previously reviewed works and activities associated with the current proposal, including exploration base camp (conformity determination 148356 issued Oct. 31 2016). This conformity determination still applies. In addition, associated activities were previously screened by the Nunavut Impact Review Board (NIRB FILE NO.: 16EN062).

The NPC has determined that the above-noted project proposal is a significant modification to the project because the addition of a waste incinerator may have ecosystemic impacts over a broader area. It conforms to the Keewatin Regional Land Use Plan (KRLUP). The proponent has undertaken to comply with the applicable conformity requirements of Appendix C, G, and H of the KRLUP.

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867-983-4626

P.O. Box 2101
Ikaluktutiak, NU X0B 0C0
867-983-4625
867-983-4626

The above-noted project proposal requires screening by the NIRB under section 12.4.3 of the Nunavut Agreement as amended because it is for a component or activity that was not part of the original proposal and its inclusion is a significant modification of the project. By way of this letter, the NPC is forwarding the project proposal with this determination to the NIRB for screening. Project materials, including the applicable conformity requirements, are available at the following address:

<http://lupit.nunavut.ca/portal/project-dashboard.php?appid=148999&sessionid=>

The regulatory authorities to which this letter is addressed are responsible under the Nunavut Planning and Project Assessment Act (NUPPAA) to implement any of the applicable requirements by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued.

This conformity determination applies only to the above noted project proposal as submitted. Proponents may not carry out projects and regulatory authorities may not issue licenses, permits and other authorizations in respect of projects if a review by the NPC is required. Regulatory authorities may consult with the NPC to obtain recommendations on their duties to implement the existing land use plans prior to issuing licenses, permits and other authorizations under subsection 69(6) of the NUPPAA.

My office would be pleased to discuss how best to implement the applicable requirements and to review any draft authorizations that regulatory authorities wish to provide for that purpose. If you have any questions, please do not hesitate to contact me at (867) 857-2242.

Sincerely,



Peter Scholz
Senior Planner,
Nunavut Planning Commission

cc.

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SCREENING DECISION REPORT

NIRB FILE No.: 16EN062

NPC File No.: 148999

Related to NPC File No.: 148356

NWB Licence No.: 2BE-MPP1719

February 28, 2019

Following the Nunavut Impact Review Board's (NIRB or Board) assessment of all materials provided, the NIRB is recommending that a review of North Arrow Minerals Inc.'s "Mel Project" is not required pursuant to Article 12, Section 12.4.4(a) of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)* and s. 92(1)(a) of the *Nunavut Planning and Project Assessment Act*, S.C. 2013, c. 14, s. 2 (NuPPAA).

Subject to the Proponent's compliance with the terms and conditions as set out in below, the NIRB is of the view that the project proposal is not likely to cause significant public concerns, and it is unlikely to result in significant adverse environmental and social impacts. The NIRB therefore recommends that the responsible Minister accept this Screening Decision Report.

OUTLINE OF SCREENING DECISION REPORT

- 1) REGULATORY FRAMEWORK
- 2) PROJECT REFERRAL
- 3) PROJECT OVERVIEW & THE NIRB ASSESSMENT PROCESS
- 4) ASSESSMENT OF THE PROJECT PROPOSAL IN ACCORDANCE WITH PART 3 OF NUPPAA
- 5) VIEWS OF THE BOARD
- 6) RECOMMENDED PROJECT-SPECIFIC TERMS AND CONDITIONS
- 7) MONITORING AND REPORTING REQUIREMENTS
- 8) OTHER NIRB CONCERNS AND RECOMMENDATIONS
- 9) REGULATORY REQUIREMENTS
- 10) CONCLUSION
- 11) APPENDIX A: PREVIOUSLY SCREENED PROJECT PROPOSALS
- 12) APPENDIX B: SPECIES AT RISK IN NUNAVUT
- 13) APPENDIX B: ARCHAEOLOGICAL AND PALAEOONTOLOGICAL RESOURCES TERMS AND CONDITIONS FOR LAND USE PERMIT HOLDERS

REGULATORY FRAMEWORK

The primary objectives of the NIRB are set out in Article 12, Section 12.2.5 of the *Nunavut Agreement* and are confirmed by s. 23 of the *NuPPAA*:

Nunavut Agreement, Article 12, Section 12.2.5: In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area.

The purpose of screening is provided for under Article 12, Section 12.4.1 of the *Nunavut Agreement* and s. 88 of the *NuPPAA* which states:

NuPPAA, s. 88: The purpose of screening a project is to determine whether the project has the potential to result in significant ecosystemic or socio-economic impacts and, accordingly, whether it requires a review by the Board...

To determine whether a review of a project is required, the NIRB is guided by the considerations as set out under Article 12, Section 12.4.2(a) and (b) of the *Nunavut Agreement* and s. 89(1) of *NuPPAA* which states:

NuPPAA, s. 89(1): The Board must be guided by the following considerations when it is called on to determine, on the completion of a screening, whether a review of the project is required:

- (a) a review is required if, in the Board's opinion,
 - i. the project may have significant adverse ecosystemic or socio-economic impacts or significant adverse impacts on wildlife habitat or Inuit harvest activities,
 - ii. the project will cause significant public concern, or
 - iii. the project involves technological innovations, the effects of which are unknown; and
- (b) a review is not required if, in the Board's opinion,
 - i. the project is unlikely to cause significant public concern, and
 - ii. its adverse ecosystemic and socioeconomic impacts are unlikely to be significant, or are highly predictable and can be adequately mitigated by known technologies.

It is noted that under Article 12, Section 12.4.2(c) and s. 89(2) of the *NuPPAA* provides that the considerations set out in s.89(1)(a) prevail over the considerations set out in s. 89(1)(b) of the *NuPPAA*.

As set out under Article 12, Section 12.4.4 of the *Nunavut Agreement* and s. 92(1) of the *NuPPAA*, upon conclusion of the screening process, the Board must provide its written report the Minister. The contents of the NIRB's report are specified under *NuPPAA*:

NuPPAA, s. 92(1): The Board must submit a written report to the responsible Minister containing a description of the project that specifies its scope and indicating that:

- (a) a review of the project is not required;
- (b) a review of the project is required; or
- (c) the project should be modified or abandoned.

Where the NIRB determines that a project may be carried out without a review, the NIRB has the discretion to recommend specific terms and conditions to be attached to any approval of the project proposal pursuant to paragraph 92(2)(a) of *NuPPAA* as follows:

NuPPAA, s. 92(2) In its report, the Board may also

- (a) recommend specific terms and conditions to apply in respect of a project that it determines may be carried out without a review.

PROJECT REFERRAL

On December 24, 2018 the Nunavut Impact Review Board (NIRB or Board) received a referral to screen North Arrow Minerals Inc.'s "Mel Project" project proposal from the Nunavut Planning Commission (NPC or Commission), with an accompanying positive conformity determination with the Keewatin Regional Land Use Plan (KRLUP). The NPC noted that the previous conformity determination issued on October 31, 2016 for the activities associated with the current proposal continues to apply and has determined that the project proposal is a significant modification to the project because of the addition of a waste incinerator may have ecosystemic impacts over a broader area.

Pursuant to Article 12, Sections 12.4.1 and 12.4.4 of the *Nunavut Agreement* and section 87 of the *NuPPAA* the NIRB has commenced screening this project proposal. Due to the proposal containing activities that are sufficiently related to previously assessed activities under NIRB file number **16EN062**, the NIRB viewed this project proposal as an amendment to the previously screened project and assigned this proposal with this previous file number. A summary of the previously screened project activities can be found in **Appendix A**.

PROJECT OVERVIEW & THE NIRB ASSESSMENT PROCESS

1. Information Requests

On December 24, 2018 the NIRB requested that the Proponent complete the online application form through the NIRB's public registry system and ensure, pursuant to s. 144(1) of the *NuPPAA*, that the information provided be sufficient to determine the scope of the project activities being proposed and that sufficient information has been provided to commence screening. Following a preliminary completeness check of the proposal as submitted, the NIRB determined that the proposal did not contain the necessary information for the NIRB to carry out its screening and on January 11, 2019 requested that the Proponent provide the Board with the additional information in order to carry out the screening of the project proposal.

On January 24, 2019 the NIRB received the required additional information and commenced the screening pursuant to Part 3 of the *NuPPAA*.

2. Project Scope

All documents received and pertaining to this project proposal can be accessed from the NIRB's online public registry at www.nirb.ca/project/125434.

The “Mel Project” project activities as previously screened by the NIRB (File No. 16EN062) included a seasonal exploration program for diamonds within six (6) mineral claims. A complete description of the scope of activities previously approved has been included within **Appendix A**.

North Arrow Minerals Inc. is currently proposing the “Mel Project” project which would be located in the same area as previously approved and would be located within the Qikiqtani (South Baffin) region and the area of jurisdiction of the KRULP, approximately 150 kilometres (km) south from Hall Beach and 200 km northeast from Nauyasat. The Proponent intends to amend the scope of previously approved activities to include an incinerator and extend the period of operation for the project activities. The program is proposed to take place from 2019 to 2024.

As required under s. 86(1) of the *NuPPAA*, the Board accepts the scope of the amended Mel Project as set out by North Arrow Minerals Inc. in the proposal. The scope of the amended project proposal includes the following additional undertakings, works, or activities:

- Addition of a waste incinerator; and
- Continue to use existing temporary camp to facilitate mineral exploration activities.

3. Inclusion or Exclusion to Scoping List

The NIRB has identified no additional works or activities in relation to the project proposal. As a result, the NIRB proceeded with screening the project based on the scope as described above.

4. Key Stages of the Screening Process

The following key stages were completed:

Date	Stage
December 24, 2018	Receipt of project proposal and positive conformity determination (Keewatin Regional Land Use Plan) from the NPC
December 24, 2018 January 11, 2019 January 17, 2019	Information requests
January 24, 2019	Proponent responded to information requests
January 24, 2019	Scoping pursuant to s. 86(1) of the <i>NuPPAA</i>
January 25, 2019	Public engagement and comment request
February 4, 2019	Receipt of public comments
February 20, 2019	Proponent response to comments

5. Public Comments and Concerns

Notice regarding the NIRB's screening of this project proposal was distributed on January 25, 2019 to community organizations in Hall Beach and Nauyasat, as well as to relevant federal and territorial government agencies, Inuit organizations and other parties. The NIRB requested that interested parties review the proposal and the NIRB's *proposed* project-specific terms and conditions, and provide the Board with any comments or concerns by February 4, 2019 regarding:

- Whether the project proposal is likely to arouse significant public concern; and if so, why;
- Whether the project proposal is likely to cause significant adverse eco-systemic or socio-economic effects; and if so, why;
- Whether the project proposal is likely to cause significant adverse impacts on wildlife habitat or Inuit harvest activities; and if so, why;
- Whether the project proposal is of a type where the potential adverse effects are highly predictable and mitigable with known technology, (and providing any recommended mitigation measures); and
- Any matter of importance to the Party related to the project proposal.

On or before February 4, 2019 the NIRB received comments from the following interested parties (see Summary of Comments and Concerns section below):

- **Government of Nunavut (GN)**
- **Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)**
- **Environment and Climate Change Canada (ECCC)**
- **Hall Beach Hunters' and Trappers' Association (HTA)**

a. Summary of Public Comments and Concerns Received during the Public comment period of this file

The following provides a summary of the comments and concerns received by the NIRB:

Government of Nunavut (GN)

- Provided updated contact information for hazardous waste manifests;
- Recommended that the Proponent conduct a field archeological assessment program prior to any land disturbance activities; and
- Recommended no activities be conducted in the vicinity (50 metre buffer zone) of any archeological or historical sites.

