



North Arrow

MINERALS INC.

Naujaat Diamond Project Annual Report for Land Use Permit LUP06-607-017

March 30th, 2023

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Appendix 1: 2022 Community Engagement and Consultation Log

1. Introduction and Background

This report is being submitted as required under the Terms and Conditions of Permit to Use Commissioner’s Land #LUP06-607-017 (the Permit).



Figure 1: Project location – 9 km northeast of the Hamlet of Naujaat at the southern end of the Melville Peninsula.

A total of eight kimberlite pipes have been identified within the Project, as well as several associated kimberlite dykes. The Q1-4 kimberlite (Q1-4) is the largest and most diamondiferous of the kimberlites discovered to date and has been the focus of North Arrow’s work since acquiring the Project from Stornoway Diamond Corporation in 2013. The kimberlite is located on Commissioner’s Land within the municipality of Naujaat, approximately nine kilometres northeast of the community. North Arrow continues to assess Q1-4’s size and diamond value potential as the Company works towards a Preliminary Economic Assessment for the Project.

In 2014 North Arrow extracted a 1,353-tonne sample from the A28 portion of the kimberlite under license LUP06-607-14. The following year, the Company submitted amendments to the permit for drilling, fuel storage and construction of a core logging facility at its storage location. Following review by GN-C&GS, GN-DoE, ECCC and NIRB, these permissions were combined and granted under permit LUP06-607-014 on May 4th, 2016.

The Naujaat Diamond Project (the Project) is located 9 km northeast of the Hamlet of Naujaat, Nunavut. Since diamonds were discovered in the area in 2002, the property has undergone several phases of exploration using airborne geophysics, together with property wide till sampling, drilling, and bulk sampling. The Project is currently being evaluated by North Arrow Minerals Inc. (North Arrow or the Company) and consists of seven mining leases and five mineral claims covering 12,705 hectares.

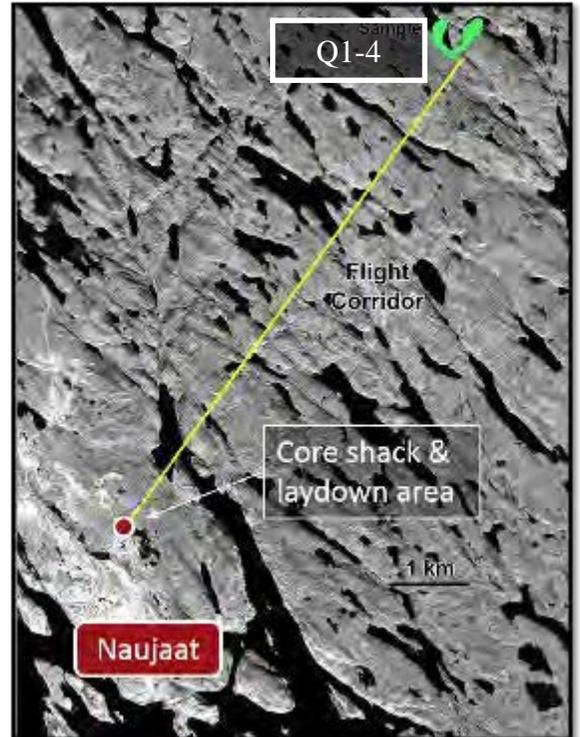


Figure 2: Transportation corridor between Q1-4 and North Arrow’s Laydown Area.

Permit LUP06-607-014 was renewed in 2017 and reissued as LUP06-607-**016**. It authorized up to 20,000 metres of drilling, and it also allowed for bulk sampling activities with a cumulative total of 1,500 tonnes. The permit was again extended in May 2021 and reissued as LUP06-607-**017**. It maintained the same terms and conditions, and also allowed for an increase of 500 tonnes to the total cumulative bulk sample weight, increasing the total allowable tonnage to 2,000 tonnes.

