

February 20, 2019



Via Email

Natasha Lear

Manager, Technical Administration
Nunavut Impact Review Board
P.O. Box 1360
Cambridge Bay, NU X0B 0C0
Ph: (867) 983-4600

Re: North Arrow Minerals Inc. - Mel Project Proposal (NIRB File No. 16EN062)

Dear Ms. Lear,

Thank you for your letter dated February 5, 2019 relating to North Arrow Minerals Inc.'s ("North Arrow") proposed amendment to land use permissions for the Mel Project. The letter summarized comments received by the Nunavut Impact Review Board ("NIRB") related to our proposed amendments and exploration work conducted at the project in summer 2018.

As additional background and context, we would note that North Arrow has conducted a limited amount of work on the Mel Project prior to 2018, and just last year had its first full-length program that saw crews working for most of July and August at the site. The 2018 program was conducted under a Level 3 Access to IOL permit issued by the Qikiqtani Inuit Association ("QIA"; Q17L3003), a level two water licence issued by the Nunavut Water Board ("NWB"; 2BE-MPP1719), and a Class A land use permit issued by Crown Indigenous Relations and Northern Affairs Canada ("CIRNAC"; N2017C0006). The 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, and employees worked at the exploration camp to help with monitoring wildlife and maintenance of the camp.

Hall Beach Hunters and Trappers Association ("HTA")

We acknowledge that community meetings in Hall Beach are required on an on-going basis when it comes to mineral exploration activities. North Arrow has met multiple times with the Hamlet, HTA and community members over the last few years, and has continued with more informal communications (emails, phone calls and letters) during the periods between meetings to share information on planning

and results of our exploration programs. Our next meetings with the Hamlet Council and HTA are scheduled on April 4th, 2019. The purpose of the upcoming meetings will be to update the community about project activities, review existing agreements/protocols (i.e. wildlife and waste management protocols), as well as discuss potential employment opportunities going forward.

North Arrow acknowledges the concerns of the community with respect to hunting and caribou. We would note that many of the views reported in the Jan. 31st, 2019 radio-hosted information session put on by members of the community in conjunction with HTA members, have not been expressed to North Arrow during our meetings and related correspondence with the Hamlet council, HTA and community members. We will be sure to discuss these views during our meetings on April 4th.

Caribou and Caribou Habitat

We appreciate that the Mel Project is located within the established ranges of the Melville and Wager Bay caribou herds and that limiting the potential impact and disturbance exploration activities may have on caribou is a priority. The most likely timeframe for the proposed exploration activities would be annually in April-May and/or from mid-July through early September. As such, the avoidance of low-level flights, except during take-offs and landings and in cases of emergencies, has been strictly enforced and worked into proposed work schedules.

As noted above and in the Government of Nunavut (“GN”) comment submission dated Feb. 4th, 2019, a portion of the southwestern-most Mel Project mineral claims sit within a designated calving and post-calving ground as recognized by the GN in the 2016 Draft Nunavut Land Use Plan. The mineral claims hold significant diamond potential based on North Arrow’s exploration results to date. It is possible, but not certain, that one or more drill targets will be identified within this area of the property. While, for the purposes of this submission and the current land use permit amendment application, North Arrow agrees to potential seasonal restrictions on exploration activities and low-level flying in this area, we would note that avoiding this area all together has the potential to interfere with proposed and future work programs.

North Arrow continues to enforce and adhere to a robust and clear caribou monitoring and mitigation protocol developed during face-to-face meetings between North Arrow and the HTA in April 2017 and later finalized and approved by both parties in June 2017. A copy of the protocol is attached for reference. The terms of the protocol reflect specific concerns of Hall Beach and include i) the presence of an HTA-approved Hall Beach resident in camp at all times as a wildlife monitor, ii) helicopter and fixed wing flight restrictions, and iii) work restrictions related to the presence of caribou. In addition to the wildlife protocol, North Arrow’s 2018 exploration program also followed the Terms and Conditions of the current Land Use Permit and Water License. Regular reporting of the wildlife logs was made to the Hamlet and the HTA during the 2018 exploration program. In December 2018 an Annual Wildlife Report was submitted to the Hamlet, the HTA, the QIA and the local MLA summarizing the wildlife logs and the actions taken by the company during the exploration program to mitigate potential impact on wildlife. A copy of the that report is included in the Appendix.

Government of Nunavut

Future correspondence with the GN regarding hazardous waste will be sent to Environmental Protection Division, Department of Environment. Contact information has been updated in the Emergency Contact list to (867) 975-7700, environmentalprotection@gov.nu.ca.

Archaeological Resources

A search of the Nunavut Archaeological Site Database done by the GN in 2016 indicated that there are no recorded sites in the vicinity of the proposed exploration area (GN comment submissions of November 29, 2016 and February 4th, 2019). While we acknowledge that this does not preclude the presence of unidentified sites or cultural features in the area, North Arrow does not believe a detailed archeological assessment is appropriate at this time for the following reasons:

- The proposed exploration program, including camp, is of limited size and scope with minimal impact on the ground. Most work is conducted on foot with limited or no impact;
- As committed to by North Arrow as part of our submission of Dec. 14, 2016, an investigation of the camp location was completed in September 2017 by an HTA and Hamlet Council member with traditional knowledge of the area. No evidence of archaeological or cultural features was found (see below for further information);
- The camp is now in place and no archaeological or cultural features were identified during the 2018 program by project personnel, including Wildlife Monitors, in and around the camp site;
- 2018 drill sites were inspected in advance of drilling by project personnel, including Wildlife Monitors, and found no evidence of archaeological or cultural features;
- Future drill sites are presently uncertain and will not be known until closer to the start of, or often times during, any future drill programs;
- An assessment like the one currently proposed would represent a considerable cost to the project, on the order of +\$100,000 if conducted on a stand-alone basis due to the length of time needed to investigate the entire property, including the need of a helicopter. This cost is significant and could potentially prevent the project going ahead;
- Photographs of the land use areas (camp and 2018 drill sites) have been included in the Appendix for reference.

We would note that community members from Hall Beach have specific knowledge of potential areas of cultural significance and historic and current land use in and near the Mel Project. North Arrow discussed the archaeological sensitivity of the Mel Project area with the community during meetings held in 2017 and engaged the HTA and Hamlet council to conduct a site visit of the property. On Sept. 15th, 2017 Nick Thomas (North Arrow's Manager of Community and Investor Relations) and Danny Arvalaq (Hall Beach HTA and Hamlet Council member with traditional knowledge of the area) flew to the project area and spent time inspecting the esker that was the proposed location of the camp. Mr. Arvalaq and Mr. Thomas walked west along the esker for approximately 1.5 km and did not find any evidence of traditional use.

North Arrow suggests that proposed future work (drilling) sites be inspected by a person designated by the Hall Beach HTA and Hamlet council with traditional knowledge of the project area. This will i) allow actual drilling sites to be inspected in real time during the program, ii) save considerable cost to the exploration budget, and iii) provide another opportunity for a community member(s) to visit the project site and observe first-hand the camp and work sites and the limited impact of these land use activities.

Should archaeological or heritage resource sites be found they will be recorded and photographed, and a GPS location taken and entered into a log book. This information will be reported to the GN Department of Culture and Heritage. Furthermore, land use activities will not be conducted in the vicinity (50 m buffer zone) of any archaeological/historical sites, if identified.

North Arrow understands that it has a responsibility to ensure that no heritage resource sites are disturbed in the course of all land use activities. No person shall alter, or otherwise disturb an archaeological site, or remove any artifact from an archaeological site.

Environment and Climate Change Canada (“ECCC”)

Emergency phone numbers and references to ECCC have been updated in the Spill Contingency Emergency Phone Contact list to 867-669-4730 (ECCC) and 1-888-283-2333 (NEEC).

Migratory Birds

North Arrow will continue to take care when conducting land clearing activities (drilling) during the migratory bird season. Upon arrival in camp, project employees and contractors are instructed 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 to avoid disturbing or destroying nests.

North Arrow agrees that the following recommended setback distances be adopted to define buffer zones to minimize disturbance to nests for different bird groups nesting in tundra habitat:

Migratory Bird Species Group	Setback Distance for Pedestrians / ATVs (m)	Setback Distance for Roads / Construction / Industrial Activities (m)
Songbirds	30	100
Shorebirds	50 ^a	100 ^a
Terns/Gulls	200 ^b	300 ^b
Ducks	100	150
Geese	300	500
Swans/Loons/Cranes	500	750

Incinerator

The incinerator in camp was sourced from a previously permitted mineral exploration camp (Tuktu Camp) west of Hall Beach. It is our understanding that the incinerator meets the ECCC Technical Guidelines for Batch Waste Incineration for the disposal of combustible wastes. A specifications document that contains the make and model of incinerator at the camp is attached for reference.

Should you have any questions or comments regarding this submission, please contact the undersigned at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike MacMorran', is written above the typed name.