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

- Does not have any comments or concerns at this time.

Environment and Climate Change Canada (ECCC)

- Recommended the Proponent correct the contact number for ECCC and the agency name in the Spill Contingency Plan;
- Recommended the Proponent avoid conducting land clearing activities during migratory bird season;
- Recommended the Proponent inform its employees about their responsibilities in regards to mitigating impacts to migratory bird including:

- if nests containing eggs or young of migratory birds are discovered, all disruptive activities in the nesting area should be halted until the nesting is completed;
- any nest found should be protected with a buffer zone appropriate for the species until the young have naturally left the vicinity of the nest;
- if there are migratory birds nests where work is proposed, options like avoiding, adapting, rescheduling or relocating activities that could disturb or destroy the nests should be considered; and
- Recommended the Proponent follow ECCC's technical document for batch waste incineration.

Hall Beach Hunters' and Trappers' Association (HTA)

- The Hall Beach HTA Board was not in support of the proposal as they are uncertain of the kind of impact it would have on their cultural heritage, ancestors, land, animals and Inuit.
- Noted concerns with respect to wildlife and caribou.

b. Comments and Concerns with respect to Inuit Qaujimaningit, Traditional, and Community Knowledge

The following is a summary of the comments and concerns received with respect to Inuit Qaujimaningit, traditional and community knowledge:

- The Hall Beach HTA held a radio program to assist the community to voice their concerns with respect to the proposal as summarized below:
 - Changes to caribou notes as the project located in an area used as hunting grounds;
 - [Caribou] birthing area is located in Inuksukjuaq (land) up to Nagvaa (land);
 - Caribou are limited;
 - Throughout the summer there was no caribou; "They were completely impacted and blocked from entering, they never made it up here this summer and last summer" [had a different pattern];
 - Have to travel farther to catch caribou. Noticing pattern change in the area;
 - Helicopter being heavily used in summer, flying close to grounds; feel animals have been impacted enough;
 - On a direct caribou route, completely blocking the route of the caribou in the summer;
 - Area historically used traditionally by community members as camping area;
 - Lived there at a young age, ancestors lived there, it was their home, have to stay strong; otherwise what do we [Inuit] have left;
 - Members noted that don't want Inuksugjuaq (land) to be impacted;
 - Some community members noted support for Baffinland as it would provide employment for 100 years therefore want proponent to leave Inuksugjuaq (land); and
 - Noted importance of employment for future generations:
 - Kids will need to have jobs, jobs will not be available from our land after 50 years past. What will future generations do later in the future? For our kids, we have to take small steps, not to use all at once.

6. Proponent's Response to Public Comments and Concerns

The following is a summary of the Proponent's response to concerns as received on February 20, 2019:

- Proponent has noted that it has conducted a limited amount of work on Mel Project prior to 2018 and noted:
 - Current land use permits for the MEL Project provide permissions for the exploration camp, diamond drilling, heavy mineral sampling, prospecting and geophysics;
 - Logistics supporting these activities were organized directly through Hall Beach;
 - Local employees were hired with the assistance of the HTA to work at the exploration camp to monitor wildlife and maintenance of the camp;
- Proponent has met multiple times and had informal communications with the Hamlet, HTA and community members and the next meeting is scheduled for April 4, 2019 to provide an update about project activities, review existing agreements/protocols (i.e. wildlife and waste management protocols), discuss potential employment opportunities and community concerns with regards to hunting and caribou;
- With regards to Caribou and Caribou Habitat the Proponent has committed to:
 - Avoid low level flights, except take off and landings;
 - Potential seasonal restrictions on exploration activities and low-level flying in the southwestern most portion of the Mel Project (a designated calving and post-calving ground);
 - Enforce and adhere to a caribou monitoring and mitigation protocol developed with the HTA (2017) that includes:
 - The presence of an HTA approved Hall Beach resident in camp at all times as a wildlife monitor;
 - Helicopter and fixed wing flight restrictions; and
 - Work restrictions related to the presence of caribou.
 - Regular Annual Wildlife Reports and the wildlife logs;
- Updated the Emergency Contact for the Government of Nunavut, Department of Environment, Environmental Protection Division;
- With regards to Archeological Resources the Proponent:
 - Does not feel a detailed archaeological assessment is appropriate at this time;
 - Completed an investigation of the camp location in September 2017 with an HTA and Hamlet Council member with traditional knowledge of the area;
 - Drill sites in 2018 were examined prior to drilling;
 - Has committed to:
 - Future work (drilling) sites will be inspected by a person designated by the Hall Beach HTA and Hamlet Council with traditional knowledge of the area;
 - Any archeological or heritage resources found will be recorded and photographed and a GPS location taken;
 - Land Use activities will not be conducted in the vicinity of 50(m) buffer zone of any archaeological/historical site;
 - No heritage resource will be disturbed in the course of all land use activities; and

- No person shall alter, or otherwise disturb an archeological site, or remove any artifact from an archeological site.
- Updated the ECCC Spill Contingency Emergency Phone Contact as requested;
- With regards to Migratory Birds the Proponent has committed to:
 - Instruct project employees and contractors on their responsibilities regarding mitigating impacts to all wildlife, including migratory birds.
 - Prior to any drilling, proposed sites will be inspected by the project manager, and if bird nests are discovered, a new location will be chosen; and
 - Adhere to the recommended setback distances to minimize disturbance to nests for different nesting bird groups.

ASSESSMENT OF THE PROJECT PROPOSAL IN ACCORDANCE WITH PART 3 OF NUPPAA

In determining whether a review of the project is required, the Board considered whether the project proposal had potential to result in significant ecosystemic or socio-economic impacts.

Accordingly, the assessment of impact significance was based on the analysis of those factors that are set out under s. 90 of the *NuPPAA*. The Board took particular care to take into account Inuit Qaujimaningit, traditional and community knowledge in carrying out its assessment and determination of the significance of impacts.

The following is a summary of the Board's assessment of the factors that are relevant to the determination of significant impacts with respect of this project proposal:

Factor	Comment
The size of the geographic area, including the size of wildlife habitats, likely to be affected by the impacts.	<ul style="list-style-type: none"> ▪ The proposed project is approximately 150 kilometres (km) south from Hall Beach and 200 km northeast from Naujaat and the incinerator is located within the exploration camp area. ▪ The proposed project activities may take place within habitat for caribou, muskox, wolves, Arctic fox, Arctic hare, migratory birds and non-migratory birds, and Species at Risk such as Polar Bear.
The ecosystemic sensitivity of that area.	<ul style="list-style-type: none"> ▪ From NPC mapping sources the exploration activities are located within a caribou migration corridor and their late summer range.
The historical, cultural and archaeological significance of that area.	<ul style="list-style-type: none"> ▪ No specific areas of historical, cultural and archaeological significance have been identified by the Proponent or by the Government of Nunavut within the physical footprint of the proposed project.
The size of the human and the animal populations likely to be affected by the impacts.	<ul style="list-style-type: none"> ▪ The proposed project is unlikely to result in impacts to local human and animal populations.

Factor	Comment
The nature, magnitude and complexity of the impacts; the probability of the impacts occurring; the frequency and duration of the impacts; and the reversibility or irreversibility of the impacts.	<ul style="list-style-type: none"> ▪ The impacts from the addition of an incinerator to the camp to support the ongoing exploration program previously approved are considered to be well known. ▪ A zone of influence of up to 50 km from the most potentially-disruptive project activities was selected for the NIRB's assessment. With adherence to the relevant regulatory requirements and application of the mitigation measures recommended by the NIRB, and no significant residual effects are expected to occur.
The cumulative impacts that could result from the impacts of the project combined with those of any other project that has been carried out, is being carried out or is likely to be carried out.	<ul style="list-style-type: none"> ▪ The mitigation measures recommended by the NIRB have been designed with consideration for the potential for cumulative effects to result from the impacts of the project combined with other past, present and reasonably foreseeable projects.
Any other factor that the Board considers relevant to the assessment of the significance of impacts.	<ul style="list-style-type: none"> ▪ No other relevant factors were identified.

Other past, present and reasonably foreseeable projects considered in this assessment:

There are no other past, present or reasonable foreseeable projects that are within the project area.

Views of the Board

In considering the factors as set out above in the screening of the project proposal, the NIRB has identified a number of issues below and respectfully provide the following views regarding whether or not the proposed project has the potential to result in significant impacts.

The Board would also note that as justified in its previous decision for NIRB File No. 16EN062 (January 10, 2017), all prior terms and conditions remain applicable, while the additional impacts identified for the new components of the incinerator activities proposed warrant additional mitigation measures as justified below.

Ecosystem, wildlife habitat and Inuit harvesting activities:

- Potential negative impacts to air quality, water quality and soil quality from the incinerator activities of waste including potential release of heavy metals, dioxins and furans to the environment would be restricted to a small geographic area in a previously established camp location. The NIRB has proposed terms and conditions 50 through 52 to mitigate the potential negative impacts from the incinerator activities. In addition, the Proponent would be required to follow specific Acts and Regulations (see Regulatory Requirements section) relevant to the proposed project.

Socio-economic effects on northerners:

- The probable significant potential negative impacts to historical, cultural and archaeological sites as a result of the incinerator activities is considered to be low due to the minimal footprint of the incinerator and the temporary twelve-person camp associated with it. The Proponent is required to follow the *Nunavut Act* (as recommended in the Regulatory Requirements section) and would be required to contact the Government of Nunavut-Department of Culture and Heritage if sites of historical, cultural and archaeological importance are encountered.

Significant public concern:

- Significant public concern was expressed during the public commenting period for this proposal. Follow up consultation and involvement of local community members has been recommended previously by the Board (see terms and conditions 47 and 49) and would continue to apply.

Technological innovations for which the effects are unknown:

- No specific issues have been identified associated with this project proposal

Administrative Conditions:

To encourage compliance with applicable regulatory requirements and assist the Board and responsible authorities with compliance and effects monitoring for project activities, the following project-specific terms and conditions have been recommended: 1-3.

In considering the above factors and subject to the Proponent's compliance with the terms and conditions necessary to mitigate against the potential adverse environmental and social effects, the Board is of the view that the proposed project is unlikely to cause significant public concern and its adverse ecosystemic and socioeconomic impacts are unlikely to be significant, or are highly predictable and can be adequately mitigated by known technologies.

RECOMMENDED PROJECT-SPECIFIC TERMS AND CONDITIONS

The following terms and conditions were previously issued by the NIRB in the January 10, 2017 Screening Decision Report for File No.16EN062, *and continue to apply to the Mel Project*:

1. North Arrow Mineral Inc. (the Proponent) shall maintain a copy of the Project Terms and Conditions at the site of operation at all times.
2. The Proponent shall forward copies of all permits obtained and required for this project to the Nunavut Impact Review Board (NIRB) prior to the commencement of the project.
3. (updated) The Proponent shall operate in accordance with all commitments stated in correspondence provided to the Nunavut Planning Commission (Application to Determine Conformity, October 31, 2016), and the NIRB (Online Application Form, November, 2, 2016; and the Proponent's supplementary application information, December 15 and 16, 2016). Additionally, the Proponent shall operate in accordance with all commitments stated in correspondence provided to the Nunavut Planning Commission (NPC File No.:148999) and the NIRB (Online Application Form, January 17, 2019) and the additional information submitted on January 24, 2019.