Under the new permit, North Arrow conducted a summer exploration program in 2021 that ran from June 17th to August 23rd. Fieldwork consisted primarily of bulk sampling at the Q1-4 kimberlite, and a small amount of till sampling and prospecting was also completed. Exploration crews were based in Naujaat, and a helicopter was used for transporting sample bags and work crew between town and the work site, approximately 9 km away.

A wildlife camera monitoring program had been conducted in cooperation with the Arviq Hunters and Trappers Organization (HTO) in Naujaat between May 2017 and April 2021. The wildlife cameras had been actively collecting baseline information between Naujaat and the Q1-4 diamond deposit but were taken down at the request of Naujaat's Wildlife Officer in 2021. The Wildlife Officer had recently been made aware that a permit was required for such activities, which explains why the matter had not been raised in the years prior. Program information and observations will no longer be included with annual reports, at least not until a permit is acquired and the cameras reinstalled. The Hamlet is now responsible for acquiring a "Wildlife Research Permit" before the cameras will be allowed to be reinstalled.

2. Regulatory Information

Exploration work on the Project is conducted under the terms and conditions of land use authorizations granted by the Government of Nunavut (GN) Department of Community and Government Services (CGS), and by the Nunavut Water Board (NWB). As part of the permitting process, the Project permit applications are screened by the Nunavut Planning Commission (NPC) and Nunavut Impact Review Board (NIRB) prior to issuance by the authorizing agencies. The following permits, licenses and file numbers are associated with work conducted at the Naujaat Diamond Project:

CGS: Municipal Land Use Permit LUP06-607-017; *expires September 1st, 2023.*

NWB: License 2BE-QIL1722 Type "B"; *expired November 30th, 2022 (renewed as 2BE-QIL2328).*

NPC: File No. 148542 (Naujaat Q1-4 Project); conformity determination issued Feb 27th, 2015.

NIRB: File No. 12EN012; Screening Decision Report dated June 5th, 2015.

3. Laydown and Core Storage Area

A small equipment and core storage area was established approximately 1 km north of the town as part of permitted activities going back to 2014 (Figure 3). This facility continues to be utilized and is regularly monitored by local employees to ensure the security and integrity of equipment and materials is maintained.

A moderate supply of drummed aviation fuel (JetA) is also stored at the laydown area. Drummed fuel is stored in large secondary containment berms (Figure 4), and drums are regularly checked for damage and leaks. No leaks were reported in 2022.