Mike MacMorran, P.Geo. (NT/NU)

North Arrow Minerals

604-563-4808

mmacmorran@northarrowminerals.com

APPENDICES

Incinerator Specifications

Wildlife Protocol

Annual Wildlife Report

Photos of Camp and 2018 Drill Sites



Model A400 Incineration System

Unique Design Compliant with Air Quality Regulations

- Recirculating flue gases assure clean operation.
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- Designed for safe, easy operation with simple to use controls.
- Includes many benefits of high-priced systems, yet within the budgets of small facilities.
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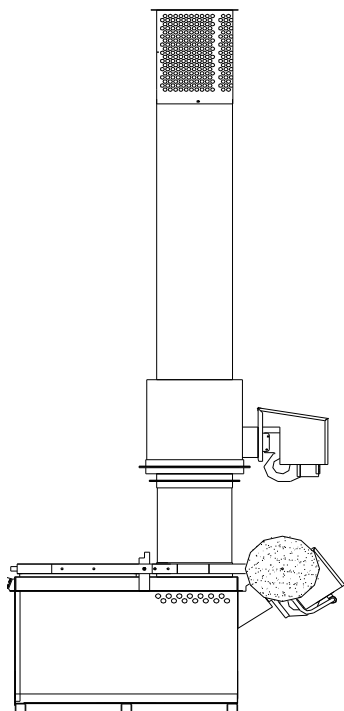
Firelake Manufacturing LLC

919 Cottontail Trail, Mt. Crawford, VA 22841

866-252-3757

www.firelakeincinerators.com

Benefits and Features of the A400 Series



- Concave refractory bottom specifically designed to insure burnout and total destruction of solid and liquid wastes.
- Secondary chamber with burner available.
- Insulated, refractory-lined chambers and stacks for durability, energy retention, and emissions control.
- High temperature refractory lined chamber walls.
- Factory assembled, aluminized steel jacket lined with high-temperature refractory.
- Factory cured chambers and stacks.
- Assembly on-site can be done with common farm equipment.
- Counter-balanced fill door.
- Manual set burn time and automatic shut off.
- Burn times are adjustable by operator to meet varying loads.
- Choice of fuels: LP, Natural Gas, or Fuel Oil.
- Stack Test Data available on many models.
- We provide permit and compliance assistance at no cost.

Specifications Summary

A400 Propane, Natural Gas, or Diesel Fired Incineration System complete with one burner, optional second burner and secondary burn chamber, stainless and / or refractory lined stack and chambers, and manual operating timers.

WASTE CHAMBER			INSTALLATION Must be installed in accordance with local codes and ordinances, subject to regulatory agencies. Outside installation is recommended with a simple metal roof or three-sided metal shelter, providing a minimum of four foot clearance from any combustible roof materials. Minimum of 18” clearance is required for penetration of combustible roof materials. Inside installations may have special insurance requirements.	
Chamber capacity				
(Type 4 waste-pathological)	400 lbs	182 kg		
Chamber volume (approximate)	12.6 cu. ft.	.36 cu. m.		
Chamber size (inside)	Width	29” 74 cm		
	Height	22” 56 cm		
	Length	42” 106 cm		
Door opening	22”W x 29”L	56 cm x 74 cm	GENERAL Electrical service Standard – 115 volt, 60 HZ, 20 amp Also available – 220 volt, 50 HZ, 10 amp BURNERS LP or Natural or Diesel burner(s) with spark ignition and flame safety shut-off. OPERATION Manual timers TOTAL WEIGHT 1975 lbs. (approximate) 896 kg	
Height to door	30.5”	77 cm		
Overall dim’s 1 burner, w/stack	132”H x 57”Wx 71”L	3.35 m x 145 cm x 180cm		
Overall dim’s 2 burner, w/stack	186”H x 57”Wx 71”L	4.7m x 145 cm x 180cm		
Suggested min. slab size (l x w x thick)	8’ x 6’ x 4”	1.8 m x 2.4m x 10cm		
STACK				
Diameter	1 burner system 12” 30.5 cm,	2 burner system 14” 35.5 cm		
Material	14 gauge (2 mm) lined Aluminized Steel and/or unlined stainless steel			
REFRACTORY THICKNESS				
Primary	3.0”(2800F)	7.6 cm		
Secondary	1.5”(2800F)	3.8 cm		
Stack	1.5”(2800F)	3.8 cm		
APP. FUEL CONSUMPTION		<u>A400 LP</u>	<u>A400 NATURAL GAS</u>	<u>A400 Diesel</u>
Upper burner		0.83 GPH	83 CFH	0.5 GPH
Lower burner		3.0 GPH	275 CFH	2.5 GPH

* Fuel consumption approximate. Actual fuel use depends on BTU content of waste.

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Hello,

Agreement was signed by Chair - JoPie
and Vice-Chair Paul.

MY Computer is down, so
Main Conference for now.

Thanks

Mark

July Meeting

**WILDLIFE MITIGATION PROTOCOL – June 12, 2017**

North Arrow Minerals
Suite 960 – 789 West Pender St.
Vancouver, BC V6C 1H2
Phone: 604-668-8355
Fax: 604-336-4813

Mel Property, Qikiqtani Region, Nunavut**Background**

North Arrow Minerals Inc. (the "North Arrow") is planning an exploration drill program at the Mel Diamond Project, located approximately 140 km south of the Hamlet of Hall Beach. The project consists of six minerals claims, mostly (approximately 7,200 ha) within Inuit Owned Land (IOL) parcel HB-01 (surface rights). Approximately 300 ha of the project area covers Crown Land. Within the project area, the North Arrow has narrowed down a potential kimberlite source area that is ready to be drill- tested.

Applications have been submitted for the required land use permits and water licenses to allow for a four to six week exploration drilling program (with the possibility of concurrent till sampling, prospecting and ground geophysics) commencing in approximately July or August 2018. The proposed program consists of 4-8 targets to be tested by 8-12 drill holes with an average depth of between 50-150 metres (estimate) focused on four of the six mineral claims, located in the north of the project area. The program would be supported from a temporary exploration camp with a proposed location approximately 13 km southwest from the border of the drilling targets. The proposed camp location is near a flat topped esker upon which wheeled aircraft can land. An inspection of the proposed camp site by a knowledgeable Hall Beach resident has been proposed for the summer of 2017 to ensure suitability of the site and confirm the area has no special cultural or historical significance that would be disturbed by a camp.

Purpose

During the drill program the crew will fly daily by helicopter from the camp to the drill location. However, the project area is within the ranges of a number of species of wildlife and is an area where wildlife harvesting occurs. Therefore, the daily flights have the potential to disturb wildlife and harvesting activities. The purpose of this Wildlife Mitigation Protocol (the "Protocol") is to therefore outline a mitigation plan to minimize the impact of the proposed drill program on the local wildlife and harvesting activities, with particular reference to caribou and muskoxen.

Objectives

The objectives of this Protocol are to clearly outline the duties and responsibilities of North Arrow and North Arrow's employees and contractors, to the Hamlet of Hall Beach and the local Hunters and Trappers Association (HTA), with regards to wildlife, over the period of the program.

Mitigating and Preventing Disturbance of Wildlife and of Harvesters of Wildlife

North Arrow will adhere to the terms and conditions of all regulatory instruments related to the program (including the land use permits and water licence referred to above) and will comply with all applicable legislation. In particular, with regards to terms and conditions that apply specifically to wildlife, the North Arrow will adhere to the Project-Specific Terms and Conditions of the Nunavut Impact Review Board NIRB Screening Decision Report (NIRB FILE No.: 16EN062).

In addition, North Arrow will implement and adhere to the following policies/actions:

1. All North Arrow employees and contractors will act as wildlife observers and will report and record all wildlife sightings using the Wildlife Log / Record of Observations attached to this protocol. All employees and contractors will be made aware of this Protocol and all measures designed to avoid conflicts with, and harassment of wildlife. North Arrow will provide instruction to each employee and contractor to ensure understanding on how to implement these measures, including a review of the terms and conditions of each regulatory permit and licence as they relate to wildlife and wildlife monitoring.
2. Whenever safe and possible, helicopters will maintain the required flight elevations set by the terms and conditions of the project permits and licences (typically a minimum 610 metres unless in the case of an emergency and in the case of take-offs and landings) so as to not disturb wildlife. The helicopter will not harass, worry or chase wildlife.
3. Helicopter pilot and employee/contractor passengers will watch for wildlife on every flight between camp and drill site locations, and on all flight activities.
4. During the drilling program a local wildlife monitor will be supplied through the Hall Beach HTA. The wildlife monitor will observe for and record sightings of wildlife in the Mel Project area, and will document North Arrow's responses to such sightings to ensure impact mitigation measures as outlined in the Protocol are being followed. The wildlife monitor may be assigned additional responsibilities as part of their contracted role. The wildlife monitor is expected to abide by North Arrow's Code of Conduct and Safety throughout the entirety of the program. The HTA will invoice North Arrow Minerals for the wildlife monitoring service upon completion of the program.
5. The wildlife monitor will be given a radio to allow for communication with the helicopter pilot. If wildlife are observed by the helicopter pilot while flying, the pilot will notify the wildlife monitor and will attempt to choose a different flight path until the wildlife have moved on.
6. If wildlife are present in such numbers that different flight path is not possible then helicopter will set down until the animals have moved on at least 1.5 km from the flight path, or desired take-off or landing location.