4. The Proponent shall operate the site in accordance with all applicable Acts, Regulations and Guidelines.

Water Use

5. The Proponent shall not extract water from any fish-bearing waterbody unless the water intake hose is equipped with a screen of appropriate mesh size to ensure that there is no entrapment of fish. Small lakes or streams should not be used for water withdrawal unless approved by the Nunavut Water Board.
6. The Proponent shall not use water, including drilling or disturbing any stream, lakebed or the banks of any definable water course unless approved by the Nunavut Water Board.

Waste Disposal

7. The Proponent shall keep all garbage and debris in bags placed in a covered metal container or equivalent until disposed of at an approved facility. All such wastes shall be kept inaccessible to wildlife at all times.

Fuel and Chemical Storage

8. Unless otherwise authorized by the Nunavut Water Board, the Proponent shall locate all fuel and other hazardous materials a minimum of thirty-one (31) metres away from the high water mark of any water body and in such a manner as to prevent their release into the environment.
9. The Proponent shall ensure that re-fueling of all equipment occurs a minimum of thirty-one (31) metres away from the high water mark of any water body, unless otherwise authorized by the Nunavut Water Board.
10. The Proponent shall store all fuel and chemicals in such a manner that they are inaccessible to wildlife.
11. The Proponent shall use adequate secondary containment or a surface liner (e.g., self-supporting insta-berms and fold-a-tanks) when storing barreled fuel and chemicals.
12. The Proponent shall use drip pans or other equivalent device when refueling equipment. The Proponent shall also use secondary containment or a surface liner (e.g., self-supporting insta-berms and fold-a-tanks) at all refueling stations.
13. The Proponent shall ensure that appropriate spill response equipment and clean-up materials (e.g., shovels, pumps, barrels, drip pans, and absorbents) are readily available during any transfer of fuel or hazardous substances, at all fuel storage sites, at vehicle maintenance areas and at drill sites.
14. The Proponent shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site for treatment.
15. The Proponent shall ensure that all personnel are properly trained in fuel and hazardous waste handling procedures, as well as spill response procedures. All spills of fuel or other deleterious materials of any amount must be reported immediately to the 24 hour Spill Line at (867) 920-8130.

Wildlife - General

16. The Proponent shall ensure that there is no damage to wildlife habitat in conducting this operation.

17. The Proponent shall not harass wildlife. This includes persistently worrying or chasing animals, or disturbing large groups of animals. The Proponent shall not hunt or fish, unless proper Nunavut authorizations have been acquired.
18. The Proponent shall ensure that all project personnel are made aware of the measures to protect wildlife and are provided with training and/or advice on how to implement these measures.

Migratory Birds and Raptors Disturbance

19. The Proponent shall not disturb or destroy the nests or eggs of any birds. If nests are encountered and/or identified, the Proponent shall take precaution to avoid further interaction and or disturbance (e.g., a 100 metres buffer around the nests). If active nests of any birds are discovered (i.e., with eggs or young), the Proponent shall avoid these areas until nesting is complete and the young have left the nest.
20. The Proponent shall minimize activities during periods when birds are particularly sensitive to disturbance such as migration, nesting and moulting.
21. The Proponent shall ensure its aircraft avoid excessive hovering or circling over areas where bird presence is likely.

Aircraft Flight Restrictions

22. The Proponent shall restrict aircraft/helicopter activity related to the project to a minimum altitude of 610 metres above ground level unless there is a specific requirement for low-level flying, which does not disturb wildlife and migratory birds.
23. The Proponent shall ensure that aircraft maintain a vertical distance of 1000 metres and a horizontal distance of 1500 metres from any observed groups of wildlife or colonies of migratory birds. Aircraft should avoid critical and sensitive wildlife areas at all times by choosing alternate flight corridors.
24. The Proponent shall ensure that aircraft/helicopter do not, unless for emergency, touch-down in areas where wildlife are present.
25. The Proponent shall advise all pilots of relevant flight restrictions and enforce their application over the project area, including flight paths to/from the project area.

Caribou and Muskoxen Disturbance

26. The Proponent shall cease activities that may interfere with the migration or calving of caribou or muskox, until the caribou or muskox have passed or left the area.
27. The Proponent shall not block or cause any diversion to caribou migration, and shall cease activities likely to interfere with migration such as airborne geophysics surveys, drilling or movement of equipment or personnel until such time as the caribou have passed.
28. The Proponent shall not construct or operate any camp or cache any fuel within ten (10) kilometres, or conduct any drilling operation within five (5) kilometres of any paths or crossings known to be frequented by caribou (e.g., designated caribou crossings).
29. During the period of May 15 to July 15, when caribou are observed within one (1) kilometre of project operations, the Proponent shall suspend all operations, including low-level over flights, drilling, and use of snowmobiles and all-terrain vehicles outside the immediate vicinity of the camps. Following July 15, if caribou cows or calves are observed within one (1)

kilometre of project operations, the Proponent shall also suspend all operations in the vicinity, including low-level over flights, drilling, and use of snow mobiles and all-terrain vehicles, until caribou are no longer in the immediate area.

Ground Disturbance

30. The Proponent shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles must be suspended if rutting occurs.
31. The Proponent shall implement suitable erosion and sediment suppression measures on all areas before, during and after conducting activities in order to prevent sediment from entering any waterbody.

Drilling on Land

32. The Proponent shall not conduct any land based drilling or mechanized clearing within thirty-one (31) metres of the normal high water mark of a water body.
33. The Proponent shall not allow any drilling wastes to spread to the surrounding lands or water bodies.
34. If an artesian flow is encountered, the Proponent shall ensure the drill hole is immediately plugged and permanently sealed.
35. The Proponent shall ensure that all drill areas are constructed to facilitate minimizing the environmental footprint of the project area. Drill areas should be kept orderly with garbage removed daily to an approved disposal site.
36. The Proponent shall ensure that all sump/depression capacities are sufficient to accommodate the volume of waste water and any fines that are produced. The sumps shall only be used for inert drilling fluids, and not any other materials or substances.
37. The Proponent shall not locate any sump within thirty-one (31) metres of the normal high water mark of any water body. Sumps and areas designated for waste disposal shall be sufficiently bermed or otherwise contained to ensure that substances do not enter a waterway unless otherwise authorized.
38. The Proponent shall ensure all drill holes are backfilled or capped prior to the end of each field season. All sumps must be backfilled and restored to original or stable profile prior to the end of each field season.

Drilling on Ice

39. If drilling is conducted on lake ice, the Proponent shall ensure that any return water is non-toxic, and will not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life.
40. The Proponent shall ensure that drill muds and additives are not used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.
41. The Proponent shall ensure that all drill cuttings are removed from ice surfaces daily.

Temporary Camps

42. The Proponent shall ensure that all camps are located on gravel, sand or other durable land.
43. The Proponent shall not erect camps or store material on the surface ice of lakes or streams.
44. The Proponent shall ensure that the land use area is kept clean and tidy at all times.

Restoration of Disturbed Areas

45. The Proponent shall remove all garbage, fuel and equipment upon abandonment.
46. The Proponent shall complete all clean-up and restoration of the lands used prior to the end of each field season and/or upon abandonment of site.

Other

47. The Proponent should consult with local residents regarding their activities in the area and solicit available Inuit Qaujimaningit and information that can inform project activities.
48. The Proponent should, to the extent possible, hire local people.
49. The Proponent shall ensure that project activities do not interfere with Inuit wildlife harvesting or traditional land use activities.

In addition to the previously issued terms and conditions, the Board recommends the following project-specific terms and conditions:

Waste Disposal/Incineration

50. The Proponent shall incinerate all combustible wastes daily and remove the ash from incineration activities and non-combustible wastes from the project site to an approved facility for disposal.
51. The Proponent shall ensure that the incineration of combustible camp wastes comply with the *Canadian Wide Standards for Dioxins and Furans*, and the *Canadian Wide Standards for Mercury*.
52. The Proponent shall ensure that no waste oil/grease is incinerated on site.

MONITORING AND REPORTING REQUIREMENTS

The Board has previously recommended the following on January 10, 2017.

Annual Report

1. The Proponent shall submit a comprehensive annual report with copies provided to the Nunavut Impact Review Board by March 31st of each year of permitted activities beginning March 31, 2018. The annual report must contain at least the following information:
 - a) A summary of activities undertaken for the year, including:
 - a map showing the approximate location of drill sites and fuel caches;
 - a description of local hires, contracting opportunities and initiatives;
 - flight altitudes, frequency of flights and anticipated flight routes;
 - site photos;

- b) A work plan for the following year, including any progressive reclamation work undertaken;
- c) A summary of community consultations undertaken throughout the year, providing copy of materials presented to community members, a description of issues and concerns raised, discussions with community members and advice offered to the company as well as any follow-up actions that were required or taken to resolve any concerns expressed about the project proposal;
- d) A log of instances in which community residents occupy or transit through the project area for the purpose of traditional land use or harvesting. This log should include the location and number of people encountered, activity being undertaken (e.g., berry picking, fishing, hunting, camping, etc.), date and time, and any mitigation measures or adaptive management undertaken to prevent disturbance;
- e) A discussion of issues related to wildlife and environmental monitoring, including the number of cease-work orders required as a result of proximity to caribou and any other wildlife;
- f) A brief summary of wildlife monitoring conducted under the Qilalugaq Project Caribou Monitoring plan, as well as any mitigation actions that were undertaken. In addition, the Proponent shall maintain a record of wildlife observations while operating within the project area and include it as part of the summary report. The summary report based on wildlife observations should include the following:
 - 1. Locations (i.e., latitude and longitude), species, number of animals, a description of the animal activity, and a description of the gender and age of animals if possible.
 - 2. Prior to conducting project activities, the Proponent should map the location of any sensitive wildlife sites such as denning sites, calving areas, caribou crossing sites, and raptor nests in the project area, and identify the timing of critical life history events (i.e., calving, mating, denning and nesting).
 - 3. Additionally, the Proponent should identify in its annual report the potential impacts from the project, and outline what operational activities are proposed to manage these impacts or those that are modified to avoid impacts on wildlife and sensitive sites.
 - 4. An analysis of the effectiveness of mitigation measures for wildlife;
- g) A summary of any heritage sites encountered during the exploration activities, any follow-up action or reporting required as a result and how project activities were modified to mitigate impacts on the heritage sites;
- h) A summary of its knowledge of Inuit land use in/near the project area and explain how project activities were modified to mitigate impacts on Inuit land use; and
- i) A summary of how the Proponent has complied with conditions contained within this Screening Decision, and all conditions as required by other authorizations associated with the project proposal.

In addition to the project-specific terms and conditions, the Board has previously recommended the following on January 10, 2017:

Change in Project Scope

1. Responsible authorities or Proponent shall notify the Nunavut Planning Commission (NPC) and the NIRB of any changes in operating plans or conditions, including phase advancement, associated with this project prior to any such change.

Bear and Carnivore Safety

2. The Proponent should review the Government of Nunavut's booklet on Bear Safety, which can be downloaded from this link: http://gov.nu.ca/sites/default/files/bear_safety_-_reducing_bear-people_conflicts_in_nunavut.pdf. Further information on bear/carnivore detection and deterrent techniques can be found in the "Safety in Grizzly and Black Bear Country" pamphlet, which can be downloaded from this link: http://www.enr.gov.nt.ca/sites/default/files/web_pdf_wd_bear_safety_brochure_1_may_2015.pdf.
3. There are polar bear and grizzly bear safety resources available from the Bear Smart Society with videos on polar bear safety available in English, French and Inuktitut at <http://www.bearsmart.com/play/safety-in-polar-bear-country/>. Information can also be obtained from Parks Canada's website on bear safety at the following link: <http://www.pc.gc.ca/eng/pn-np/nu/quttinirpaaq/visit/visit6/d.aspx> or in reviewing the "Safety in Polar Bear Country" pamphlet, which can be downloaded from the following link: http://www.pc.gc.ca/eng/pn-np/nu/quttinirpaaq/visit/visit6/~media/pn-np/nu/auyuittuq/pdf/shared/PolarBearSafety_English.ashx.
4. Any problem wildlife or any interaction with carnivores should be reported immediately to the local Government of Nunavut, Department of Environment Conservation Office (Conservation Officer of Hall Beach, phone: (867) 928-8507).