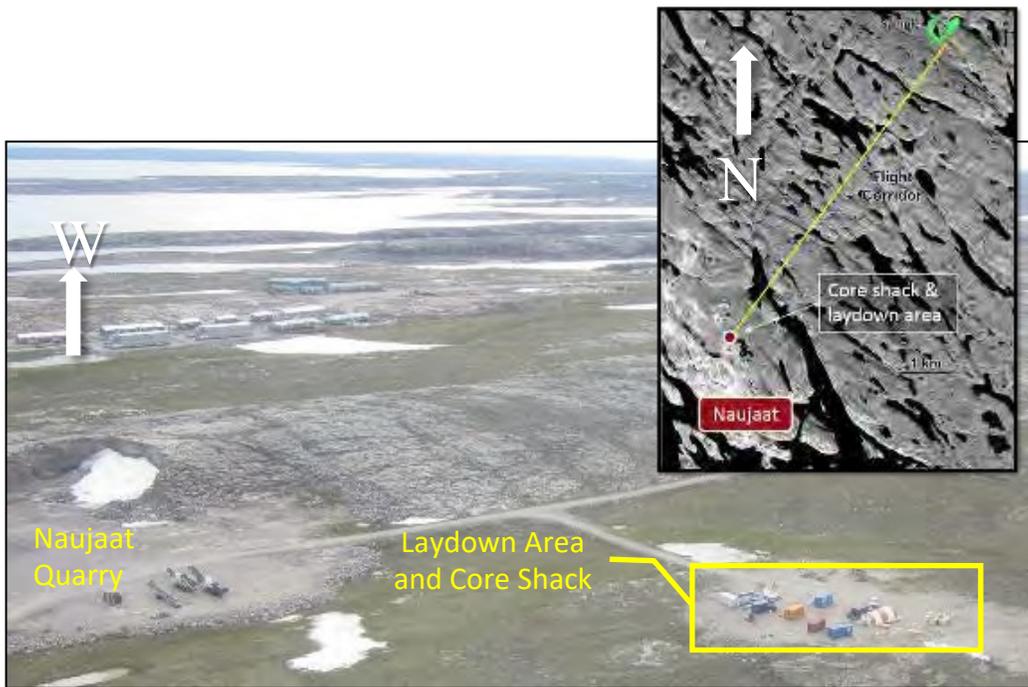


Figure 3 (Main Image): View looking west above Laydown Area and town quarry. **(Inset):** Satellite image of Naujaat relative to Q1-4 kimberlite and Laydown Area.



Figure 4: Laydown area with sample bags (2,500) at the end of the 2021 bulk sample program.

4. 2022 Project Activities

No work was conducted at the project in 2022. During a trip in July to conduct community update and information meetings, two North Arrow staff visited the kimberlite one afternoon to check reclamation work done at the site in 2021 following bulk sampling activities. The site was found to be in good condition, with no issues of concern.

The last major work program conducted at the site was in 2021. Despite the pandemic, North Arrow conducted bulk sampling at the Naujaat Diamond Project from two sites at the Q1-4 kimberlite (yellow squares in Figure 5).