7. If the wildlife monitor, employees or contractors on the ground observe any wildlife, they will notify the helicopter pilot (and, if appropriate, the wildlife monitor). The pilot will safely avoid the area where the wildlife are observed. If there is no choice of a different route (for instance if caribou or muskox are within 1.5 km of the drilling site or camp), then flying will stop until the animals have moved on.
8. If activities related to the drilling program should result in the need for a polar bear to be killed North Arrow will receive a tag from the community of Hall Beach and the community will be paid \$5,000.00 in compensation to account for the economic losses.

Reporting: Logging Wildlife Sightings, Mel Project, 2018 Drilling Program

1. Each of North Arrow, the Hamlet and the HTA shall designate a contact person, including email address, for the purposes of effective communication during the period of the program.
2. North Arrow will confirm the start date of the Program with the Hamlet and HTA approximately one week prior to the start of operations.
3. North Arrow will prepare a notice containing details and timing of the program and post the notice on prominent bulletin boards throughout the Hamlet, including at the HTA.
4. During program operations, North Arrow will send a weekly email to the Hamlet and HTA that documents and outlines: the type and number of animals observed, their location, and the mitigation measure taken.

A copy of a compiled wildlife record outlining time, date, location and details of wildlife sighting will be shared with designated representatives of the Hamlet Council, the Hamlet HTA at the conclusion of the 2018 drilling program. The wildlife record will also be shared with regulatory agencies if required under the terms and conditions of the project permits and licences.

Contact Information

Contact	Name	Email	Telephone
North Arrow			
Mel Project Geologist	Mike MacMorran		604-563-4808
	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>
Camp Wildlife Monitor	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>
Hall Beach			
Hall Beach HTA Manager	Manasee Naullaq	hbhta@qiniq.com	867-928-8994

Hall Beach Mayor	Peter Seakoluk	mayor_hbhamlet@qiniq.com	867-928-8829
Hall Beach SAO	Jim Langille	sao_hbhamlet@qiniq.com	867-928-8829
GN			
Nunavut Wildlife Management Board			867-975-7300
DoE Wildlife Office (Hall Beach)			867-928-8507

Wildlife Log / Record of Observations – Mel Project

Date	Northing NAD83 UTMz17	Easting NAD83 UTMz17	Species	# of animals	Description of activity / Action taken

Chairman: JOPIE KAERNERK / Jopie Kaernerk

Vice-Chair: Paul Nagmuk / Paul Nagmuk



North Arrow

MINERALS INC.

Mel Diamond Project
Annual Caribou Monitoring Report
Summer 2018 Exploration Program
July 23rd to September 3rd, 2018

Introduction and Summary

North Arrow Minerals Inc. ("North Arrow" or "Company") is a publicly traded Canadian junior diamond exploration company based in Vancouver, BC and trading on the TSX Venture Stock Exchange. In 2013 the company reorganized and chose to become solely focused on looking for new diamond deposits in Canada.

The Mel Project ("Mel" or the "Project") was acquired in North Arrow's first year as a diamond explorer ([August, 2013](#)) to cover unsourced kimberlite indicator mineral ("KIM") trains identified from over 500 till samples recorded in public assessment files. The Project is located on the Melville Peninsula, approximately 140 km south of the Hamlet of Hall Beach and 210 km northeast of the Hamlet of Nauyasat and consists of 46 claims totaling 56,000 ha, most of which are located on Inuit Owned Land Parcel HB-01 (see Figure 1).

The Company has been conducting short, one to six day till sampling programs since 2014, incrementally narrowing down potential kimberlite source areas for the KIM trains identified within the Project area. By taking small, 10 kg samples of the sediments left behind by glaciers and processing them for KIMs, North Arrow geologists have followed the indicator trains back up the glacier ice-flow direction to the kimberlites the unique minerals were eroded from. Kimberlite occurs in the Earth's crust in vertical carrot-like structures known as kimberlite pipes, or sometimes as sheets called dikes or sills. Kimberlite pipes are the world's most important source of mined diamonds. North Arrow located a kimberlite dike late called ML-8 in the summer of 2017 by prospecting at the heads of the indicator trains. The rock was later proven to contain diamonds in significant quantities.

North Arrow met with the Hall Beach Hamlet Council, Hunters and Trappers Association ("HTA") and the Community in April of 2017 to introduce the Company and the Project, and to discuss a proposed summer 2018 drill program for Mel to see if more kimberlites could be defined. At the meeting with the HTA it was decided that a **Wildlife Mitigation Protocol document (the "Protocol")** be drafted, discussed and agreed upon prior to the 2018 work commencing. The purpose being to formalize how the company

would minimize the impact of the proposed drill program and related helicopter work on wildlife in the immediate Project area. That document was finalized and signed by both parties in July of 2017 and is included with this report as **Appendix A**. This report was one of the deliverables agreed upon in the Protocol.

The summer 2018 exploration program at Mel consisted of till sampling, ground geophysics, prospecting and drilling. Installation of the exploration camp commenced on July 8th and was fully complete and functional on July 17th. Drilling on the project did not commence until August 12th, 2018, much later than anticipated, due to mechanical issues with the drill supplied by the company contracted to do the work. Most of the planned property-wide till sampling and prospecting was completed by early August while the drill crew worked on getting the drill up and running.

Tim Nattuk and Chad Panipakutsuk were hired by Suzanne Malliki, Manager of the Hall Beach Hunters and Trappers Association (at that time), for the position of Wildlife Monitor for the exploration work at the Mel Project. Chad and Tim alternated work periods, one week on, one week off, with Tim coming in to camp for the first week of work on July 23rd. Chad completed the last wildlife monitoring shift and came out with the camp de-mob on September 3rd.

In total, there were 72 documented caribou observations made by Tim and Chad in herds of up to (approximately) seven animals. Other wildlife observations consisted of four wolves in packs of two, five individual foxes, two separate owl sightings, one sighting of two seagulls, one flock of ptarmigan (~15), one flock of snow geese (~50) and “a few sic-sic”.

The helicopter altered its flight path on four separate occasions, July 29th, July 30th and twice on August 11th, to avoid disturbing wildlife. Additionally on August 11th, the drill was shut down for three hours while caribou grazed and slept within 1 km of the drill location.

Included as **Appendix B** of this report are the complete logs as kept by Tim Nattuk and Chad Panipakutsuk for the 2018 Mel Project Exploration Program.

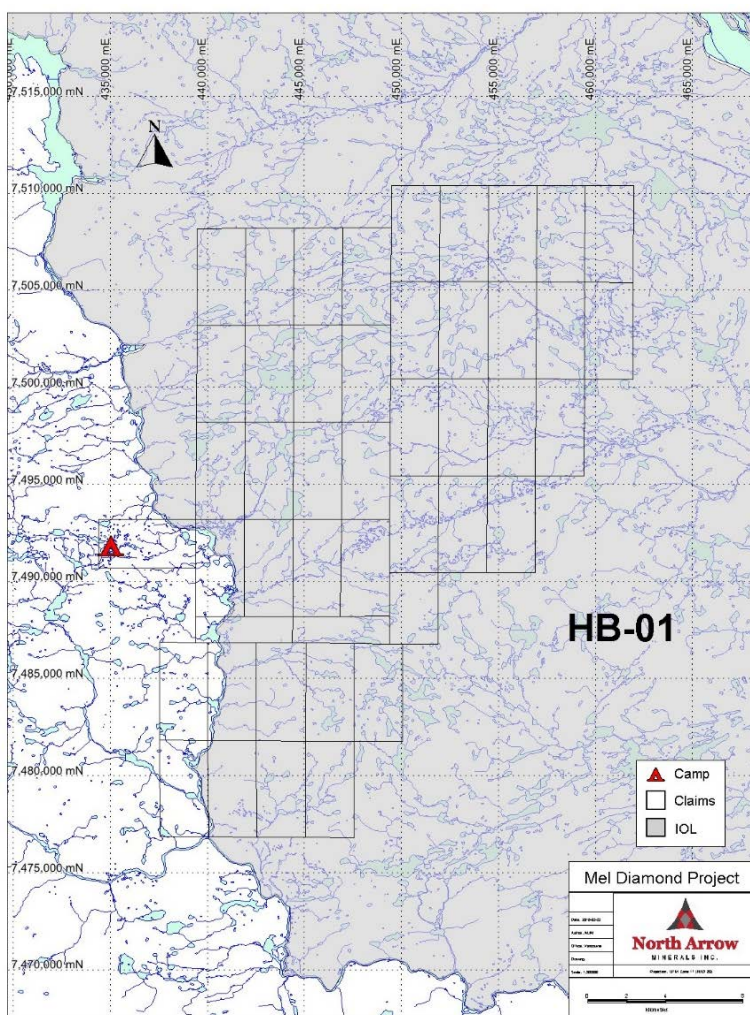


Figure 1: Map of the Mel Project Claims with IOL Land indicated in grey.