Species at Risk

5. The Proponent review Environment and Climate Change Canada's "Environment Assessment Best Practice Guide for Wildlife at Risk in Canada", available at the following link: http://www.sararegistry.gc.ca/virtual_sara/files/policies/EA%20Best%20Practices%202004.pdf. The guide provides information to the Proponent on what is required when Wildlife at Risk, including *Species at Risk*, are encountered or affected by the project.

Migratory Birds

6. The Proponent review Canadian Wildlife Services' "Key migratory bird terrestrial habitat sites in the Northwest Territories and Nunavut", available at the following link: <http://publications.gc.ca/site/eng/317630/publication.html> and "Key marine habitat sites for migratory birds in Nunavut and the Northwest Territories", available at the following link: <http://publications.gc.ca/site/eng/392824/publication.html>. The guide provides information to the Proponent on key terrestrial and marine habitat areas that are essential to the welfare of various migratory bird species in Canada.

7. For further information on how to protect migratory birds, their nests and eggs when planning or carrying out project activities, consult Environment and Climate Change Canada's Incidental Take web page and the fact sheet "Planning Ahead to Reduce the Risk of Detrimental Effects to Migratory Birds, and their Nests and Eggs" available at <http://www.ec.gc.ca/paom-itmb/>.

Transport of Waste/Dangerous Goods and Waste Management

8. Environment and Climate Change Canada recommends that all hazardous wastes, including waste oil, receive proper treatment and disposal at an approved facility.
9. The Proponent shall ensure that a waste manifest or the appropriate transportation of dangerous goods (TDG) documentation accompany all potential hazardous samples and/or materials that are transported off site. Further, the Proponent shall ensure that the shipment of waste is registered with the Government of Nunavut-Department of Environment (GN-DoE). Contact Environmental Protection Division, Department of Environment Phone (867) 975-7700; e-mail environmentalprotection@gov.nu.ca to obtain a manifest if hazardous waste will be generated during project activities.
10. The Proponent shall provide an authorization or letter of conformation of disposal be obtained from the owner/operator of the landfill to be used for disposal of project-related wastes.

Aircraft Identification

11. The Proponent shall provide the communities of Hall Beach and Nauyasat the planned helicopter activities, including photo(s) of the helicopter to be used, approximate flight paths, plans and times as available prior to commencement of activities to ensure community members are aware of the planned activities.

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

12. (updated) Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) impose mitigation measures, conditions and monitoring requirements pursuant to the Federal Land Use Permit, which require the Proponent to respect the sensitivities and importance of the area. These mitigation measures, conditions and monitoring requirements should be in regard to the location and area; type, location, capacity and operation of facilities; use, storage, handling and disposal of chemical or toxic material; wildlife and fisheries habitat; and petroleum fuel storage.
13. (updated) CIRNAC consider the importance of conducting regular Land Use Inspections, pursuant to the authority of the Federal Land Use Permit, while the project is in operation. The Land Use Inspections should be focused on ensuring the Proponent is in compliance with the conditions imposed through the Federal Land Use Permit.

Qikiqtani Inuit Association

14. The Qikiqtani Inuit Association impose strict mitigation measures and/or conditions upon the Proponent pursuant to the Inuit Owned Lands License in regard to fuel and chemical storage, drilling, water conditions, ground disturbance and wildlife on Inuit owned land.

Nunavut Water Board

15. If a Type "B" Water Licence is required for this project proposal, the Nunavut Water Board should impose mitigation measures, conditions and monitoring requirements pursuant to the

Water Licence, which require the Proponent to respect the sensitivities and importance of water in the area. These mitigation measures, conditions and monitoring requirements should be in regard to use of water, snow and ice; waste disposal; and operation for camps; drilling operations; spill contingency planning; abandonment and restoration planning; and monitoring programs.

Crown Indigenous Relations and Northern Affairs Canada – Water Resources Division

16. (updated) CIRNAC – Water Resources Division should consider the importance of conducting regular inspections, pursuant to the authority of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, while the project is in operation. Inspectors should focus on ensuring the Proponent is in compliance with the conditions imposed through the Water Licence

The Board is currently also recommending the following:

Incineration of Wastes

17. The Proponent review Environment and Climate Change Canada's "Technical Document for Batch Waste Incineration", available at the following link: <http://www.ec.gc.ca/gdd-mw/default.asp?lang=En&n=F53EDE13-1>. The technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring and reporting.

Although the current activity of adding an incinerator to the camp does not have caribou related concerns there was significant public concern expressed during the commenting period with regards to caribou and the overall project activities, the Board is therefore also recommending the following:

Caribou Management

18. Territorial and federal government agencies in Nunavut should work together with Regional Inuit Associations, co-management boards and industry to develop an action plan to identify and mitigate potential cumulative effects of human land use activities, including mineral exploration, on barren-ground caribou. This assessment of cumulative effects should occur at a regional scale (i.e., larger than individual project areas).
19. Territorial and federal government agencies update the DIAND Caribou Protection Map with updated data and information from the Government of Nunavut and Beverly Qamanirjuaq Caribou Management Board.
20. As a result of expressed concerns regarding mineral exploration and the associated potential for cumulative effects on caribou and caribou habitat within the Kivalliq and Qikiqtani regions, the NPC, territorial and federal government agencies should work together with Regional Inuit Associations, co-management boards, the public, and industry to ensure the Nunavut-wide Land Use Plan currently under development identifies appropriate land use in these areas prior to potential mineral exploration occurring. The plan should identify and mitigate potential cumulative effects of human land use activities on barren-ground caribou on both localized and regional scales.
21. The NPC should be aware of the public concerns regarding a perceived lack of protection for caribou and caribou habitat within Kivalliq and Qikiqtani regions of Nunavut. In developing a Nunavut-wide Land Use Plan, the NPC may wish to consider formalized protection of

important caribou habitat, and seasonal restrictions on potentially disruptive activities in these areas to minimize disturbance to caribou lifecycles and Inuit harvesting activities.

REGULATORY REQUIREMENTS

The Proponent is also advised that the following legislation may apply to the project:

Acts and Regulations

1. The Proponent is advised that the *Canadian Environmental Protection Act* (<http://laws.justice.gc.ca/en/C-15.31/>) lists calcium chloride (CaCl) as a toxic substance. The Proponent should assess alternatives to the use of CaCl as a drill additive, including biodegradable and non-toxic additives.
2. The *Fisheries Act* (<http://laws-lois.justice.gc.ca/eng/acts/F-14/index.html>).
3. The *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (<http://laws-lois.justice.gc.ca/eng/acts/n-28.8/>).
4. The *Migratory Birds Convention Act* and *Migratory Birds Regulations* (<http://laws-lois.justice.gc.ca/eng/acts/M-7.01/>).
5. The *Species at Risk Act* (<http://laws-lois.justice.gc.ca/eng/acts/S-15.3/index.html>). Attached in **Appendix B** is a list of Species at Risk in Nunavut.
6. The *Wildlife Act* (<http://www.canlii.org/en/nu/laws/stat/snu-2003-c-26/latest/snu-2003-c-26.html>) which contains provisions to protect and conserve wildlife and wildlife habitat, including specific protection measures for wildlife habitat and species at risk.
7. The *Nunavut Act* (<http://laws-lois.justice.gc.ca/eng/acts/N-28.6/>). The Proponent must comply with the proposed terms and conditions listed in the attached **Appendix C**.
8. The *Transportation of Dangerous Goods Regulations* (<http://www.tc.gc.ca/eng/tdg/clear-tofc-211.htm>), *Transportation of Dangerous Goods Act* (<http://laws-lois.justice.gc.ca/eng/acts/t-19.01/>), and the *Canadian Environmental Protection Act* (<http://laws-lois.justice.gc.ca/eng/acts/C-15.31/>). The Proponent must ensure that proper shipping documents accompany all movements of dangerous goods. The Proponent must register with the Government of Nunavut, Department of Environment Manager of Pollution Control and Air Quality at 867-975-7748.
9. The *Aeronautics Act* (<http://laws-lois.justice.gc.ca/eng/acts/A-2/>).

Other Applicable Guidelines

10. Solid Waste Management for Northern and Remote Communities (Environment and Climate Change Canada, 2017) guidance document for best practices of hazardous waste management. <https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/municipal-solid/environment/northern-remote-communities.html>.
11. The Proponent shall practice progressive reclamation in accordance with the restoration guidelines outlined in Indigenous and Northern Affairs Canada's *Northern Land Use Guidelines Pits and Quarries* (<http://www.aadnc-aandc.gc.ca/eng/1100100023585>).

CONCLUSION

The foregoing constitutes the Board's screening decision with respect to the North Arrow Minerals Inc. "Mel Project". The NIRB remains available for consultation with the Minister regarding this report as necessary.

Dated February 28, 2019 at Whale Cove, NU.



Elizabeth Copland, Chairperson

Attachments: Appendix A: Previously-screened Project Proposals
 Appendix B: Species at Risk in Nunavut
 Appendix C: Archaeological and Palaeontological Resources Terms and Conditions for Land Use
 Permit Holders

APPENDIX A: PREVIOUSLY SCREENED PROJECT PROPOSALS

The original project proposal (NIRB File No.:16EN062), was received by the Nunavut Impact Review Board (NIRB or Board) from the Nunavut Planning Commission (NPC or Commission) on October 31, 2016, which also noted that it considered this project proposal to be located outside of an area with an approved land use plan in place.

The project proposal was screened by the Board in accordance with Part 4, Article 12 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)* and Section 3 of the *Nunavut Planning and Project Assessment Act*, S.C. 2013, c. 14, s. 2 (*NuPPAA*). On January 10, 2017 the NIRB issued a screening decision pursuant to p. 92(2)(a) of the *NuPPAA* to the then Minister of Indigenous and Northern Affairs which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

North Arrow Minerals Inc.'s (Proponent) original "Mel Project" project was located in Kivalliq and Qikiqtani (South Baffin) regions, approximately 150 kilometres (km) south from Hall Beach and 200 km northeast from Nauyasat. The Proponent indicated that it intended to conduct a seasonal exploration program for diamonds within six (6) mineral claims. The program is proposed to take place for up to six (6) weeks in either April/May, or July through September from 2017 to 2019

According to the previously screened project proposal, the scope of the project included the following undertakings, works or activities:

- Transportation of up to twelve (12) personnel, equipment, and supplies via helicopter or fixed wing aircraft from Hall Beach or Nauyasat to the exploration site(s);
- Establishment of a temporary twelve-person exploration camp on site;
- Use of up to two (2) snowmobiles to transport field personnel from camp to exploration site(s);
- Conduct prospecting, mapping, till sampling, geophysical surveys, and drilling on land or ice;
- Temporary storage of the following fuels and hazardous materials at the camp site to support exploration activities:
 - i. 10,250 litres of diesel, 60 litres of gasoline, 10,250 litres of aviation fuel, and 12 litres of engine oil;
 - ii. 500 pounds of propane;
 - iii. 125 litres of antifreeze;
 - iv. 40 litres of drilling muds/grease; and
 - v. 20 pounds of salt;
- Withdrawal of up to 50 cubic metres of water daily from surrounding waterbodies for drinking, cooking and cleaning, and drilling activities;
- Generation and disposal of the following wastes associated with the exploration program:
 - i. Greywater to be disposed in sumps and backfilled;
 - ii. Combustible, non-combustible, and hazardous waste to be transported offsite to an approved disposal facility;
 - iii. Drill cuttings and drill water to be contained in a natural depression or hand-dug sump;
 - iv. Sewage to be buried with application of lime; and

- Demobilization and removal of exploration equipment and materials from site on completion of the program.