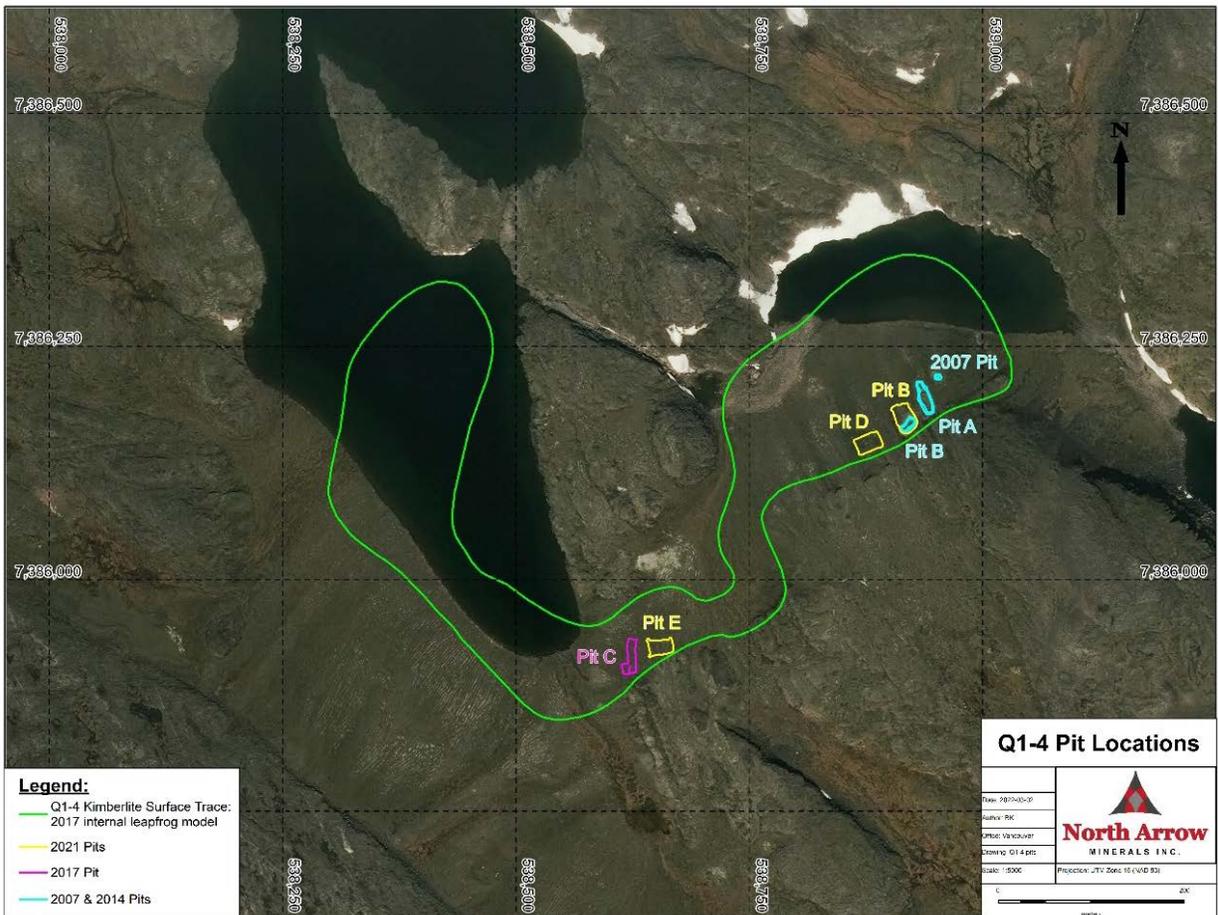


Figure 5: Q1-4 Kimberlite Model Outline with bulk sample locations (2014, 2017 and 2021).

Once sample collection was complete, two mini-excavators remained at site for pit reclamation (Figures 8-10 and 12-13). A site visit was organized for August 18th allowing two Hamlet councilors to inspect the reclaimed sample pits and the surrounding work area. No concerns were raised by either councilor. Following reclamation, the two excavators were slung back to the laydown area in town and loaded into shipping containers for winter storage.

Staff investigated the 2021 sample pits from the ground in July 2022 and found no significant changes to the landscape (Figures 9, 10, and 13).



Figure 6: 2021 Sample Pit B, looking south from above.



Figure 7: 2021 Sample Pit D, looking south from above.