2018 Field Exploration Program

A notification of the start of the exploration program was sent to the Hamlet, the HTA, and the Hall Beach Coop on July 11th, 2018 to be posted around the community. Included in notification was information on the following: i) when work would commence, ii) where the work would be conducted, iii) what kind of work was going to be going on, and iv) contact information for North Arrow Minerals (see **Appendix A**). A press release was issued on [July 12, 2018](#) to let the market know that the Mel Project exploration program was underway and copies of that release were sent to the Mayor of Hall Beach, the

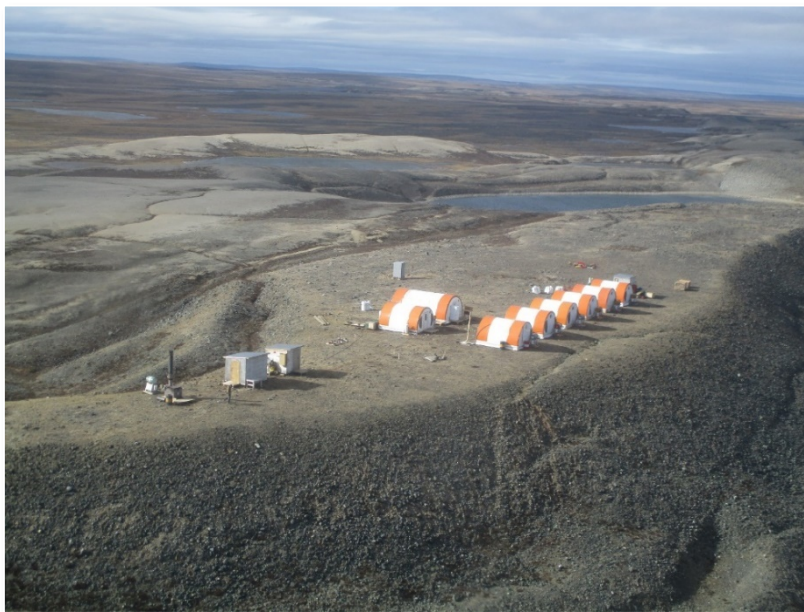


Figure 2: Mel Camp from the air, looking west.

HTA, the MLA (Joelie Kaerner), and the Qiqiktani Inuit Association (the “QIA”). The exploration camp was considered fully operational on July 17th, 2018. Buildings consisted of Weatherhaven-style tents for the Office (doubled as a sleeper for the geologists), Kitchen, Dry, four Sleepers (including medic tent) and the Core Shack. This allowed for a maximum capacity in the camp of 19 (Figure 2).

Exploration work commenced on July 18th with ground geophysics and till sampling. In total, 100 line-km of magnetic surveys were completed over 14 grids covering targets selected from a 2013 airborne geophysical survey at possible kimberlite indicator mineral source areas (see Figure 3). Multiple KIM trains have been defined in the northern part of the property (see Figure 4) through short, one to six-day till sampling programs

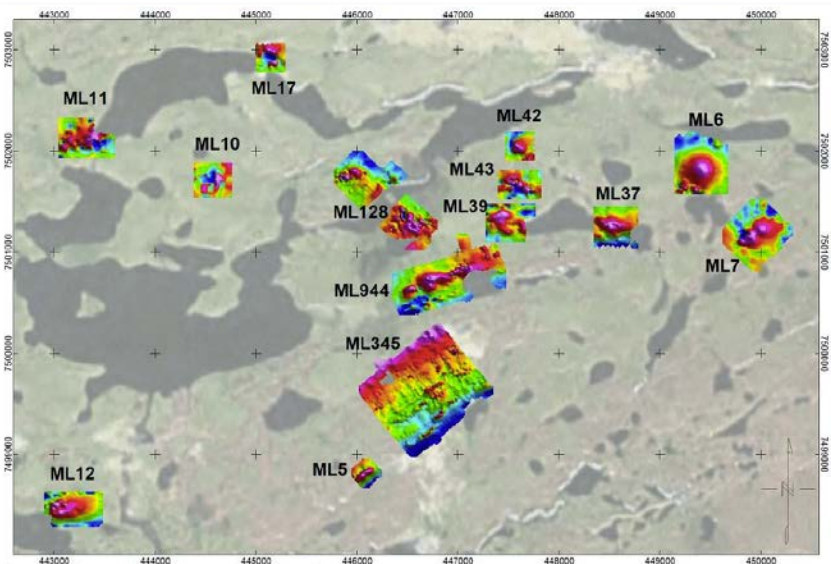


Figure 3: The fourteen ground geophysical grids surveyed in 2018.

North Arrow has conducted annually since 2014 These targets were chosen for more detailed ground geophysics because they demonstrate a sudden change in the land’s magnetic signatures and they are found near potential source areas for KIM trains.

Property-wide till sampling focused on providing complete coverage of the entire Mel Project area, with focus on the under-sampled claims staked during the [fall of 2017](#). A total of 447 samples weighing approximately 10 kg each were collected (Figure 4) and (at the end of the program) shipped south by sealift for processing. Results from the samples are being received currently and should help better define existing KIM trains and identify new target areas within the property for potential future drilling programs.

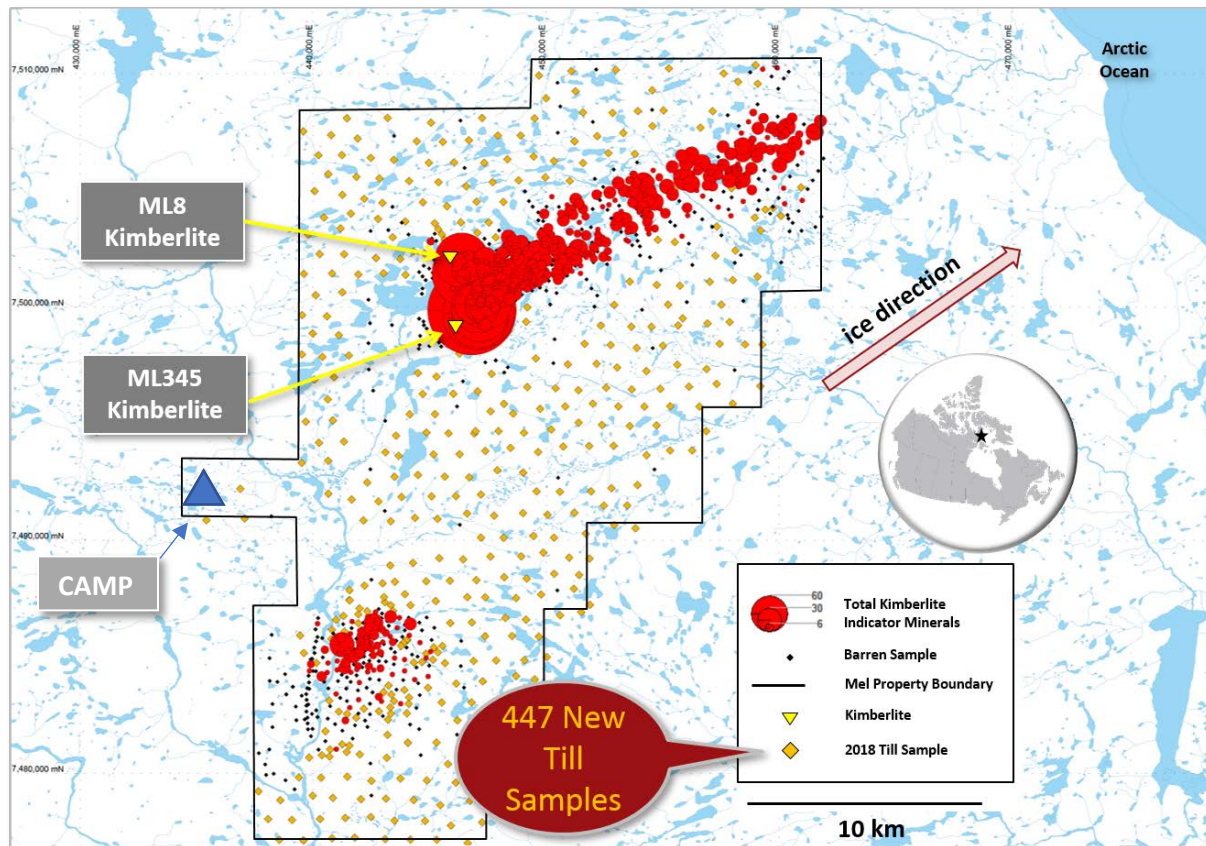


Figure 4: Location of Mel Kimberlites and their KIM Trains as well as the 2018 till sample locations.