APPENDIX B: SPECIES AT RISK IN NUNAVUT

Due to the requirements of Section 79(2) of the Species at Risk Act (SARA), and the potential for project-specific adverse effects on listed wildlife species and its critical habitat, measures should be taken as appropriate to avoid or lessen those effects, and the effects need to be monitored. Project effects could include species disturbance, attraction to operations and destruction of habitat. This section applies to all species listed on Schedule 1 of SARA, as listed in the table below, or have been assessed by the Committee on the Status of Endangered Wildlife in Canada (COSEWIC), which may be encountered in the project area. This list may not include all species identified as at risk by the Territorial Government. The following points provide clarification on the applicability of the species outlined in the table.

- Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term “listed” species refers to species on Schedule 1.
- Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- Some species identified at risk by COSEWIC are “pending” addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

If species at risk are encountered or affected, the primary mitigation measure should be avoidance. The Proponent should avoid contact with or disturbance to each species, its habitat and/or its residence. All direct, indirect, and cumulative effects should be considered. Refer to species status reports and other information on the species at risk Registry at <http://www.sararegistry.gc.ca> for information on specific species.

Monitoring should be undertaken by the Proponent to determine the effectiveness of mitigation and/or identify where further mitigation is required. As a minimum, this monitoring should include recording the locations and dates of any observations of species at risk, behaviour or actions taken by the animals when project activities were encountered, and any actions taken by the proponent to avoid contact or disturbance to the species, its habitat, and/or its residence. This information should be submitted to the appropriate regulators and organizations with management responsibility for that species, as requested.

For species primarily managed by the Territorial Government, the Territorial Government should be consulted to identify other appropriate mitigation and/or monitoring measures to minimize effects to these species from the project.

Mitigation and monitoring measures must be undertaken in a way that is consistent with applicable recovery strategies and action/management plans.

Schedules of SARA are amended on a regular basis so it is important to check the SARA registry (www.sararegistry.gc.ca) to get the current status of a species.

Updated: November 2018

Terrestrial Species at Risk¹	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility²
Migratory Birds			
Buff-breasted Sandpiper	Special Concern	Schedule 1	Environment and Climate Change Canada (ECCC)
Common Nighthawk	Threatened	Schedule 1	ECCC
Eskimo Curlew	Endangered	Schedule 1	ECCC
Harlequin Duck	Special Concern	Schedule 1	ECCC
Harris's Sparrow	Special Concern	Schedule 1	ECCC
Horned Grebe	Special Concern	Schedule 1	ECCC
Ivory Gull	Endangered	Schedule 1	ECCC
Olive-sided Flycatcher	Special Concern	Schedule 1	ECCC
Red Knot Islandica Subspecies	Special Concern	Schedule 1	ECCC
Red-necked Phalarope	Special Concern	No Schedule	ECCC
Ross's Gull	Threatened	Schedule 1	ECCC
Rusty Blackbird	Special Concern	Schedule 1	ECCC
Short-eared Owl	Special Concern	Schedule 1	ECCC
Vegetation			
Porsild's Bryum	Threatened	Schedule 1	Government of Nunavut (GN)
Arthropods			
Transverse Lady Beetle	Special Concern	No Schedule	GN
Terrestrial Wildlife			
Caribou (Dolphin and Union Population)	Endangered	Schedule 1	GN
Caribou (Barren-ground Population)	Threatened	No Schedule	GN
Caribou (Torngat Mountains Population)	Endangered	No Schedule	GN
Grizzly Bear (Western Population)	Special Concern	Schedule 1	GN
Peary Caribou	Threatened	Schedule 1	GN
Polar Bear	Special Concern	Schedule 1	GN
Wolverine	Special Concern	Schedule 1	GN
Marine Wildlife			
Atlantic Walrus (High Arctic Population)	Special Concern	No Schedule	Fisheries and Oceans Canada (DFO)
Atlantic Walrus (Central/Low Arctic Population)	Special Concern	No Schedule	DFO
Beluga Whale (Cumberland Sound Population)	Threatened	Schedule 1	DFO
Beluga Whale (Eastern Hudson Bay Population)	Endangered	No Schedule	DFO
Beluga Whale (Eastern High Arctic-Baffin Bay Population)	Special Concern	No Schedule	DFO

¹ The Department of Fisheries and Oceans has responsibility for aquatic species.

² Environment and Climate Change Canada (ECCC) has a national role to play in the conservation and recovery of Species at Risk in Canada, as well as responsibility for management of birds described in the Migratory Birds Convention Act (MBCA). Day-to-day management of terrestrial species not covered in the MBCA is the responsibility of the Territorial Government. Populations that exist in National Parks are also managed under the authority of the Parks Canada Agency.

Terrestrial Species at Risk¹	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility²
Beluga Whale (Western Hudson Bay Population)	Special Concern	No Schedule	DFO
Fish			
Atlantic Cod (Arctic Lakes Population)	Special Concern	No Schedule	DFO
Fourhorn Sculpin (Freshwater Form)	Data Deficient	Schedule 3	DFO
Lumpfish	Threatened	No Schedule	DFO
Thorny Skate	Special Concern	No Schedule	DFO

APPENDIX B: ARCHAEOLOGICAL AND PALAEOONTOLOGICAL RESOURCES TERMS AND CONDITIONS FOR LAND USE PERMIT HOLDERS



INTRODUCTION

The Department of Culture and Heritage (CH) routinely reviews land use applications sent to the Nunavut Water Board, Nunavut Impact Review Board and the Indigenous and Northern Affairs Canada. These terms and conditions provide general direction to the permittee/proponent regarding the appropriate actions to be taken to ensure the permittee/proponent carries out its role in the protection of Nunavut's archaeological and palaeontological resources.

TERMS AND CONDITIONS

- 1) The permittee/proponent shall have a professional archaeologist and/or palaeontologist perform the following **Functions** associated with the **Types of Development** listed below or similar development activities:

	Types of Development (See Guidelines below)	Function (See Guidelines below)
a)	Large scale prospecting	Archaeological/Palaeontological Overview Assessment
b)	Diamond drilling for exploration or geotechnical purpose or planning of linear disturbances	Archaeological/ Palaeontological Inventory
c)	Construction of linear disturbances, Extractive disturbances, Impounding disturbances and other land disturbance activities	Archaeological/ Palaeontological Inventory or Assessment or Mitigation

Note that the above-mentioned functions require either a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit. CH is authorized by way of the *Nunavut and Archaeological and Palaeontological Site Regulations*³ to issue such permits.

³ P.C. 2001-1111 14 June, 2001

- 2) The permittee/proponent shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 3) The permittee/proponent shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 4) The permittee/proponent shall immediately contact CH at (867) 934-2046 or (867) 975-5500 should an archaeological site or specimen, or a palaeontological site or fossil, be encountered or disturbed by any land use activity.
- 5) The permittee/proponent shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation until permitted to proceed with the authorization of CH.
- 6) The permittee/proponent shall follow the direction of CH in restoring disturbed archaeological or palaeontological sites to an acceptable condition. If these conditions are attached to either a Class A or B Permit under the Territorial Lands Act Indigenous and Northern Affairs Canada directions will also be followed.
- 7) The permittee/proponent shall provide all information requested by CH concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 8) The permittee/proponent shall make best efforts to ensure that all persons working under its authority are aware of these conditions concerning archaeological sites and artifacts and palaeontological sites and fossils.
- 9) If a list of recorded archaeological and/or palaeontological sites is provided to the permittee/proponent by CH as part of the review of the land use application the permittee/proponent shall avoid the archaeological and/or palaeontological sites listed.
- 10) Should a list of recorded sites be provided to the permittee/proponent, the information is provided solely for the purpose of the proponent's land use activities as described in the land use application, and must otherwise be treated confidentially by the proponent.

Legal Framework

As stated in Article 33 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)*:

Where an application is made for a land use permit in the Nunavut Settlement Area, and there are reasonable grounds to believe that there could be sites of archaeological importance on the lands affected, no land use permit shall be issued without written consent of the Designated Agency. Such consent shall not be unreasonably withheld. [33.5.12]

Each land use permit referred to in Section 33.5.12 shall specify the plans and methods of archeological site protection and restoration to be followed by the permit holder, and any other conditions the Designated Agency may deem fit. [33.5.13]

Palaeontology and Archaeology

Under the *Nunavut Act*⁴, the federal government can make regulations for the protection, care and preservation of palaeontological and archaeological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*⁵, it is illegal to alter or disturb any palaeontological or archaeological site in Nunavut unless permission is first granted through the permitting process.

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

“archaeological site” means a place where an archaeological artifact is found.

“archaeological artifact” means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement).

“palaeontological site” means a site where a fossil is found.

“fossil” includes:

Fossil means the hardened or preserved remains or impression of previously living organisms or vegetation and includes:

- (a) natural casts;*
- (b) preserved tracks, coprolites and plant remains; and*
- (c) the preserved shells and exoskeletons of invertebrates and the preserved eggs, teeth and bones of vertebrates.*

Guidelines for Developers for the Protection of Archaeological Resources in the Nunavut Territory

(Note: Partial document only, complete document at: www.ch.gov.nu.ca/en/Archaeology.aspx)

Introduction

The following guidelines have been formulated to ensure that the impacts of proposed developments upon heritage resources are assessed and mitigated before ground surface altering activities occur. Heritage resources are defined as, but not limited to, archaeological and historical sites, burial grounds, palaeontological sites, historic buildings and cairns. Effective collaboration between the developer, the Department of Culture, and Heritage (CH), and the contract archaeologist(s) will ensure proper preservation of heritage resources in the Nunavut Territory. The roles of each are briefly described.

CH is the Nunavut Government agency which oversees the protection and management of heritage resources in Nunavut, in partnership with land claim authorities, regulatory agencies, and

⁴ s. 51(1)

⁵ P.C. 2001-1111 14 June, 2001

the federal government. Its role in mitigating impacts of developments on heritage resources is as follows: to identify the need for an impact assessment and make recommendations to the appropriate regulatory agency; set the terms of reference for the study depending upon the scope of the development; suggest the names of qualified individuals prepared to undertake the study to the developer; issue an archaeologist or palaeontologist permit authorizing field work; assess the completeness of the study and its recommendations; and ensure that the developer complies with the recommendations.

The primary regulatory agencies that CH provides information and assistance to are the Nunavut Impact Review Board, for development activities proposed for Inuit Owned Lands (as defined in Section 1.1.1 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada (Nunavut Agreement)*), and the Indigenous and Northern Affairs Canada, for development activities proposed for federal Crown Lands.

A developer is the initiator of a land use activity. It is the obligation of the developer to ensure that a qualified archaeologist or palaeontologist is hired to perform the required study and that provisions of the contract with the archaeologist or palaeontologist allow permit requirements to be met; i.e. fieldwork, collections management, artifact and specimen conservation, and report preparation. On the recommendation of the contract archaeologist or palaeontologist in the field and the Government of Nunavut, the developer shall implement avoidance or mitigative measures to protect heritage resources or to salvage the information they contain through excavation, analysis, and report writing. The developer assumes all costs associated with the study in its entirety.

