APPLICATION FOR LAND USE PERMIT

Department of Community & Government Services

Government of Nunavut

1. APPLICANT: NORTH ARROW MINERALS INC.

2. ADDRESS OF NORTH ARROW MINERALS INC. (PROJECT OPERATOR)
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3. ADDRESS OF STORNOWAY DIAMOND CORP. (JOINT VENTURE PARTNER)
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4. LOCATION AND DESCRIPTION OF OPERATION

This application is for a 2 year permit or lease of a temporary use of a laydown and work area including diesel and Jet-A fuel drums, Propane cylinders, drill core, a diamond drill with ancillary drill supplies, and erection of temporary core logging facility (tents), hereafter referred to as the "**laydown area**". The proposed laydown area is located at:
534,360m E / 7,379,810m N, NAD 83, zone 16 or latitude 66° 32' 8"/ longitude -86° 13' 36".

Note that the proposed laydown area is already under permit for fuel storage and was used as a staging area for a bulk sample program in 2014 under permit number LUP06-607-015, which expires Sept. 11, 2015. This permit would supersede that application and upon approval of the land use for the laydown area that is outlined in this application the holders, Stornoway Diamond Corp. and North Arrow Minerals Inc., would surrender permit LUP06-607-015.

a.) Attached is a summary of the proposal laydown area
b.) Figures 1 and 2 show the location and dimensions the proposed laydown area

Note that no modifications or expansions of the current laydown area over the area approved under permit number LUP06-607-015 are proposed. It is believed the existing site will fulfill all of our needs.

5. EQUIPMENT

One or two "Fuel Berm: Insta-berms™" sufficient for containing all of the fuel storage will be erected as portable containment berms. These are made of chemical leak-proof material with collapsible walls for ease of positioning fuel into or out of the berm. This is the same type of berm that was used for the 2014 program. (Figure 3).

Tarps can be placed over the drums to try to reduce the amount of rain or snow that may get into the berm, however the collapsible berms also have self-draining capability in the event excess water begins to accumulate within the berms.

Temporary core logging tents, consisting of up to 4 Jutland or Weatherhaven style tents (14 ft. by 16 ft. or 16 ft. by 16 ft. each) will be erected (Figures 4 and 5). The tents are reinforced with wood (plywood & 2 by 4's) floors and walls and heated with diesel stoves. Diesel fuel is fed to the heating stove from a 205 litre drum that is held in a wood cradle above a small portable containment berm or spill kit for refueling.

Several 20 ft. long sea cans, which the drill and related supplies will transported in to Repulse Bay via the sea lift, will be stored at the site and removed with the drill equipment upon completion of the program. The number of sea cans to be stored in the laydown area is yet to be determined but will probably be in the order of 6 to 10. A small generator (approximately 9 to 14 kW) will be stored inside one of the sea cans to run small hand tools and provide power for lights in the laydown area and the core logging tents.

Extra drilling equipment (drill rods, casing, etc.) will also be stored in the area and in the sea cans. A 2nd diamond drill will be shipped up on the 2nd sealift in sea cans, scheduled to arrive late in August, and will be stored in this area (in the sea can) until the program resumes in late February or early March 2016.

The exact specifications of the heavy equipment required for supporting the drilling program during the winter/spring program is not known at this time because the sub-contractor has not yet been selected. However based upon one quote received to date it is envisioned that there will be 1 or 2 challenger type bulldozers, pulling skidded sleighs for transporting the drill and drill supplies, and a rubber tracked bombardier or snow cat type vehicle for transporting personnel along a temporary winter road to the work site. This equipment may be stored or temporarily parked in the laydown area or in the Repulse Bay.