In addition to the till sampling, 224 kg of kimberlite was collected from the same surface location of the ML8 kimberlite that the 62.1 kg sample was collected at in the fall of 2017. That rock sample returned 23 diamonds larger than the 0.106 mm sieve size. Results from the first 129 kg of the 2018 sample were released [November 13th, 2018](#) and the press release was emailed to the Mayor and SAO of Hall Beach, the HTA, the QIA and the MLA.

Drilling of the kimberlite targets did not get underway until August 11th. In total, six holes (787.5 m) were drilled with kimberlite intersected in five holes testing the ML8 and ML345 targets. Kimberlite ML8 was tested by three holes over a 170 m strike length and two holes testing target ML345, approximately 1.5 km south of ML8, encountered narrow kimberlite dykes at one location along this extensive, >400m target. Difficulties with drill serviceability and delays associated with the shipping of replacement drill parts from down south impacted North Arrow's ability to complete the testing of some targets, or to

follow up the ML8 and ML345 kimberlite drill intercepts and test additional new targets. Planning has commenced to complete this work in 2019.

The last of the Mel exploration and camp gear was packed up for the winter and shipped out to Hall Beach on September 3rd, 2018. The tents and tent platforms remain at the site to be utilized again for the proposed 2019 exploration program.

Mel Project 2018 Wildlife Monitoring Program

North Arrow met with members of the Hall Beach Hunters and Trappers Association on April 7th, 2017 to discuss the potential impact the Company's proposed summer 2018 helicopter-supported drilling program (over a year before start) may have on the wildlife found in the Project area. At the meeting it was decided that a document should be drafted by North Arrow and shared with the HTA for their input and eventual approval. The purpose of the document was to formalize what actions the Company would take to minimize impact on wildlife resulting from the proposed drill program and related helicopter work. Also defined in the document was how wildlife observations would be documented, who would be observing, and what details they were they observing for. By July 2017 the **Wildlife Mitigation Protocol document (the "Protocol")** for the Mel Project was agreed upon and signed by both parties (Appendix A).

As stated in the Protocol, the Hall Beach HTA would hire two individuals of their choice as Wildlife Monitors ("Monitors") for the program. The Monitors were to be paid by the HTA, who would then bill North Arrow for 'Wildlife Monitoring Services'.

North Arrow provided Suzanne Mikki (Manager of the HTA in spring and summer 2018) with a Wildlife Monitor job description which she posted in the HTA and Hamlet offices at the beginning of May 2018. Two of the applicants, Tim Nattuk and Chad Panipakutsuk, were approved by the members of the HTA and were informed that they had been offered the job opportunity, which they both accepted.

Chad and Tim alternated work periods (one week on, one week off), with Tim coming in to camp for his first week of work on July 23rd. Chad completed the last wildlife monitoring shift and came out with the camp de-mob on September 3rd, 2018.

Although there was a designated Monitor in camp, all employees and contractors were briefed on the Protocol and expected to keep an eye out for wildlife while in the field. All observations were reported to the Monitor and recorded in a daily log. The log contained information on the type and number of animals, their



Figure 4: Wildlife Monitor Chad Panipakutsuk on August 21st on the way out to the drill location to monitor for wildlife.

location and activity at the time of their sighting, and what action was taken if required by the Protocol. Many of the observations labelled in the final logs as ‘field’ were made by geologists Mike MacMorran, Mark Creaghan and Dan Gainer while they were out on traverse either till sampling, prospecting or ground-truthing geophysical anomalies. Tim and Chad most often observed for wildlife from around the camp location which was situated on top of an esker and offered a 360-degree view to the surrounding terrain. They would often go on traverses around the area of the camp during the day equipped with a handheld radio to monitor and report on wildlife to the camp and to the helicopter in case flight lines needed to be altered to avoid wildlife disturbance. If sightings were made around the camp, the location was documented in the wildlife log as a direction and a distance relative to the camp.



Figure 5: Camp Manager Dave Pickston and Wildlife Monitor Tim Nattuk on August 24th in the Kitchen Tent.

Once drilling commenced on August 11th, daily helicopter flights became more frequent with two daily crew changes and drill moves every few days. Monitors occasionally flew out to the drill site to help with drill moves and observe for wildlife. More commonly the pilot would observe for wildlife along the flight path and would alter routes accordingly to minimize disturbance, reporting all observations and actions taken to the monitors.

The logs were emailed intermittently to North Arrow's Community Relations Manager, Nick Thomas, located in Vancouver. Nick sent an email with a

copy of the log and a summary of the results of that time period to the Caribou Monitoring Committee ("the Committee"). The Protocol stated the Committee would be made up of members of the HTA, the Hamlet and the local Hall Beach Government of Nunavut Wildlife Officer. The Wildlife Officer position in Hall Beach was vacant during the time of the exploration program. Calls and emails to the Wildlife Office were unanswered. As a result, the GN did not have representation on the Committee. Emails summarizing wildlife log results were sent out to HTA Manager, Suzanne Mikki and Mayor Audlakiak on August 14th, 27th, September 4th and 6th, and a final email was sent out on October 3rd that contained all the logs in a single document (**see Appendix B for compiled logs**).

At the meeting with the HTA in April 2017 it was decided that hiring and payment for the Monitoring positions should be handled by the HTA, and later billed to North Arrow as 'Monitoring Services'. However, once Monitoring was underway, both employees requested their first week's payment as soon as possible so they could tend to their family's needs. As a result of this situation, on August 3rd Suzanne Mikki agreed that it would be more efficient if North Arrow paid the two for their monitoring services and that arrangement was kept in place until the end of the work program at the beginning of September.

Both Tim and Chad were very hard workers who, outside of their monitoring duties, also proved to be very helpful around camp wherever and whenever they were needed. They were a big part in keeping what proved to be a logistically challenging program on track and North Arrow really appreciated their efforts.

Summary of Wildlife Monitoring Results

(see Appendix B for Wildlife Logs)

Caribou Results:

- In total there were 72 documented caribou observations made by Tim Nattuk and Chad Panipakutsuk and the other members of the crew between July 18th to September 2nd.
- Herds varied from a single animal to up to (approximately) seven animals and were seen throughout the observation period of July 18th to September 2nd.
- 16 were definitively recognized as male.
- 19 were definitively recognized as female.
- 10 were definitively recognized as juveniles (male or female).
- 6 were definitively recognized as calves (male or female).

Other types of animals were observed and documented during the work period including:

- Four wolves in packs of two (July 26th & August 11th).
- Five individual foxes (July 26th & August 10th, 15th, 17th, 27th).
- Two separate owl sightings (August 17th & 25th).
- One sighting of two seagulls (August 2nd).
- One flock of ~15 ptarmigan (July 25th).
- One flock of ~50 snow geese (July 30th).
- and “a few sic-sic” (August 17th).

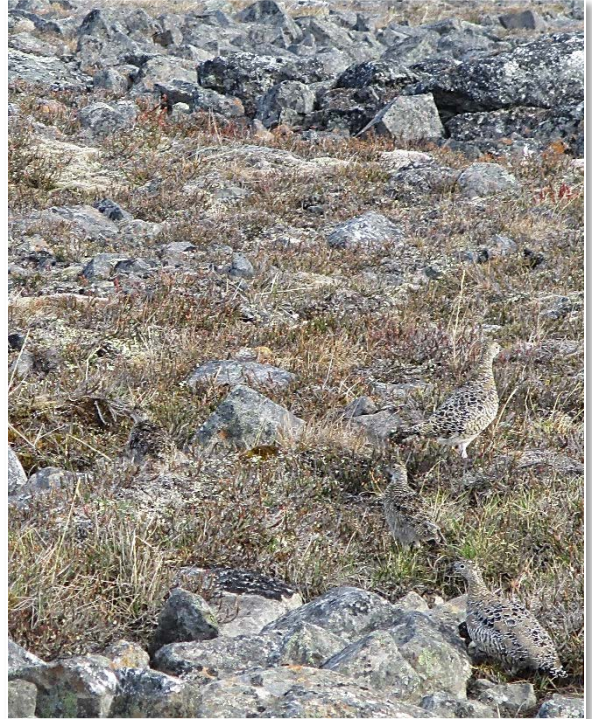


Figure 5: Four ptarmigan observed (barely) on July 25th, 2018.

The helicopter altered its flight path on four separate occasions, July 29th, July 30th and twice on August 11th, to avoid disturbing caribou. The drill was shut down for three hours on August 11th while caribou grazed and slept within 1 km of the drill location.