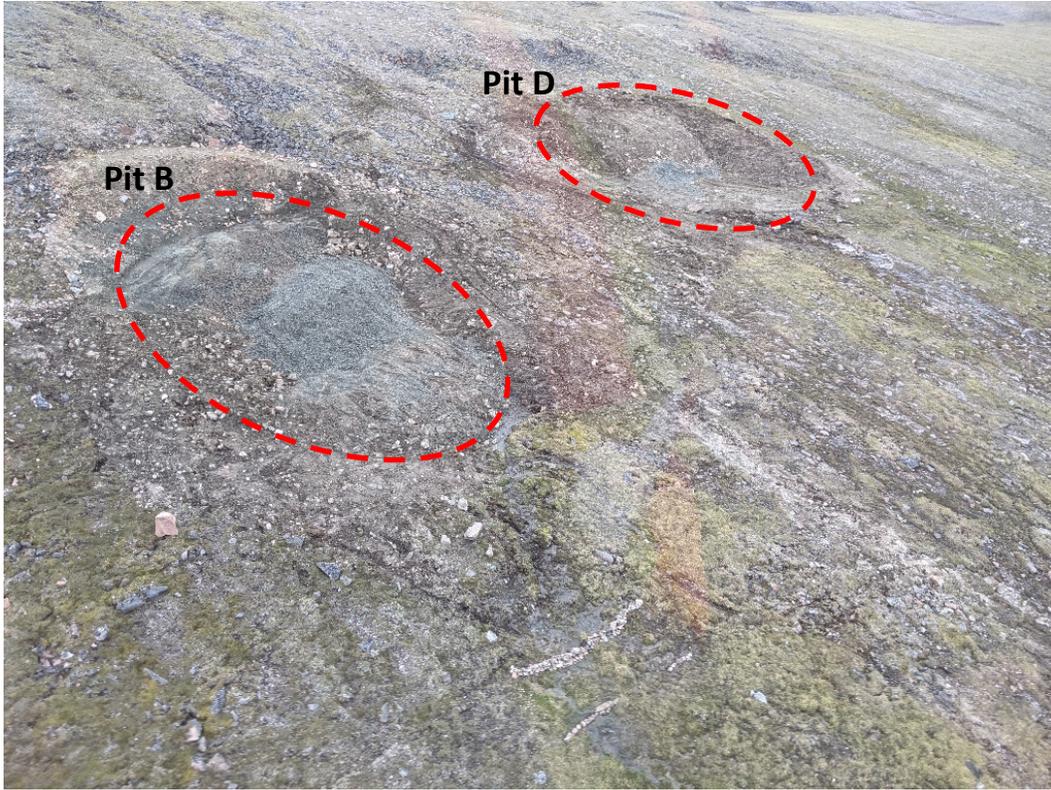


Figure 8: Reclaimed 2021 Sample Pits B and D from above (taken in 2021).



Figure 9: Reclaimed 2021 Sample Pit B, looking south (taken in 2022).



Figure 10: Reclaimed 2021 Sample Pit D, looking west (taken in 2022).



Figure 11: 2021 Sample Pit E, looking northeast from above.



Figure 12: Reclaimed 2021 Sample Pit E, looking west (taken in 2021).



Figure 13: Reclaimed 2021 Sample Pit E, looking south (taken in 2022).

5. Personnel

One to two employees were hired on part-time contracts to check North Arrow's laydown facility, and to assist with other general tasks such as shipping and receiving mail and small shipments to/from Naujaat.

Nothing of significance (i.e. fuel spills, garbage, break-ins/damage, etc.) was reported during checks at the laydown area.

6. Wildlife Monitoring

Wildlife monitoring was not conducted in 2022 as a result of no work being done.

7. Community Engagement and Consultation

North Arrow visited the community in summer 2022. The trip occurred during the week of July 17th, and North Arrow remained in the community for approximately one week for various engagements. Formal meetings were held with the Hamlet Council and Mayor, the Arviq HTO, a newly formed Mining and Exploration Advisory Committee, MLA Solomon Malliki, and the greater community. Detailed logs are included in Appendix 1.

At each meeting, a presentation was given on the Naujaat Project, followed by discussion and a question-and-answer period which was recorded and documented. Most post-presentation discussions were spent on matters that included permitting, financing, environmental impact, future employment opportunities, training, a Hamlet-proposed community access trail, and Burgundy Diamond Mines, North Arrow's joint venture partner on the project.

Points of discussion regarding the project:

- Number and type of jobs that would be created if a mine were to be built
- If and when a mine might be built
- Impacts and benefits if a mine was to be built
- Project timing
- Who will be the company running a potential future mine, if not North Arrow
- Helicopters
- Sample shipment and processing
- Community access trail
- Number, size, colour and value of diamonds produced from the 2021 bulk sample
- Care for the environment

8. Summary and Future Work

Permit LUP06-607-017 was granted a two-year extension on May 17th, 2021. The extension covers the time-period September 1st, 2021, to September 1st, 2023, and has the same Terms and Conditions applied originally, authorizing bulk sampling, drilling, fuel storage, and a core logging facility at North Arrow's laydown facility.

Diamond project evaluation requires collection of larger and larger samples to increase the total number of diamonds collected to help further characterize the diamond population, which for the Q1-4 deposit includes high-value, yellow-orange coloured diamonds. The collection of incrementally larger samples is typical, and necessary, in the evaluation of diamond projects. Each subsequent sample increases confidence in diamond values needed for feasibility studies. Diamonds recovered from the 2021 bulk sample are currently being reviewed alongside those recovered from previous samples. Part of this exercise will include valuation studies to determine more accurate \$/carat estimations. Should results from these studies be favorable, and further testing of the Q1-4 deposit determined to be warranted, subsequent bulk samples would be an order of magnitude larger than the one collected this year (i.e. 10,000 tonnes).

Further work is required to continue advancement of the Naujaat Project. This may be done through different categories of work and is likely to include a combination of additional bulk sampling and/or trenching, delineation drilling, and geophysics. Additional baseline studies, including archaeological investigation, is also being considered at this time. North Arrow will continue to need to raise funds for future work programs, and there are currently no set plans for 2023.