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6. FUEL

a.) Type, Volume and Method of Storage Containment:

Up to 100 sealed drums of Jet-A and 100 drums of Diesel fuel in 205 litre drums (41,000 litre total). Up to 6 x 100 lb. propane cylinders for use at the drill sites.

b.) Method of Emptying and Filling Containers:

Fuel drums will be delivered by truck to the storage area, and either fork lifted into the berm on pallets or rolled into the berm. Drums will be moved to the helicopter fueling area as needed and a wobble pump (manual pump with fuel filters) will be used to extract fuel from the drums directly into the machine. A small refueling area will be designated for this task which will include the appropriate placement of drip trays and absorbent mats. Propane cylinders will be refilled in town by the Arctic Coop and transported to the laydown area securely fastened in the back of a truck or trailer.

Note that an alternative method of transporting diesel fuel from the laydown area to the drilling area might be used for the proposed winter/spring 2016 drill program. It is envisioned that a larger double walled fuel tank mounted on a sleigh could be used instead of 205 litre diesel drums. The capacity of the double walled fuel tank, if utilized, is not currently known but would likely be anywhere between 2,000 to 20,000 litres. The large double wall container method of storing and transporting fuel would greatly reduce the number of fuel drums stored on site and handled. The tanks would be refilled at the official fuel distribution sites in Repulse Bay.

7. METHOD OF WASTE DISPOSAL

Empty drums will be backhauled out of Repulse Bay by plane or sealift in 2016 or by the time the applied for permit expires.

Waste generated at the Core Storage and Logging Facility will be disposed of in town as per the guidelines in the temporary waste disposal permit issued by the Hamlet of Repulse Bay. The temporary waste disposal permit will be obtained closer to the work start date (to be determined) and will include the waste disposal permit for the crew housing in Repulse Bay once that has been secured

8. CONTRACTORS & FUNCTIONS

The Hamlet, or someone designated by the Hamlet, such as the Arctic Coop, will be employed to set up or build and maintain the berms. The person(s) designated will also be tasked with loading the fuel into the berms and checking the fuel drums and storage for leaks at regular intervals as long as there is fuel is stored in the area. In the event of a fuel spill, this person will follow the directive of the "Spill Contingency Plan, Qilalugaq Project, Nunavut" for reporting and clean up procedures.

North Arrow Minerals personnel will supervise the operations at the core logging site and subcontractors which will include local hires, Cyr Drilling International Ltd., Discovery Mining Services, a helicopter company (unknown at this time) and a heavy equipment company for transporting drill supplies to the work site (unknown at this time).

9. TIME SCHEDULE

Start: The first phase of the proposed program will commence on or around July 25th 2015, depending on the scheduled arrival of the first NSSI sealift in Repulse Bay and be completed on or around September 15th.

The 2nd phase of the program will commence on or around Feb. 21st and be completed on or around May 15th.

Note that the end dates provided for the program are speculative because it will be dependent upon the results on an on-going basis. The dates provided here should not preclude additional work if the results from the 2015 summer and 2016 winter/spring drilling warrant or dictate an extension of the work period.

10. NAME and ADDRESS OF FIELD SUPERVISOR:

To be determined at the start of the program

11. NO. OF EMPLOYEES

Estimates of 10-12 (1 or 2 people will be designated to manage fuel) for the first phase 2015 summer program and 18 to 22 for the 2nd phase 2016 winter/spring program

12. AREA USED (Hectare)

0.3 ha (approximately 70 by 40 m area, Figure 2)

Signature	Title	Date
(Mike MacMorran)	Geologist	May 28, 2015

Summary of Proposed Fuel and Core Storage and Logging Facility, Repulse Bay, Nunavut

The land use activity proposed is for a laydown area where fuel, drill core, drilling equipment, sea cans, a temporary core logging facility (tents with wood floors and frames) and heavy equipment (winter only) will be located, outside of the Hamlet of Repulse Bay, NU (Figure 1). The location of the proposed laydown area is:

534360m E / 7379810m N, NAD 83, zone 16 or latitude 66° 32' 8"/ longitude -86° 13' 36"

Up to 100 x 205 litre drums of Jet-A, 100 x 205 liter drums of diesel fuel and 6 x 100 lb. cylinders of propane may be stored at the laydown area at any one time to support the Qilalugaq Project 2015 and 2016 drill programs.