Through his or her active participation and supervision of the study, the contract archaeologist or palaeontologist is accountable for the quality of work undertaken and the quality of the report produced. Facilities to conduct fieldwork, analysis, and report preparation should be available to this individual through institutional, agency, or company affiliations. Responsibility for the curation of objects recovered during field work while under study and for documents generated in the course of the study as well as remittance of artifacts, specimens and documents to the repository specified on the permit accrue to the contract archaeologist or palaeontologist. This individual is also bound by the legal requirements of the *Nunavut Archaeological and Palaeontological Sites Regulations*.

Types of Development

In general, those developments that cause concern for the safety of heritage resources will include one or more of the following kinds of surface disturbances. These categories, in combination, are comprehensive of the major kinds of developments commonly proposed in Nunavut. For any single development proposal, several kinds of these disturbances may be involved

- *Linear disturbances: including the construction of highways, roads, winter roads, transmission lines, and pipelines;*
- *Extractive disturbances: including mining, gravel removal, quarrying, and land filling;*
- *Impoundment disturbances: including dams, reservoirs, and tailings ponds;*

- *Intensive land use disturbances: including industrial, residential, commercial, recreational, and land reclamation work, and use of heritage resources as tourist developments.*
- *Mineral, oil and gas exploration: establishment of camps, temporary airstrips, access routes, well sites, or quarries all have potential for impacting heritage resources.*

Types of Studies Undertaken to Preserve Heritage Resources

Overview: An overview study of heritage resources should be conducted at the same time as the development project is being designed or its feasibility addressed. They usually lack specificity with regard to the exact location(s) and form(s) of impact and involve limited, if any, field surveys. Their main aim is to accumulate, evaluate, and synthesize the existing knowledge of the heritage of the known area of impact. The overview study provides managers with baseline data from which recommendations for future research and forecasts of potential impacts can be made. A Class I Permit is required for this type of study if field surveys are undertaken.

Reconnaissance: This is done to provide a judgmental appraisal of a region sufficient to provide the developer, the consultant, and government managers with recommendations for further development planning. This study may be implemented as a preliminary step to inventory and assessment investigations except in cases where a reconnaissance may indicate a very low or negligible heritage resource potential. Alternately, in the case of small-scale or linear developments, an inventory study may be recommended and obviate the need for a reconnaissance.

The main goal of a reconnaissance study is to provide baseline data for the verification of the presence of potential heritage resources, the determination of impacts to these resources, the generation of terms of reference for further studies and, if required, the advancement of preliminary mitigative and compensatory plans. The results of reconnaissance studies are primarily useful for the selection of alternatives and secondarily as a means of identifying impacts that must be mitigated after the final siting and design of the development project. Depending on the scope of the study, a Class 1 or Class 2 Permit is required for this type of investigation.

Inventory: A resource inventory is generally conducted at that stage in a project's development at which the geographical area(s) likely to sustain direct, indirect, and perceived impacts can be well defined. This requires systematic and intensive fieldwork to ascertain the effects of all possible and alternate construction components on heritage resources. All heritage sites must be recorded on Government of Nunavut Site Survey forms. Sufficient information must be amassed from field, library and archival components of the study to generate a predictive model of the heritage resource base that will:

- allow the identification of research and conservation opportunities;
- enable the developer to make planning decisions and recognize their likely effects on the known or predicted resources; and
- make the developer aware of the expenditures, which may be required for subsequent studies and mitigation. A Class 1 or 2 permit is required.

Assessment: At this stage, sufficient information concerning the numbers and locations of heritage resources will be available, as well as data to predict the forms and magnitude of impacts. Assessments provide information on the size, volume, complexity and content of a heritage resource, which is used to rank the values of different sites or site types given current archaeological knowledge. As this information will shape subsequent mitigation program(s), great care is necessary during this phase.

Mitigation: This refers to the amelioration of adverse impacts to heritage resources and involves the avoidance of impact through the redesign or relocation of a development or its components; the protection of the resource by constructing physical facilities; or, the scientific investigation and recovery of information from the resource by excavation or other method. The type(s) of appropriate mitigative measures are dictated by their viability in the context of the development project. Mitigation strategies must be developed in consultation with, and approved by, the Department of Culture and Heritage. It is important to note that mitigation activities should be initiated as far in advance of the construction of the development as possible.

Surveillance and monitoring: These may be required as part of the mitigation program.

Surveillance may be conducted during the construction phase of a project to ensure that the developer has complied with the recommendations.

Monitoring involves identification and inspection of residual and long-term impacts of a development (i.e. shoreline stability of a reservoir); or the use of impacts to disclose the presence of heritage resources, for example, the uncovering of buried sites during the construction of a pipeline.



Certificate of Compliance

Canada Business Corporations Act
s. 263.1

Certificat de conformité

Loi canadienne sur les sociétés par actions
art. 263.1

NORTH ARROW MINERALS INC.

Corporate name / Dénomination sociale

437139-9

Corporation number / Numéro de société

I HEREBY CERTIFY that the corporation
named above:

- exists under the *Canada Business Corporations Act*;
- has filed the required annual returns; and
- has paid all prescribed fees required.

JE CERTIFIE, par la présente, que la société ci-
dessus mentionnée :

- existe en vertu de la *Loi canadienne sur les sociétés par actions*;
- a déposé les rapports annuels exigés; et
- a acquitté les droits prescrits.

Raymond Edwards

Director / Directeur

2019-02-27

Issuance date (YYYY-MM-DD)
Date d'émission (AAAA-MM-JJ)

NORTH ARROW MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

JANUARY 31, 2019

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

These condensed interim financial statements of North Arrow Minerals Inc. for the nine months ended January 31, 2019 have been prepared by and are the responsibility of the Company's Management.

The Company's independent auditors have not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at January 31, 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	January 31, 2019	April 30, 2018
ASSETS		
Current		
Cash	\$ 954,272	\$ 774,951
Receivables (Note 4)	33,041	117,155
Marketable securities (Note 5)	120,500	119,000
Prepaid expenses	18,552	15,273
	1,126,365	1,026,379
Equipment (Note 6)	65,714	64,182
Exploration and evaluation assets (Note 7)	18,746,004	16,340,050
	\$ 19,938,083	\$ 17,430,611
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	\$ 394,343	\$ 437,497
SHAREHOLDERS EQUITY		
Capital stock (Note 9)	36,097,528	33,362,855
Share-based payment reserve (Note 9)	4,860,225	4,256,791
Investment revaluation reserve (Note 2)	-	(50,000)
Deficit	(21,414,013)	(20,576,532)
	19,543,740	16,993,114
	\$ 19,938,083	\$ 17,430,611

Nature and continuance of operations (Note 1)
Commitments (Note 11)

Approved and authorized on behalf of the Board on March 25, 2019:

"D. Grenville Thomas" Director "Blair Murdoch" Director

The accompanying notes are an integral part of these financial statements.

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the Three and Nine Months Ended January 31, 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months January 31, 2019	Three Months January 31, 2018	Nine Months January 31, 2019	Nine Months January 31, 2018
Advertising, promotion and travel	\$ 25,400	\$ 45,777	\$ 99,349	\$ 142,323
Consulting (Note 10)	4,500	4,500	13,500	13,500
Depreciation	4,229	4,550	11,695	13,163
Office, miscellaneous and rent (Note 10)	21,502	23,901	77,844	77,078
Professional fees	2,086	-	8,388	2,590
Property investigation costs	3,340	8,366	16,170	18,717
Regulatory and filing fees	3,436	885	9,639	5,671
Salaries and benefits (Note 10)	106,627	79,096	256,699	254,002
Share-based compensation (Note 9)	85,220	54,196	603,434	380,651
	(256,340)	(221,271)	(1,096,718)	(907,695)
Interest, foreign exchange and other income	413	2,637	3,687	15,394
Recovery of exploration and evaluation assets	-	-	25,000	102,500
Gain (Loss) on marketable securities (Note 5)	(16,833)	29,248	(23,500)	20,280
Other income – deferred premium (Note 9)	30,609	-	304,050	-
Loss on revaluation of warrants (Note 5)	-	(2,538)	-	(11,668)
	14,189	29,347	309,237	126,506
Net loss for the period	(242,151)	(191,924)	(787,481)	(781,189)
Unrealized gain on available-for-sale financial assets	--	101,500	-	93,188
Comprehensive loss for the period	\$ (242,151)	\$ (90,424)	\$ (787,481)	\$ (688,001)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares	92,772,458	76,155,741	89,762,183	74,851,393

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (787,481)	\$ (781,189)
Items not involving cash:		
Depreciation	11,695	13,163
Share-based compensation	603,434	380,651
Recovery of exploration and evaluation assets	(25,000)	(102,500)
Loss on revaluation of warrants	-	11,668
Loss (gain) marketable securities	23,500	(20,280)
Other income- deferred premium	(304,050)	-
Changes in non-cash working capital items:		
Receivables	84,114	(44,643)
Prepaid expenses	(3,279)	55,386
Accounts payable and accrued liabilities	(16,308)	(45,310)
	(413,375)	(533,054)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets, net	(2,432,800)	(3,067,347)
Proceeds on sale of data	-	50,000
Proceeds on sale of marketable securities	-	119,768
Purchase of equipment	(13,227)	(14,256)
	(2,446,027)	(2,911,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a private placement	3,128,892	5,000,000
Share issuance costs	(90,169)	(36,252)
	3,038,723	4,963,748
Change in cash during the period	179,321	1,518,859
Cash, beginning of the period	774,951	368,124
Cash, end of the period	\$ 954,272	1,886,983
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 12)

The accompanying notes are an integral part of these financial statements.

NORTH ARROW MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share-based payment reserve	Investment revaluation reserve	Deficit	Total
Balance, April 30, 2017	56,155,741	\$ 29,099,107	\$ 3,143,846	\$ (49,188)	\$ (19,636,608)	\$12,557,157
Share-based compensation	-	-	380,651	-	-	380,651
Net loss	-	-	-	-	(781,189)	(781,189)
Investment gain	-	-	-	93,188	-	93,188
Private placement - net	20,000,000	4,263,748	700,000	-	-	4,963,748
Balance, January 31, 2018	76,155,741	\$33,362,855	\$4,224,497	\$44,000	\$(20,417,797)	\$17,213,555
Balance, April 30, 2018	76,155,741	\$ 33,362,855	\$ 4,256,791	\$ (50,000)	\$ (20,576,532)	\$ 16,993,114
Reclassification on adoption of IFRS 9 – (Note 2)	-	-	-	50,000	(50,000)	-
Share-based compensation	-	-	603,434	-	-	603,434
Net loss	-	-	-	-	(787,481)	(787,481)
Private placement –n e t - (Note 9)	16,616,717	2,734,673	-	-	-	2,734,673
Balance, January 31, 2019	92,772,458	\$ 36,097,528	\$ 4,860,225	\$ -	\$ (21,414,013)	\$ 19,543,740

The accompanying notes are an integral part of these financial statements

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

North Arrow Minerals Inc. (the “Company”) is incorporated federally under the laws of the Canada Business Corporations Act (“CBCA”).

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company trades on the TSX Venture Exchange (TSXV – NAR) and its registered office address is Ste. #960-789 West Pender Street, Vancouver, BC, Canada V6C 1H2.