Appendix 1:

2022 Community Engagement and Consultation Log

Date & Time	Location of Meeting	Organization	Organization's Representatives - Person(s) Engaged - Participants - Attendees	Type of Organization	North Arrow Reps	Type of Contact or Engagement - meeting, letter, email, phone	Written Correspondence, email, letter, meeting notes, minutes	Contact / Engagement	Purpose of the engagement, issues raised, and recommendations made by affected parties	Proponent response to questions and issues raised (i.e. resolved or ongoing)
September 13, 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Reached out to Kevin because North Arrow heard he was attending the DNLUP hearings in Rankin Inlet. Sent him (by his request) some materials he could use showing the evolution of the DNLUP and its changing impacts on the community of Naujaat.	
July 28th, 2022	Facebook Messenger	Community member	Kevin Tegumiar – prior SAO of Hamlet	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Sent Kevin a picture of one of the diamonds taken recently with the NU toonie. Kevin said he met the new SAO Sandra who started to assess the work that needed to be done and expressed an understanding of why Kevin resigned.	
July 21st, 2022	Naujaat Coop Hotel Eating Area	HTO	Paul Angutetuar – HTO Chair	Hunters and Trappers Organization	Nick Thomas Mike MacMorran	Face to Face Meeting	Minutes on file	Engagement	Approached Paul to meet while we were in town since he did not show up at the HTO meeting we had set up the day before.	Paul was very apologetic for missing the HTO meeting, expressed his support for the project. See meeting minutes on file for details of conversation.
July 20th, 2022	Naujaat C-Store in the Coop Store	HTO	Peter Manik John EII Tinashlu Annie	Hunters and Trappers Organization	Ken Armstrong Mike MacMorran Nick Thomas	Face to Face Meeting	Minutes on file	Engagement	Update meeting with HTO. Gave project update, and went through very long question period dominated again by John EII Tinashlu	See transcript on file taken from audio recording.
July 19th, 2022	Naujaat Community Hall	Naujaat Community	Local, Stephen Kopak acted as translator.	Community	Ken Armstrong, Nick Thomas Mike MacMorran	Face to Face Meeting	Minutes on file	Engagement	Ken went through presentation, had Q&A and showed rocks and diamonds. Door prizes, food and drinks were served.	Questions on why the 2000 bags of sample shown still wasn't enough. What was the value of the diamonds.
July 19th, 2022	Naujaat Hamlet Office	Mining and Exploration Advisory Committee	Christopher Kringayark, Community Member of MEA Mayor Alan Robinson	Advisory Committee	Ken Armstrong, Nick Thomas Mike MacMorran	Face to Face Meeting	Minutes on file	Engagement	Was supposed to be our first meeting with this new committee but only one member showed. The rest were out on the ocean because the wind had come up and blown out all of the ice. We gave the presentation to Christopher and Alan Robinson anyway.	Following update on proposed road development, Christopher said his brother Rocky, saw ~100 caribou recently roughly 10 km northwest of NAR's claims. Because most were out on the water

											this morning, Alan took the opportunity to cancel the meeting scheduled with Mayor and Council because all of the Councilors would be out on the water.
July 18, 2022	Naujaat Hamlet Office	Hamlet	Mayor Alan Robinson MLA Solomon Malliki	Municipal and Territorial Government	Ken Armstrong	Face to face Meeting	Minutes on file	Engagement	To provide a high level update to the Mayor and MLA. Gave an idea of what next steps may look like. Mayor talked about how many project were ongoing in the community. Both indicated their support for the Naujaat Project.		
June 26 th and 27 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Messaged Kevin about setting up a new meeting with Mayor and Council. Kevin also asked if we could meet with the new ‘Mining and Exploration Advisory Committee’ which consists of Levi, Michel (councilors), one elder from the community, one hunter, and one from the HTO	He said he will be gone by then but he could set up a special meeting for us. Agreed to meet with the newly formed committee.	
June 22 nd , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Checked in on status of SAO and his job. Let him know remainder of diamond news will be out in early July and that our JV partners were enthusiastic so far. Requested that Naujaat Hamlet bill North Arrow for services from the 2021 program.	Last day will be the 14 th of June. He has a lot of work left to do, but was expressing a sense of freedom on the horizon. He also expressed that in a year or so he may pursue a different job within the Hamlet, “Mayor or Councilor perhaps”. Kevin told Nick to resent the hours we used the Hamlet services.	
May 30 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Messaged Kevin to let him know our flights into the community were cancelled and we didn’t make it out of Winnipeg.	Kevin said he would update the Mayor and Council.	
May 29 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Kevin let me know he had submitted his resignation to the		