A core storage and temporary core logging facility will be erected utilizing up to four 14 ft. by 16 ft. or 16 ft. by 16 ft. Weatherhaven or Jutland style tents (Figures 4 and 5). On average, it is expected that from 4 to 6 people will be working from this site at any one time, but the numbers will vary from day to day.

Fuel drums will be brought up on the Desgagnes Transarctik Sealift that is scheduled to arrive on or around July 25th, 2015. Fuel will be stored at the same site that was already permitted for fuel storage in 2014 (LUP06-607-015, expires Sept. 11, 2015). The Hamlet will transport the drums to the proposed site. All fuel will be stored in secondary containment. Secondary containment will include collapsible mobile berms (ex. Insta-berm™) of the appropriate size and similar to what was used during the bulk sampling program in 2014. The fuel berms will be temporary and empty fuel drums will be removed at the end of the 2015/2016 programs and backhauled via airplane and/or sealift for appropriate disposal. The Insta-berms will be dismantled and the ground re-contoured to match the surrounding terrain if it has been disturbed.

Bulk diesel fuel will also be purchased in Repulse Bay on an ongoing basis as the initial diesel drum fuel supply is depleted. Empty diesel fuel drums will be re-filled in town and transported by a truck and trailer, or snowmobile and komatik between the hamlet and the fuel storage site at the laydown area. In the summer, a helicopter will transport fuel from the laydown area to the drill site. In the winter, fuel will be transported from the laydown area to the drill site either in larger double walled fuel tanks on skids that will be pulled by a challenger bull dozer, or as individual drums in a komatik pulled by a snowmobile using local hires.

During the summer program, the project will be helicopter supported. The summer program is expected to run from late July (whenever the sealift arrives in Repulse Bay) to mid-September. When not in use, the helicopter will be stationed at the airport. The helicopter will travel between town and the drill site, or the laydown area, at least twice a day to complete the drill crew shift change and for drill servicing. This will generally

occur between 6:45 am and 9:00am and again between 5:00 pm and 8:00 pm. Some days the helicopter will also be required to operate during the middle part of the day to provide additional support for the drill, and when a drill needs to be moved (on average approximately every 2 to 4 days).

In the winter of 2016, it is anticipated that a temporary winter road will be constructed from the laydown area to the drill site. This will eliminate the need for a helicopter, but it will require some heavy equipment to open and maintain the road, as well as move the drill. At this time it is anticipated that this will be accomplished using one or two Challenger type bull dozers, equipped with skidded sleighs to transport drills and drill equipment, fuel and personnel between the laydown area and the drill area. The exact route of the temporary winter road is not known at this time and cannot been known until next winter when the snow conditions and lake ice thickness can be scouted. An archaeology study over a broad corridor where the road may pass is slated for this summer and will assist in the preliminary planning of the temporary road route (Figure 6).

Drill core will be slung from the drill area to the core logging facility via helicopter in the summer, and via snow machine and komatik or other rubber track vehicle designed for travelling over the snow in the winter. Drill core that is not shipped south during the program will be catalogued and stored in wooden boxes at the site in neatly stacked piles.

A "Commissioner's Land Use Permit" for the drilling aspect of the program is currently under review, and can be provided upon approval.

No camp site will be required for accommodations because all personnel will be housed in Repulse Bay.