The Company’s principal business activity is the acquisition and exploration of exploration and evaluation assets. To date, the Company has not generated significant revenues from operations and is considered to be in the exploration stage.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At January 31, 2019, the Company had an accumulated deficit of \$21,414,013 (April 30, 2018 - \$20,576,532), incurred ongoing losses and has no source of recurring revenue. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was inappropriate. These adjustments could be material.

The Company’s continuation as a going concern is dependent on the successful results from its mineral property exploration activities, its ability to reduce or defer discretionary expenditures and its continued ability to raise equity capital or borrowings sufficient to meet current and future obligations.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and specifically with IAS 34, Interim Financial Reporting. The accounting policies applied in preparation of these financial statements are consistent with those applied and disclosed in the Company’s financial statements for the year ended April 30, 2018, save for the adoption of IFRS 9 as outlined below. These financial statements are presented in Canadian dollars unless otherwise noted.

b) Historical cost

These financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

c) Change in accounting policy – financial instruments

On May 1, 2018, the Company adopted IFRS 9- financial instruments (“IFRS 9”) which replaced IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities except for marketable securities. The Company adopted IFRS 9 retrospectively without restatement of comparative amounts resulting in a reclassification of \$50,000 from investment revaluation reserve to deficit at May 1, 2018. Future changes in the fair value of marketable securities will be recorded directly in profit or loss. No other differences of any significance have been noted in relation to the adoption of IFRS 9.

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION - continued

d) IFRS 16 - Leases

Effective for annual periods commencing on or after January 1, 2019, IFRS 16 eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company is currently assessing the impact of this new accounting standard on its financial statements.

e) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during this period. Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based payments, marketable securities, valuation of deferred premiums and valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

(i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

(ii) Valuation of share-based payments and warrants recorded as marketable securities

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants recorded as marketable securities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and a Company's earnings and equity reserves.

iii) Valuation of deferred premiums and flow-through shares

On issuance the Company bifurcates the flow-through share into i) a flow-through share premium liability based on the estimated premium the investor pays for the flow-through share feature and ii) share capital. Upon qualifying expenses being incurred, the Company derecognizes the liability and the premium is recognized as other income.

iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- * Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- * Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- * Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities, receivables and accounts payable and accrued liabilities. Cash is carried at fair value using a Level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturity. Marketable securities consisting of common shares are recorded at fair value based on the quoted market prices in active markets at the reporting date, which is consistent with Level 1 of the fair value hierarchy. Marketable securities consisting of warrants are recorded at fair value based on a Black Scholes pricing model consistent with Level 3 of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risks, foreign currency risk, and equity market risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

Credit risk

Credit risk is the risk of financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its excess cash in short-term investments with investment grade ratings, issued by a Canadian chartered bank. The Company's receivables consist primarily of sales tax receivables due from the federal government and receivables from companies with which the Company has exploration agreements or options. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's receivables and cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. It is management's opinion that the Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the funds required through future equity financings, asset sales or exploration option agreements, or a combination thereof. The Company has no regular cash flow from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned exploration and corporate activities and anticipating investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of annual budgets and significant expenditures and commitments. Failure to realize additional funding could cast significant doubt on the Company's ability to continue as a going concern. As at January 31, 2019, the Company had cash of \$954,272 (April 30, 2018 - \$774,951) available to settle current liabilities of \$394,343 (April 30, 2018 - \$437,497).

Foreign currency risk

The Company's activities are within Canada and accordingly the Company is not subject to significant foreign currency risk.

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

Equity market risk

The Company is exposed to equity price risk arising from its marketable securities, which are classified as available-for-sale. The Company plans to sell its marketable securities as market conditions permit, or as is required to finance the Company's operations from time-to-time.

4. RECEIVABLES

	January 31, 2019	April 30, 2018
HST/GST receivables	\$ 30,066	\$ 66,497
Other receivables	2,975	50,658
	\$ 33,041	\$ 117,155

5. MARKETABLE SECURITIES

	January 31, 2019		April 30, 2018	
	Cost	Fair Market Value	Cost	Fair Market Value
Clean Commodities Corp. – 800,000 shares	\$ 64,000	\$ 28,000	\$ 64,000	\$ 44,000
Benchmark Metals Inc – 333,333 shares	105,000	60,000	105,000	75,000
Rover Metals Corp. – 500,000 shares	25,000	32,500	-	-
	\$ 194,000	\$ 120,500	\$ 169,000	\$ 119,000

- a) During the year ended April 30, 2017, the Company sold its interest in the in the previously written off Torp Lake and Phoenix mineral claims to Clean Commodities Corp. for consideration of 2,500,000 common shares of Clean Commodities Corp. having a fair value of \$200,000 and warrants entitling the Company to purchase an additional 1,000,000 common shares at a price of \$0.20 for a period of two years with a fair value of \$33,524 under the following assumptions.

	January 31, 2019	April 30, 2018
Risk –free interest rate	-	1.00%
Expected life of the warrants	-	0.08 years
Annualized volatility	-	120.00%

During the period the warrants expired unexercised.

- b) During the year ended April 30, 2018, Company completed the sale of its 100% interest in the Contwoyto Project, Nunavut, including the Butterfly gold prospect, to Benchmark Metals Inc. ("Benchmark"), formerly Crystal Exploration Inc., for consideration of \$100,000 and 333,333 common shares of Benchmark. Under the terms of the agreement, the Company received \$50,000 and 333,333 shares, having a fair value of \$105,000, with the balance of the cash due on or before December 15, 2018 (received). The Company retains a 1.0% gross overriding royalty on diamonds and a 1.0% net smelter return on precious and base metals. Half of the royalties can be purchased by Benchmark at any time with the payment of \$1.0 million.

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES – continued

The Company will also receive conditional share payments of 166,666 Benchmark shares in the event that Benchmark reports an inferred gold resource exceeding 250,000 ounces associated with the Butterfly gold prospect and a further 166,666 Benchmark shares in the event it reports a separate inferred resource of at least 250,000 ounces of gold outside of the Butterfly area.

- c) During the nine month period ended January 31, 2019, the Company completed the sale of certain assets to Rover Metals Corp. (“Rover”) for consideration of 500,000 shares (received) having a fair value of \$25,000. Subsequent to the acquisition date, should Rover disclose an inferred, indicated or measured mineral resource of 500,000 ounces of gold within an area of interest, the Company shall be entitled to an additional \$100,000 payable in either cash or shares at the purchaser’s discretion. In addition, should Rover disclose an inferred, indicated or measured mineral resource of 750,000 ounces of gold within the area, North Arrow shall be entitled to an additional \$100,000 payable in either cash or shares at the purchaser’s discretion.

6. EQUIPMENT

	Office and computer equipment	Field equipment	Total
Cost			
Balance, April 30, 2017	\$ 32,759	\$ 93,775	\$ 126,534
Additions	14,256	-	14,256
Balance, April 30, 2018	47,015	93,775	140,790
Additions	13,227	-	13,227
Balance, January 31, 2019	60,242	93,775	154,017
Accumulated Depreciation			
Balance, April 30, 2017	19,139	39,759	58,898
Additions	6,907	10,803	17,710
Balance, April 30, 2018	26,046	50,562	76,608
Additions	5,215	6,480	11,695
Balance, January 31, 2019	\$ 31,261	\$57,042	\$88,303
Carrying amounts			
April 30, 2018	\$ 20,969	\$ 43,213	\$ 64,182
January 31, 2019	\$ 28,981	\$ 36,733	\$ 65,714

NORTH ARROW MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Nine Months Ended January 31, 2019
(Unaudited – Prepared Management)
(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

	April 30, 2018	Expended During the Period	Write-offs During the Period	Jan. 31, 2019
Diamond Properties				
Lac de Gras, Canada				
Exploration costs	\$ 235,404	\$ -	\$ -	\$ 235,404
Acquisition and tenure costs	277,918	-	-	277,918
Geological, data collection and assays	153,559	-	-	153,559
Office and salaries	134,040	-	-	134,040
	800,921	-	-	800,921
Pikoo, Canada				
Exploration costs	1,257,815	1,318	-	1,259,133
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	213,660	3,730	-	217,390
Geological, data collection and assays	1,592,006	2,921	-	1,594,927
Office and salaries	630,709	13,298	-	644,007
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	5,142,236	21,267	-	5,163,503
Loki, Canada				
Exploration costs	385,581	56,469	-	442,050
Drilling	269,829	25,328	-	295,157
Acquisition and tenure costs	56,924	-	-	56,924
Geological, data collection and assays	169,291	35,463	-	204,754
Office and salaries	138,439	21,488	-	159,927
Recoveries	(144,500)	(110,500)	-	(255,000)
	875,564	28,248	-	903,812
Naujaat, Canada				
Exploration costs	733,146	35,275	-	768,421
Drilling	1,464,020	1,603	-	1,465,623
Acquisition and tenure costs	337,152	41,376	-	378,528
Geological, data collection and assays	4,669,946	212,038	-	4,881,984
Office and salaries	713,048	88,897	-	801,945
	7,917,312	379,189	-	8,296,501
Luxx, Canada				
Exploration costs	50,420	-	-	50,420
Acquisition and tenure costs	138,733	-	-	138,733
Geological, data collection and assays	121,301	-	-	121,301
Office and salaries	44,793	-	-	44,793
	355,247	-	-	355,247
Mel, Canada				
Exploration costs	204,085	1,129,782	-	1,333,867
Drilling	-	349,004	-	349,004
Acquisition and tenure costs	287,338	-	-	287,338
Geological, data collection and assays	634,677	309,719	-	944,396
Office and salaries	122,670	188,745	-	311,415
	1,248,770	1,977,250	-	3,226,020
TOTAL	\$ 16,340,050	\$ 2,405,954	\$ -	\$ 18,746,004

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7. EXPLORATION AND EVALUATION ASSETS - continued

	April 30, 2017	Expended During the Year	Write-offs During the Year	April 30, 2018
Diamond Properties				
Lac de Gras, Canada				
Exploration costs	\$ 235,404	\$ -	\$ -	\$ 235,404
Acquisition and tenure costs	277,918	-	-	277,918
Geological, data collection and assays	153,559	-	-	153,559
Office and salaries	134,040	-	-	134,040
	800,921	-	-	800,921
Pikoo, Canada				
Exploration costs	1,254,897	2,918	-	1,257,815
Drilling	2,085,859	-	-	2,085,859
Acquisition and tenure costs	212,097	1,563	-	213,660
Geological, data collection and assays	1,548,918	43,088	-	1,592,006
Office and salaries	615,038	15,671	-	630,709
Contribution from joint-venture partner	(637,813)	-	-	(637,813)
	5,078,996	63,240	-	5,142,236
Loki, Canada				
Exploration costs	5,800	379,781	-	385,581
Drilling	-	269,829	-	269,829
Acquisition and tenure costs	4,842	52,082	-	56,924
Geological, data collection and assays	70,431	98,860	-	169,291
Office and salaries	34,025	104,414	-	138,439
Recoveries	-	(144,500)	-	(144,500)
	115,098	760,466	-	875,564
Naujaat, Canada				
Exploration costs	402,134	331,012	-	733,146
Drilling	240,218	1,223,802	-	1,464,020
Acquisition and tenure costs	313,695	23,457	-	337,152
Geological, data collection and assays	3,456,366	1,213,580	-	4,669,946
Office and salaries	328,553	384,495	-	713,048
	4,740,966	3,176,346	-	7,917,312
Luxx, Canada				
Exploration costs	50,420	-	-	50,420
Acquisition and tenure costs	138,733	-	-	138,733
Geological, data collection and assays	121,301	-	-	121,301
Office and salaries	44,793	-	-	44,793
	355,247	-	-	355,247
Mel, Canada				
Exploration costs	114,996	89,089	-	204,085
Acquisition and tenure costs	132,046	155,292	-	287,338
Geological, data collection and assays	573,207	61,470	-	634,677
Office and salaries	87,995	34,675	-	122,670
	908,244	340,526	-	1,248,770
TOTAL	\$ 11,999,472	\$ 4,340,578	\$ -	\$ 16,340,050

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7. EXPLORATION AND EVALUATION ASSETS - continued

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of these assets are in good standing.