									Mayor but he refused to read it to the Council. He also confirmed that our upcoming meeting was for 10 am on Tuesday, May 31 st .	
May 11 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Messaged to check in on his situation as SAO and to let him know that North Arrow won the Corporate Award at the NMS. Asked how a recent DNLUP meeting went.	Kevin expressed a lot of frustration over his inability to get any time off for his mental health and with the audit on the horizon he won't be able to get any time off. Was very happy NAR won the NMS award "with big fishes like AEM and Baffinland". NLUP Meeting was just to prep the delegates on the hearings. No room for amendments, just a presentation. Expressed the community's issue with the plan infringing on the Municipal lines. They need access to gravel "it is our only survival at this time"
May 3, 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Kevin messaged to say he sent Ecologic the signed agreement but said that he may not be around come July as he wants to quit. His health is getting worse with the stress. Expressed that the job is hard for a male Inuk. Would better for a female because they don't have the expectation on them to harvest or take the family on a land trip. He feels he needs to take his family on the land, but can't do it safely because his mind is on everything going on in the	Nick responded to say that it is good having an Inuit person in the role as SAO.

									community.	
May 2, 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Touched base regarding signing contract with Ecologic again. Kevin expressed concern over his sick younger brother, and daughter with a broken collar bone. Also, that there were accusation made against him by the Mayor and staff. Expressed want to quit his job. Needs time off he expressed.	Kevin expressed concern over his sick younger brother, and daughter with a broken collar bone. Also, that there were accusation made against him by the Mayor and staff. Expressed want to quit his job. Needs time off he expressed.
April 25, 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Touched base with Kevin to firm up dates for Community visit and also to check whether the Hamlet was planning to attend the Nunavut mining Symposium. Nick also wanted to know who was accompanying Patterk Netser on earlier photo.	Kevin said dates for meetings could work. Expressed a want to go the NMS, but it was sold out. Seeing if room comes available because he and someone from the newly formed Mining and Exploration Committee wanted to go. Kevin identified Dino Mablik in photo.
April 12-14 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Checked in with Kevin to see if May 31 st would work for Council and community meetings. Kevin asked about the NU Mining symposium dates. Nick thanked Kevin for quick turnaround of CESP Fund Application. Nick requested Kevin to find the Ecologic contract to get it signed so they could keep working on the permitting of the proposed access road.	Agreed to move their auditor out of the Council Chambers for the meeting. Nick let Kevin know the NU Mining Symposium dates and let him know Ken would be presenting. Kevin agreed to find the unsigned contract for Ecologic.
April 7 th ,	Internet	Hamlet	Kevin Tegumiar – Hamlet	Municipal	Nick Thomas	Email	File download to	Contact	Nick sent CESP Fund Application to	Kevin responded April 14 th that