No polar bears were observed during the exploration program.

Appendix A: Wildlife Mitigation Protocol

DRAFT WILDLIFE MITIGATION PROTOCOL – June 12, 2017

North Arrow Minerals
Suite 960 – 789 West Pender St.
Vancouver, BC V6C 1H2
Phone: 604-668-8355
Fax: 604-336-4813

Mel Property, Qikiqtani Region, Nunavut

Background

North Arrow Minerals Inc. (the “North Arrow”) is planning an exploration drill program at the Mel Diamond Project, located approximately 140 km south of the Hamlet of Hall Beach. The project consists of six minerals claims, mostly (approximately 7,200 ha) within Inuit Owned Land (IOL) parcel HB-01 (surface rights). Approximately 300 ha of the project area covers Crown Land. Within the project area, the North Arrow has narrowed down a potential kimberlite source area that is ready to be drill- tested.

Applications have been submitted for the required land use permits and water licenses to allow for a four to six-week exploration drilling program (with the possibility of concurrent till sampling, prospecting and ground geophysics) commencing in approximately July or August 2018. The proposed program consists of 4-8 targets to be tested by 8-12 drill holes with an average depth of between 50-150 metres (estimate) focused on four of the six mineral claims, located in the north of the project area. The program would be supported from a temporary exploration camp with a proposed location approximately 13 km southwest from the border of the drilling targets. The proposed camp location is near a flat-topped esker upon which wheeled aircraft can land. An inspection of the proposed camp site by a knowledgeable Hall Beach resident has been proposed for the summer of 2017 to ensure suitability of the site and confirm the area has no special cultural or historical significance that would be disturbed by a camp.

Purpose

During the drill program the crew will fly daily by helicopter from the camp to the drill location. However, the project area is within the ranges of a number of species of wildlife and is an area where wildlife harvesting occurs. Therefore, the daily flights have the potential to disturb wildlife and harvesting activities. The purpose of this Wildlife Mitigation Protocol (the “Protocol”) is to therefore outline a mitigation plan to minimize the impact of the proposed drill program on the local wildlife and harvesting activities, with particular reference to caribou and muskoxen.

Objectives

The objectives of this Protocol are to clearly outline the duties and responsibilities of North Arrow and North Arrow’s employees and contractors, to the Hamlet of Hall Beach and the local Hunters and Trappers Association (HTA), with regards to wildlife, over the period of the program.

Mitigating and Preventing Disturbance of Wildlife and of Harvesters of Wildlife

North Arrow will adhere to the terms and conditions of all regulatory instruments related to the program (including the land use permits and water licence referred to above) and will comply with all applicable legislation. In particular, with regards to terms and conditions that apply specifically to wildlife, the North Arrow will adhere to the Project-Specific Terms and Conditions of the Nunavut Impact Review Board NIRB Screening Decision Report (NIRB FILE No.: 16EN062).

In addition, North Arrow will implement and adhere to the following policies/actions:

1. All North Arrow employees and contractors will act as wildlife observers and will report and record all wildlife sightings using the Wildlife Log / Record of Observations attached to this protocol. All employees and contractors will be made aware of this Protocol and all measures designed to avoid conflicts with, and harassment of wildlife. North Arrow will provide instruction to each employee and contractor to ensure understanding on how to implement these measures, including a review of the terms and conditions of each regulatory permit and licence as they relate to wildlife and wildlife monitoring.
2. Whenever safe and possible, helicopters will maintain the required flight elevations set by the terms and conditions of the project permits and licences (typically a minimum 610 metres unless in the case of an emergency and in the case of take-offs and landings) so as to not disturb wildlife. The helicopter will not harass, worry or chase wildlife.
3. Helicopter pilot and employee/contractor passengers will watch for wildlife on every flight between camp and drill site locations, and on all flight activities.
4. During the drilling program a local wildlife monitor will be supplied through the Hall Beach HTA. The wildlife monitor will observe for and record sightings of wildlife in the Mel Project area, and will document North Arrow's responses to such sightings to ensure impact mitigation measures as outlined in the Protocol are being followed. The wildlife monitor may be assigned additional responsibilities as part of their contracted role. The wildlife monitor is expected to abide by North Arrow's Code of Conduct and Safety throughout the entirety of the program. The HTA will invoice North Arrow Minerals for the wildlife monitoring service upon completion of the program.
5. The wildlife monitor will be given a radio to allow for communication with the helicopter pilot. If wildlife are observed by the helicopter pilot while flying, the pilot will notify the wildlife monitor and will attempt to choose a different flight path until the wildlife have moved on.
6. If wildlife are present in such numbers that different flight path is not possible then helicopter will set down until the animals have moved on at least 1.5 km from the flight path, or desired take-off or landing location.
7. If the wildlife monitor, employees or contractors on the ground observe any wildlife, they will notify the helicopter pilot (and, if appropriate, the wildlife monitor). The pilot will safely avoid the area where the wildlife are observed. If there is no choice of a different route (for instance if caribou or muskox are within 1.5 km of the drilling site or camp), then flying will stop until the

animals have moved on.

8. If activities related to the drilling program should result in the need for a polar bear to be killed North Arrow will receive a tag from the community of Hall Beach and the community will be paid \$5,000.00 in compensation to account for the economic losses.

Reporting: Logging Wildlife Sightings, Mel Project, 2018 Drilling Program

1. Each of North Arrow, the Hamlet and the HTA shall designate a contact person, including email address, for the purposes of effective communication during the period of the program.
2. North Arrow will confirm the start date of the Program with the Hamlet and HTA approximately one week prior to the start of operations.
3. North Arrow will prepare a notice containing details and timing of the program and post the notice on prominent bulletin boards throughout the Hamlet, including at the HTA.
4. During program operations, North Arrow will send a weekly email to the Hamlet and HTA that documents and outlines: the type and number of animals observed, their location, and the mitigation measure taken.

A copy of a compiled wildlife record outlining time, date, location and details of wildlife sighting will be shared with designated representatives of the Hamlet Council, the Hamlet HTA at the conclusion of the 2018 drilling program. The wildlife record will also be shared with regulatory agencies if required under the terms and conditions of the project permits and licences.

Contact Information

Contact	Name	Email	Telephone
North Arrow			
Mel Project Geologist	Mike MacMorran	mmacmorran@northarrowminerals.com	604-563-4808
	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>
Camp Wildlife Monitor	<i>tbd</i>	<i>tbd</i>	<i>tbd</i>
Hall Beach			
Hall Beach HTA Manager	Manasee Naullaq	hbhta@qiniq.com	867-928-8994
Hall Beach Mayor	Peter Seakoluk	mayor_hbhamlet@qiniq.com	867-928-8829
Hall Beach SAO	Jim Langille	sao_hbhamlet@qiniq.com	867-928-8829
GN			

Nunavut Wildlife Management Board			867-975-7300
DoE Wildlife Office (Hall Beach)			867-928-8507

Wildlife Log / Record of Observations – Mel Project

Date	Northing NAD83 UTMz17	Easting NAD83 UTMz17	Species	# of animals	Description of activity / Action taken

Wildlife Log / Record of Observations – MEL 2018 Program

Date	Location	Species	# of animals	Description of activity / Action taken	Gender / Age (approx.)
July 18, 2018	Camp	Caribou	1	Caribou was grazing ~200m east of camp for ~30mins before leaving the area. No action taken.	Male/Adult (had a large set of antlers)
July 25, 2018	Field	Caribou	2	Stopping to look at till samplers. No action taken. Caribou eventually moved on.	1 adult male 1 adult/juvenile female
July 25, 2018	Field	Ptarmigan	~15	Swimming and sitting next to a small lake. No action taken.	Adult/juvenile
July 26, 2018	Field	Wolves	2	Stopped to look at till sampler (Mark). Wolves eventually moved out of area. No action taken.	Adult
July 26, 2018	Field	Red Fox	1	Stopped to look at till sampler (Dan). Fox eventually disappeared. No action not taken.	Adult/Juvenile
July 27, 2018	Camp	Caribou	6	Grazing ~1 km ESE of camp. Eventually moved on. No action was taken.	Adult + Juvenile (mostly) + 1 calf (1-2 yrs old)
July 28, 2018	Camp	Caribou	5	Grazing near camp. Eventually moved on. No action taken.	Adult (female/male)
July 29, 2018	Camp	Caribou	1	Grazing near camp. Eventually moved on. Helicopter altered its arrival and departure route to the camp.	Adult