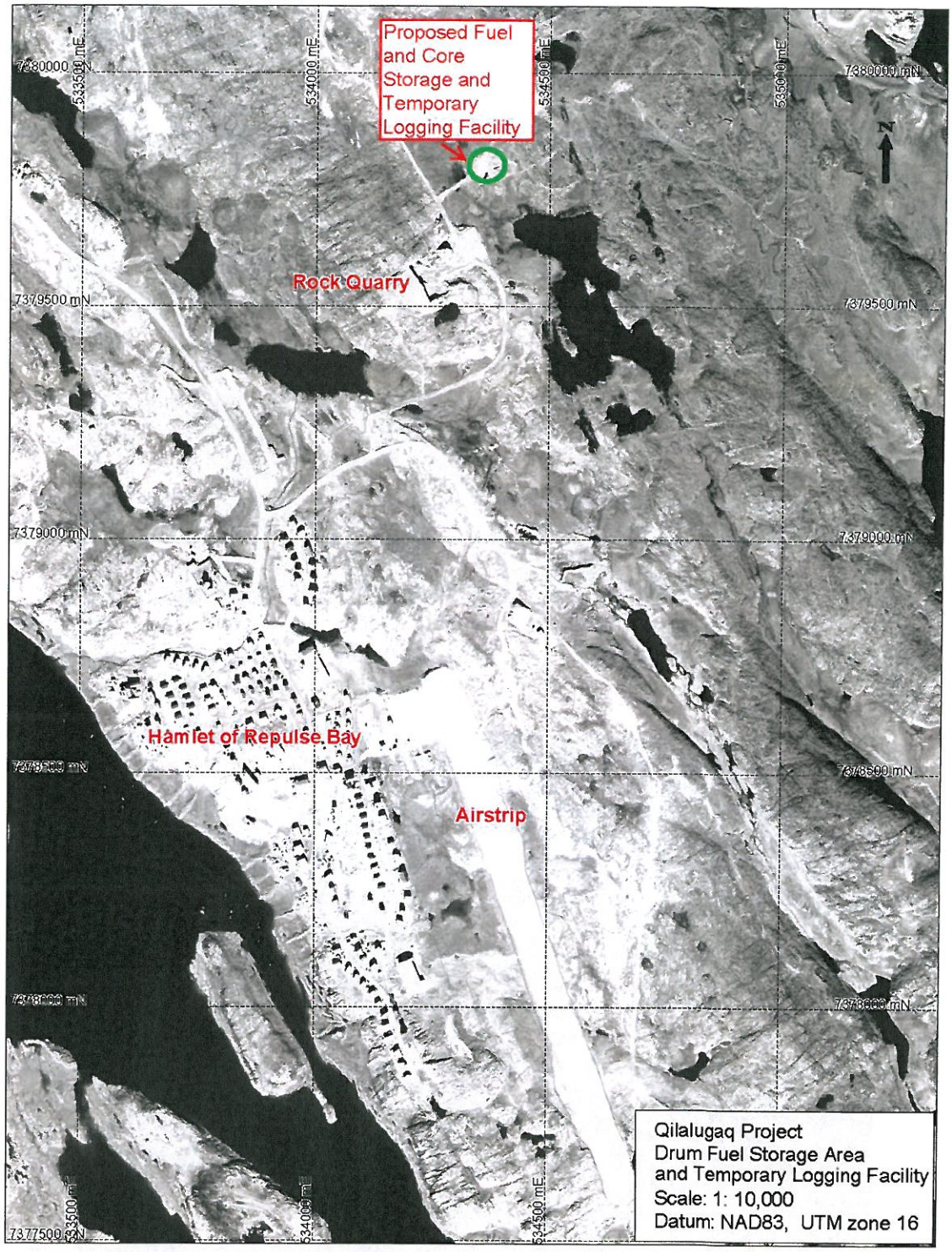

Figure 1: Location Map

Figure 2. This photo was taken from the air overlooking the proposed fuel and core storage and logging facility site north east of the Hamlet of Repulse Bay. This site was also used to store fuel and sample bags during the 2014 bulk sample.

Figure 3: Temporary fuel berm at the fuel and sample bag storage site during the 2014 bulk sample.