Diamond Properties, Canada

Lac de Gras project, Northwest Territories

In October 2015, the Company and Dominion Diamond Corp. (subsequently Dominion Diamond Mines) (“Dominion”) finalized a joint venture agreement to govern the ongoing evaluation, of the Lac de Gras Joint Venture Property (“the JV Property”), on the basis of a 45%/55% (North Arrow/Dominion) joint venture. Subsequent to December 2015, the Company has elected not to contribute its proportionate share of costs to the 2016, 2017, and 2018 exploration programs and, as a result, held an approximate 25% interest in the joint venture as at January 31, 2019.

Under the terms of an October 24, 2012 agreement with Springbok Holdings Inc. (“Springbok”), under which the Company acquired Springbok’s interest in the JV Property, and as additional consideration for the acquisition, in the event the Company incurs \$2 million in joint venture expenditures on the JV Property, the Company will issue to Springbok that number of common shares of the Company having a value of \$1 million. To date the Company has not incurred any joint venture expenditures on the JV Property. A director of the Company is a principal of Springbok.

Naujaat project, Nunavut

The Company maintains a 100% interest in the Naujaat diamond project. This interest is subject to a February 15, 2017 agreement under which the Company agreed to pay Stornoway Diamond Corporation (“Stornoway”) \$2.5 million at the time the first royalty payments relating to the Naujaat project are payable. Stornoway retains a 0.5% gross overriding royalty (“GOR”) and net smelter royalty (“NSR”) on diamond, precious metal and base metal production from the Naujaat project.

The Naujaat project is also subject to an additional 3% NSR on metals and a 3% gross production royalty (“GPR”) on industrial minerals, including diamonds. Effective November 21, 2016, the Company reached an agreement with the underlying royalty holder where each of the NSR and GPR may be reduced to from 3% to 1% subject to future contingent cash payments totaling \$5.15 million and future staged exploration expenditures totaling \$20 million.

Pikoo project, Saskatchewan

The Company maintains a 100% interest in the Pikoo diamond project. This interest is subject to a February 15, 2017 agreement under which the Company agreed to pay Stornoway \$1.25 million at the time the first royalty payments relating to the Pikoo project are payable. Stornoway retains a 1% GOR and NSR on diamond, precious metal and base metal production from the Pikoo project.

Loki project, Northwest Territories

The Company maintains a 100% interest in the Loki diamond project subject to royalties ranging from 1.25% to 1.5% on diamonds and base and precious metals granted to Umgeni Holdings International Limited (“Umgeni”) under the terms of a January 25, 2016 royalty purchase agreement. Umgeni is a private company of which a director of the Company is a beneficiary of the sole shareholder.

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7. EXPLORATION AND EVALUATION ASSETS - continued

Diamond Properties, Canada - continued

Mel project, Nunavut

The Company maintains a 100% interest in the Mel diamond project in Nunavut. The project was acquired from Anglo Celtic Exploration Ltd., a private company controlled by a director, for 250,000 warrants entitling the holder to acquire 250,000 shares at a price of \$0.65 per share and is subject to a 1% GOR payable to Anglo Celtic Exploration Ltd. The Company retains the right to buy back one half of the GOR for \$1,000,000 at any time. During the period ended January 31, 2019, these warrants expired.

Luxx project, Nunavut

The Company maintains a 100% interest in the Luxx diamond project in Nunavut. The project was acquired from Anglo Celtic Exploration Ltd., a private company controlled by a director, for 250,000 warrants entitling the holder to acquire 250,000 shares at a price of \$0.65 per share and is subject to a 1% GOR payable to Anglo Celtic Exploration Ltd. The Company retains the right to buy back one half of the gross overriding royalty for \$1,000,000 at any time. During the period ended January 31, 2019, these warrants expired.

Timiskaming project, Ontario/Quebec

The Company maintains an 80% interest in the Timiskaming diamond project as part of an 80%/20% participating joint venture with Stornoway.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2019	April 30, 2018
Trade payables	\$ 248,674	\$ 395,497
Accrued liabilities	145,669	42,000
	\$ 394,343	\$ 437,497

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9. CAPITAL STOCK AND RESERVES

Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value.

Share issuances

- a) On May 18, 2017, the Company completed a non-brokered private placement of 20,000,000 units at a price of \$0.25 per unit for gross proceeds of \$5,000,000. Each unit consisted of one common share and one common share purchase warrant. At May 18, 2017, the Company's market price was \$0.215 per share; accordingly, \$700,000 of the proceeds were assigned to the value of the warrants under the residual method. Each warrant entitles the holder to purchase one additional common share at a price of \$0.40 per share for a period of three years.
- b) On June 19, 2018, the Company issued 10,135,000 flow-through shares at a price of \$0.20 per share and 6,481,717 non-flow-through units at a price of \$0.17 per unit for gross proceeds of \$3,128,892. Each non-flow-through unit consisted of a non-flow through share and a transferrable warrant that entitles the holder to purchase one share at a price of \$0.30 for a period of 24 months. If, commencing on October 20, 2018, the closing price of the Company's shares is at or above \$0.40 for 10 or more consecutive trading days, the expiry date of the warrants may be accelerated to the date that is 30 days after the acceleration trigger date. The flow-through shares were issued at a premium which was determined to be \$304,050 and this was initially recorded as a deferred premium liability. During the nine months ended January 31, 2019, the Company incurred eligible exploration expenditures and credited other income the deferred premium of \$304,050. Finders' fees and costs of \$90,169 were payable in connection with these private placements.

Stock options and warrants

At the Company's Annual General Meeting held on December 20, 2018, the shareholders ratified the stock option plan (the "Plan"). The Plan gives the directors the authority to grant options to directors, officers, employees and consultants. The maximum number of shares to be issued under the Plan is 10% of the issued and outstanding common shares at the time of the grant. The exercise price of each option granted shall not be less than the market price at the date of grant less a discount up to 25% in accordance with the policies of the TSX Venture Exchange ("TSXV"). Options granted typically have a term up to 5 years with vesting provisions determined by the directors in accordance with TSXV policies for Tier 2 Issuers, with a typical vesting period of 25% upon grant and 25% every six months thereafter.

As at January 31, 2019, the following stock options were outstanding:

Number of Shares	Exercise Price	Number of Shares Vested	Expiry Date
607,500	\$ 0.60	607,500	September 25, 2019
200,000	\$ 0.54	200,000	December 16, 2019
2,230,000	\$ 0.27	2,230,000	June 23, 2022
150,000	\$ 0.25	112,500	November 21, 2022
2,070,000	\$ 0.27	2,070,000	May 10, 2023
2,695,000	\$ 0.20	1,347,500	July 12, 2023
7,952,500		6,567,500	

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9. CAPITAL STOCK AND RESERVES - continued

Stock options and warrants – continued

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2017	4,140,000	\$ 0.47
Options granted	2,380,000	0.27
Balance, April 30, 2018	6,520,000	0.38
Options expired	(3,337,500)	0.28
Options extended	2,075,000	0.27
Options granted	2,695,000	0.20
Balance, January 31, 2019	7,952,500	\$ 0.28

Share-based compensation

During the nine months ended January 31, 2019, the Company extended 2,075,000 and granted 2,695,000 stock options (2018 – 2,380,000) having a total fair value of \$714,496 (2018 - \$486,644) and a weighted average grant-date value of \$0.15 (2018 - \$0.20) per option. During the nine months ended January 31, 2019, the Company recognized share-based compensation of \$603,434 (2018 – \$380,651) relating to options vested during the period.

The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions:

	January 31, 2019	January 31, 2018
Risk-free interest rate	1.75%	1.33%
Expected dividend yield	Nil	Nil
Expected stock price volatility	115.02%	131.25%
Expected life	5 years	5 years
Expected forfeiture rate	Nil	Nil

A summary of the Company's warrant activity is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2017	1,000,000	\$ 0.45
Expired	(500,000)	0.25
Issued	20,000,000	0.40
Balance, April 30, 2018	20,500,000	0.41
Issued	6,481,717	0.30
Expired	(500,000)	0.65
Balance, January 31, 2019	*26,481,717	\$0.38

* Consists of 20,000,000 warrants exercisable at a price of \$0.40 per share expiring May 18, 2020 and 6,481,717 warrants exercisable at a price of \$0.30 per share expiring June 19, 2020.

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10. RELATED PARTY TRANSACTIONS

Details of the transactions between the Company and related parties not disclosed elsewhere in the financial statements are disclosed below.

The Company incurred the following transactions in the normal course of operations in connection with companies which have an officer and/or director in common.

- a) Paid or accrued consulting fees of \$13,500 (2018 - \$13,500) to the Corporate Secretary of the Company. This amount is included in salaries disclosed below.
- b) Paid \$2,987 (2018 - \$2,879) for office costs to a company controlled by a director.
- c) Charged related parties \$19,900 (2018 - \$20,700) for rent, office and administrative costs.
- d) Included in other receivables is \$nil (2018 - \$668) due from companies having a director or officers in common.

The remuneration of directors and key management personnel during the period ended January 31, 2019 was as follows:

	January 31, 2019	January 31, 2018
Salaries ¹	\$ 132,550	\$ 136,005
Salaries in exploration costs ¹	97,688	94,130
Share-based compensation ²	429,555	231,381
Total	\$ 659,793	\$ 461,516

1 – When key management is working specifically on mineral properties their time is capitalized against the mineral property.

2 – Share-based compensation is the fair value of options that have been granted to directors and key management personnel.

During the year ended April 30, 2016, the Company entered into an employment agreement with a senior employee and officer for his services requiring a minimum annual payment of \$225,000. In addition, the employment agreement contains clauses which could provide for a payment or payments in excess of \$450,000 on termination of employment or conclusion of a change in control or similar transaction.

11. COMMITMENTS

Commitments for rental of the Company's office space and equipment are as follows:

Year ending	
April 30, 2019	\$19,557
April 30, 2020	\$78,226
April 30, 2021	\$59,579
April 30, 2022	\$ 3,636

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the period ended January 31, 2019 were:

- a) the Company incurred exploration and evaluation expenditures of \$346,152 (April 30, 2018 - \$372,998) that are included in accounts payable and accrued liabilities.
 - b) the Company received 500,000 (January 31, 2018 – 500,000) common shares valued at \$25,000 (January 31, 2018 - \$52,500) pursuant to the sale of certain exploration and evaluation assets.
-

13. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Company's objective for capital management is to plan for the capital required to support the Company's ongoing acquisition and exploration of its mineral properties and to provide sufficient funds for its corporate activities. There have been no changes to the management of capital during the fiscal year.

The Company's exploration and evaluation assets are in the exploration stage. As an exploration stage company, the Company is currently unable to self-finance its operations. The Company has historically relied on equity financings to finance its operations. In order to carry out the Company's planned exploration programs and to pay for administrative costs, the Company will have to raise additional funds as required. To effectively manage the Company's capital requirements, the Company's management has in place a planning and budgeting process.

14. SEGMENTED INFORMATION

The Company operates in Canada in a single operating segment – the acquisition and exploration of mineral properties in Canada.