Wildlife Log / Record of Observations – MEL 2018 Program

Date	Location	Species	# of animals	Description of activity / Action taken	Gender / Age (approx.)
July 30, 2018	Camp - approx 1 mile south of camp	Snow Geese	~50	Sitting along lakeshore. Helicopter route was altered, otherwise no action taken. Eventually flew away.	Adult/Juvenile
Aug. 2, 2018	Field	Sea Gulls	2	Flying overhead (following) till sampler. No action taken. Eventually flew away.	Adult
Aug. 7, 2018	Camp	Caribou	2	Grazing ~3 km SE of camp. Eventually moved out of area. No action taken.	Adult (male + female)
Aug 9, 2018 ~ 10:00am	~ 700m	Caribou (♂)	1	Grazing ~ 700m SW Camp, moved out of area to North west / west within a couple of hours.	Adult male.
Aug 9 2018	> 4 km SW of Camp	Caribou	6	2 female; 2 calves 2 unknown	Female/ Calves/ Unknown
Aug. 9 2018 ~ 8:00pm	600m West of Camp	Caribou	1	Grazing; same one we saw this morning; moved on out of view in about 1/2 hr. (towards Northwest)	Adult male
Aug 10 ~ 3pm	@ small strip S of camp.	Fox	1	Small Brown fox trotted across strip. Stopped to scratch himself then went on (west to east).	Unknown KIA
Aug. 11 ~ 11am	~ 2 km S. of camp	Caribou	1	Grazing, moving through	unknown

Wildlife Log / Record of Observations – Mel Project 2018

Date	Location	Species	# of animals	Description of activity / Action taken	Gender/Age (Approx.)
11-AUG-2018	E of Mel Camp	Wolf	2	1 large grey, 1 small black, walking. Observed by helicopter engineer while on a run.	Unknown.
11-AUG-2018	Anomaly 345	Cariboo	1	Cariboo Grazing. Diverted course of helicopter until clear.	Female/Adult
11-AUG-2018	ML-01	Cariboo	~3	Grazing. Diverted course of helicopter until clear.	Female/Adult
11-AUG-2018	ML-01	Cariboo	~7	Small Group of Cariboo Grazing/Sleeping for ~3hrs within 1km of drill. Shut down drill until they moved on.	2 Male, rest female. All adult.
12-AUG-2018	Mel Camp 5km North.	Cariboo	2	Grazing 5km North of camp. Appear to be wandering further away from camp.	1M, 1F. Adults.
13-Aug-2018	West of Mel, about 800m	Caribou	1	Grazing, moving south.	1 young male.
13-Aug-2018	SW of Mel camp ~ 600 to 800m	Caribou	6	Grazing, came from south, on west side of camp moving north	2 Females + 2 calves + 2 Bulls

Wildlife Log / Record of Observations – Mel Project 2018

Date	Location	Species	# of animals	Description of activity / Action taken	Gender/Age (Approx.)
Aug 14 2018	250m NW of camp	Caribou	1	lying down ~12:30pm	Male Adult
Aug. 15 2018	1 km SE of camp	Fox	1	Travelling by	young adult
Aug 17 2018	~1 km west of camp	Snowy Owl (white) + a few s.k.-siks	1	He was sitting then when saw. Chad (walking nearby) the the owl flew away to west - also saw a few s.k.-siks while walking	Adult
Aug 17	~800m SW of camp	Caribou	1	Grazing	Adult male
Aug. 17	At South Airstrip Melcamp	Fox	1	Passing By	Adult
Aug. 18	At south	Caribou	2	Passing by	Adult male and female
Aug. 25	Camp	Owl	1	Sitting ~100m north of camp. Eventually flew away. No action taken.	Adult
Aug. 26	Camp	Caribou	1	Walking ~5 miles south of camp. Eventually moved on (out of sight). No action taken	Juvenile, Male

Wildlife Log / Record of Observations – Mel Project 2018

Date	Location	Species	# of animals	Description of activity / Action taken	Gender/Age (Approx.)
Aug. 27	~1 km north of camp	caribou	3	Grazing. Eventually moved on (out of sight). No action taken.	Juvenile/ Adult Females
Aug. 27	~5 miles west of camp	caribou	7	Grazing. Eventually moved on. No action taken	2 Adult Male 5 Juvenile
Aug. 27	Camp	Fox	1	Sniffing around behind the kitchen. No action taken. Eventually left.	1 Adult
Aug. 27	~3 miles NW of Camp	Caribou	6	Moving west. Eventually moved out of sight. No action taken.	3 Adult female 3 Juvenile.

Wildlife Log / Record of Observations – MEL 2018 Program

Date	Location	Species	# of animals	Description of activity / Action taken	Gender / Age (approx.)
Aug 29 - 30	~1.5 mile north of camp	Caribou	1	Grazing and resting (?). Stayed in area for 1.5 days. No action taken.	Adult female
Aug. 30	Camp Airstrip	Caribou	5	Over by airstrip, grazing. Moved north of Camp until out of sight. No action taken	Adult female with calf; 3 juvenile males
Aug. 30 Sept. 1	Camp	Caribou	1 1	South of camp; grazing, eventually moved out of sight. No action taken	Juvenile/Adult male
Sept. 2	~2 km south of camp	Caribou	1	Grazing. Eventually moved out of sight. No action taken.	Juvenile/Adult male
Sept. 2	~1 km west of camp	Caribou	2	Grazing. Eventually moved out of sight to the west. No action taken.	Adult male

Appendix C - Mel Diamond Project | 2018 Exploration Program Begins July 12, 2018

➔ **WHERE:**

- 140 km south-southeast of Hall Beach.
- 56,000 ha of mineral claims.
- Work conducted out of exploration camp on the property.
- Camp supplies brought in from Hall Beach by fixed wing or helicopter ~ two times per week.

➔ **WHEN:**

- On or around July 15th through to middle or late August; approximately 6 weeks.

➔ **DESCRIPTION OF WORK:**

1) Exploration Drilling

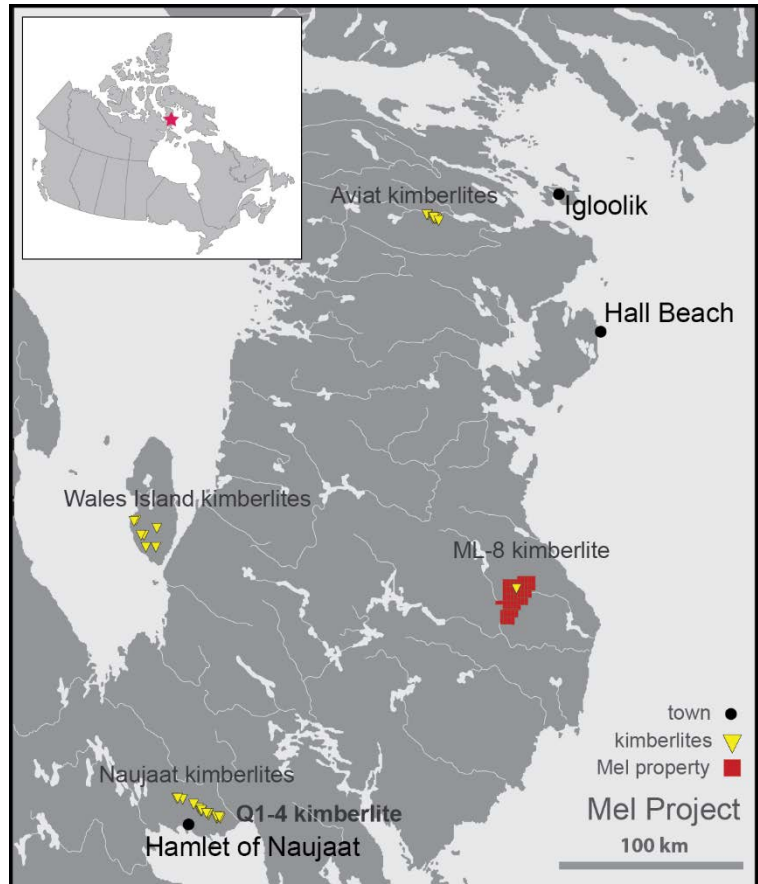
- Commencing **around** July 20th.
- Helicopter supported from camp; focused on northern part of the property.
- Flights out to drill site in the morning and in the evening for shift changes.
- Additional helicopter flights every 3 or so days to move drill locations.
- Two local employees hired by the HTA to be wildlife monitors; observing for wildlife at drill site, flight path and at camp; ensuring North Arrow follows agreed upon Wildlife Protocol.

2) Till Sampling

- Property wide till sampling collecting ~400-500 till samples (10kg each) happening concurrently with the drilling.