2022		Council	SAO	Government			be saved		Kevin to be presented to Hamlet Council and the plan for community engagement approved. Two trips, three people from NAR.	the Council approved of the engagement plan laid out in the CESP Application.
April 4, 2022	Phone call	HTO	Dolly Mablik – Arviq HTO Manager	Local Organization	Nick Thomas	Phone call	Na	Contact	<p>Calling Nick back; planted seeds for June visit to Naujaat to meet with HTO to share our diamond results; and idea of NAR plans for 2022 and into 2023.</p> <p>Wanted to let her know about the road funding partners meeting a couple of days back and gave her an update.</p>	<p>June will be a good time for a meeting with the HTO. I will call to firm up as we get closer. Agreed that we can update the HTO on diamond project and how the road is developing with the Hamlet, hopefully provided by Jason from Ecologic.</p> <p>Dolly also wanted me to know that their Chair, Paul Angutetuar, is reaching out and communicating independently of the HTO when should not be. I agreed to let her know if he contacts me and what about.</p>
March 31, 2022	Zoom Online Video Conference	Naujaat Hamlet CanNor ED&T Ecologic	HOST: Jason Jones - Ecologic Kevin Tegumiar – SAO, Hamlet of Naujaat Nadege Gatera – CanNor Representative, Iqaluit Lazarus Akeeagok, ED&T Robert Connelly, ED&T David Fredlund, ED&T Ken Armstrong, NAR	Funding Partners for Community Access Road	Ken Armstrong Nick Thomas Mike MacMorran	Video Meeting	Meeting recording	Engagement	<p>Purpose of meeting was to try and get CanNor, ED&T, Naujaat and NAR set for moving forward on the road together. A pressing of the reset button so to speak to set the new goals for 2022 and 2023. Much of the reason was to put the spotlight on Kevin to do a better job of keeping on top of road</p>	<p>This was achieved fairly well. Plans were established for summer 2022 consisting of completion of all studies for permitting, all archaeological studies and remediation required for road route to not destroy sites.</p>

			Nick Thomas, NAR Mike MacMorran, NAR						related issues.	Consultation with community, HTO, and Hamlet regarding type of main water crossing will also be conducted and decided upon.
March 30 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Kevin messaged to find out if North Arrow would be doing a presentation on the 2021 sample at some point.	Nick responded, “We are definitely hoping to come up. Processing of the sample for diamond content has been slower than we hoped. I think it would make the most sense to come once we have all of the results out. At this point it seems like that would be May to have it all done and out. So possibly end of May or early June for a visit. Will that work for you and the council?” Kevin stated that he has a community audit in May so June meetings would be better.
Feb. 14, 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Kevin reached out asking if NAR had any propane to power their new Zamboni.	North Arrow did not have any propane left as we had sent it up to the Mel camp.
Jan 31 st , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Checked in with Kevin regarding Covid and the community	Kevin responded that they got up to 15 cases but are now down to 4 cases and with no hospitalizations.
Jan. 20 th , 2022	Facebook	Community of Naujaat	Kevin Tegumiar – Hamlet SAO	Community	Nick Thomas	FB Post	File download to be saved	Engagement	Sent out memorial post on George Putulik acknowledging his passing and sending condolences to family with nice photo of George and Godelieva.	Responses sent from George’s daughter and wife, as well as a message from SAO, Kevin Tegumiar. Sent printed photos of George to

										his family members.
Jan 15 th , to Jan 20 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Nick Thomas Touched base with Kevin after hearing Covid had a presumptive case of Covid. A fair amount of back and forth over the next week.	Kevin confirmed that it was likely. it likely made it in through medical travelers. Expressed that it was tough being a community administrator in these times. Balancing the community's fear of it with the need for people to have public access. Also, that most of his staff are 'working from home', but they don't have remote access. So no work being done.
January 10 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Communication that a bill had been send to NAR for the road LIDAR and that North Arrow would pay the portion that was for our splinter road and the rest would be for Naujaat to pay for using Territorial funding.	Kevin responded that he would look into it.
January 6 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Touched base with Kevin to find out if George's family had acknowledged his loss publicly yet, and could we send our condolences.	The community had a memorial service for him on the island nearby where his belongings were found. OK to send a card and pictures now.
January 4 th , 2022	Facebook Messenger	Hamlet Council	Kevin Tegumiar – Hamlet SAO	Municipal Government	Nick Thomas	Messaging	File download to be saved	Engagement	Wished Kevin a Happy New Year and discussed the lack of Covid in Naujaat when other communities had outbreaks.	Kevin acknowledged that they didn't have it, but that it was coming and the community needs to be ready to live with it. Best way to become immune.