Examples of temporary logging facility to be constructed

Figure 4: Weatherhaven Tent

Figure 5: Jutland Tent

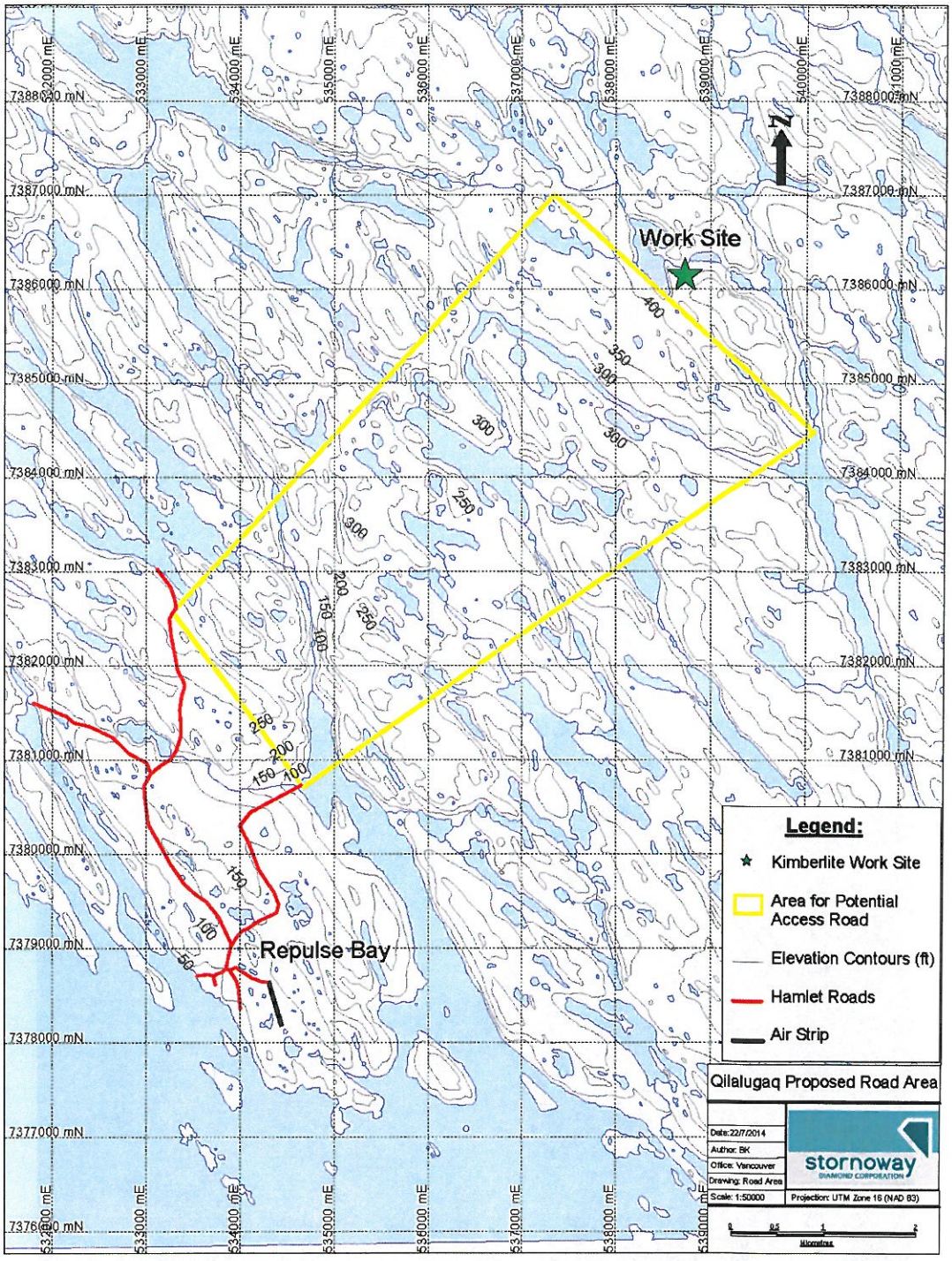

Figure 6: Proposed Temporary Winter Road Area.