➔ **CONTACT INFORMATION:**

If you have any questions regarding the Mel Diamond Project please contact North Arrow's Manager of Community Relations, Nick Thomas at 1-604-563-4809 or at nthomas@northarrowminerals.com or on Facebook @NorthArrowMinerals



Photos of Camp and 2018 Drill Sites

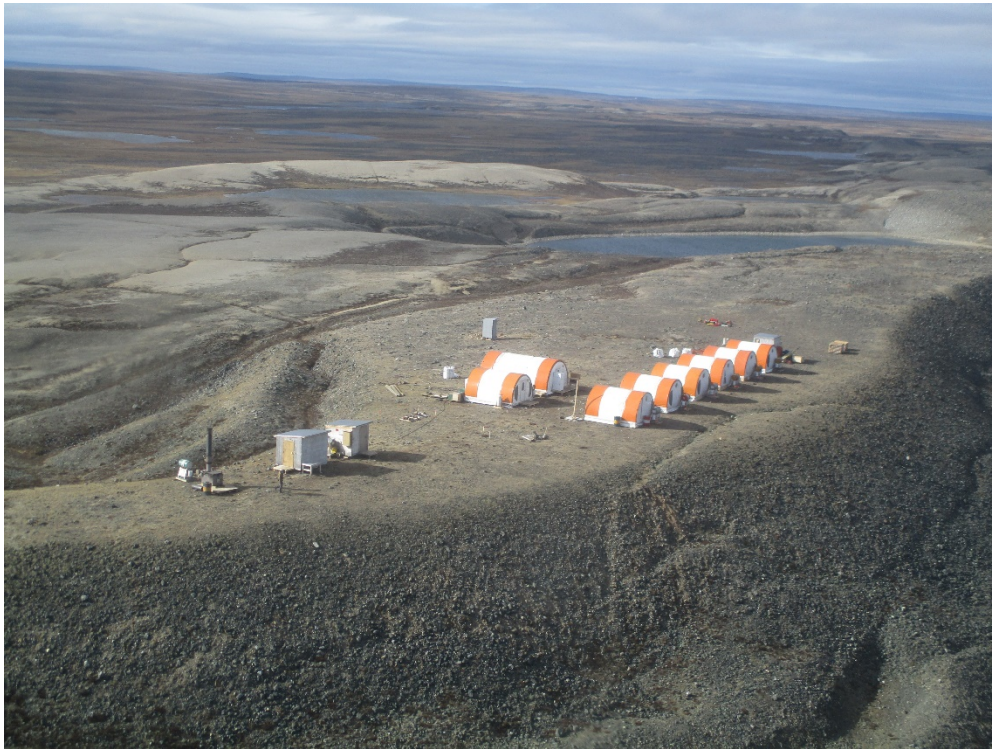
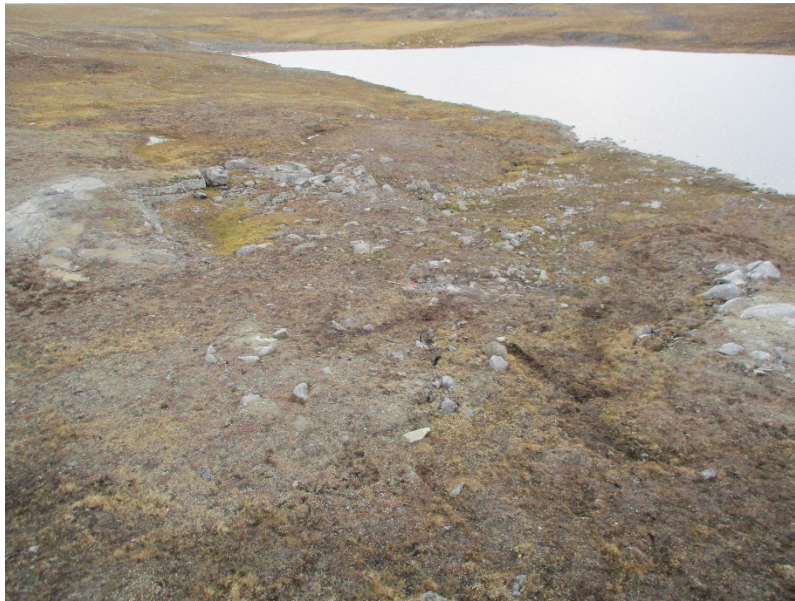


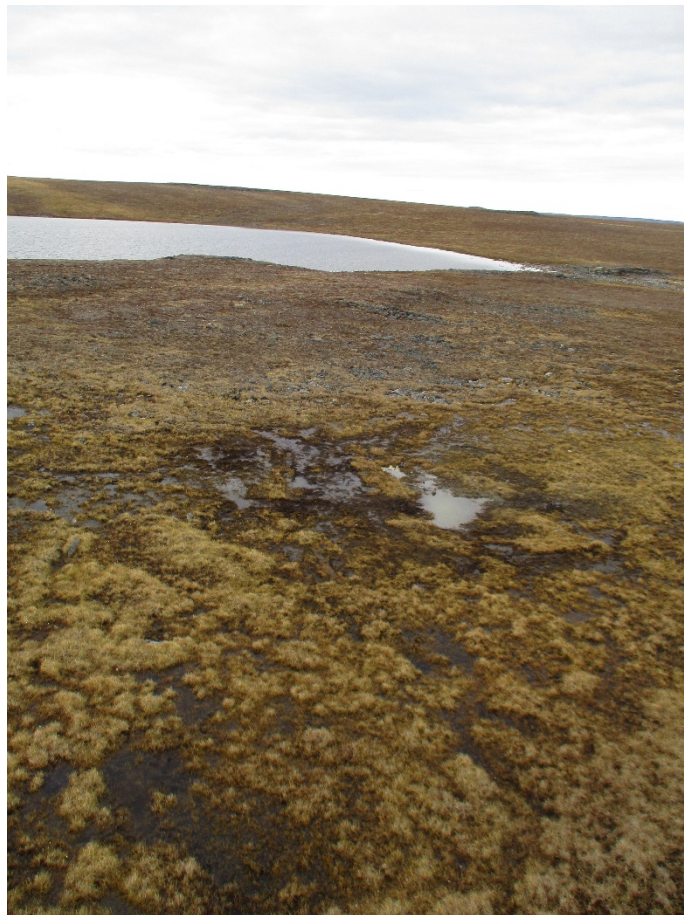
Photo of the camp during 'demob' 2018



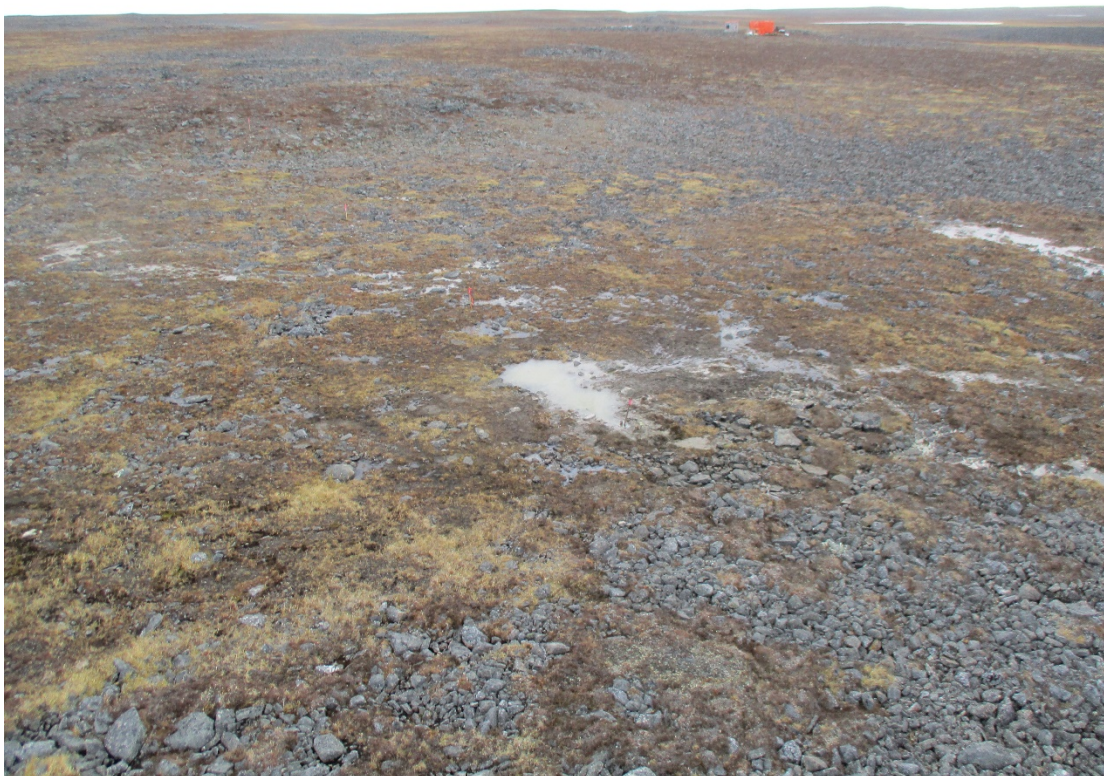
"After" (remediated) photo of the first drill hole of the 2018 program



“After” (remediated) photo of the second and third drill holes of the 2018 program



“After” (remediated) photo of the fourth drill hole of the 2018 program



“After” (remediated) photo of the fifth and sixth drill holes of the 2018 program. Drill stored for seasonal shutdown in the distance.