



October 8, 2021

Nunavut Planning Commission (NPC)
P.O. Box 2101
Cambridge Bay, NU X0B 0C0
Attn. Jonathan Savoy
Via email: jsavoy@nunavut.ca
Cc Via email: submissions@nuavut.ca

Re: North Arrow Comments on the 2021 Draft Nunavut Land Use Plan (2021 DNLUP)

Dear Mr. Savoy,

North Arrow Minerals (North Arrow) supports the development of a Nunavut Land Use Plan and appreciates the opportunity to continue as a participant in the planning process. North Arrow maintains mineral tenure in all three regions of Nunavut, with a primary focus on diamond exploration, including its Naujaat Project located on Commissioner's Land near the hamlet of Naujaat, as well as the CSI, Hope Bay and Hammer Projects in the Kitikmeot Region, and the Luxx and Mel Projects in the Kivalliq and Qikiqtani Regions, respectively. North Arrow became a formal Participant in the land use planning process in September 2016, after the 2016 Draft Nunavut Land Use Plan (DNLUP) was released.

North Arrow has reviewed the 2021 DNLUP, noting that detailed review of the plan and the accompanying Options and Recommendations document (2021 O&R) has not been possible in the short timeframe since its release in July, 2021. Unfortunately, many of our concerns with the 2016 DNLUP, outlined in our detailed submission of January 2017, also apply to the 2021 DNLUP. The 2021 DNLUP is a complex, overly prescriptive plan that will not result in balanced land use decision making for Nunavut and will negatively impact future investment, particularly in mineral exploration and development, and the corresponding benefits these private sector economic activities bring the territory, its regions and communities.

We provide the following initial observations on the 2021 DNLUP and the planning process:

- Based on North Arrow's community engagement and correspondence, the level of awareness of the land use planning process in communities remains limited. The impact and importance of the pending land use plan and the land use planning process does not arise during community meetings except when raised by North Arrow. We are concerned the complexity of the 2021 DNLUP combined with the compressed schedule for review and public hearings on the plan will hinder the ability of Nunavummiut to participate in land use decision making at the community

and regional level. To provide time for increased visibility and understanding of the 2021 DNLUP by communities and participants, we would urge the NPC to delay the scheduled public hearings to 2022.

- Similar to the 2016 DNLUP, the 2021 DNLUP continues a shift in the planning process *away* from balance. The plan is overly reliant on extensive land use prohibitions as a planning tool. An effective, truly incremental first-generation land use plan should provide broad guidance for land use decisions in the territory and allow Nunavut's co-management regulatory system with its embedded social, environmental and economic reviews to provide a balanced approach to land use in the territory. Extensive land use prohibitions, as proposed, may prove ineffective at producing the desired outcomes and are likely to prevent the establishment of a robust private sector, including a sustainable mineral exploration and mining industry. A better approach would include use of Land Use Policy Option 4 outlined in the 2021 O&R, to provide clear guidance to regulatory authorities in the valued components associated with specific project proposals.
- The plan would benefit from release of a Rationale document to supplement the Options and Recommendations (O&R) document by providing background on scenario analyses and modelling completed by the NPC, including the NPC's reasons for adopting certain land use decisions in the plan. Rationale provided in the O&R document tends to be in the form of a limited number of bullets that are often repetitive and do not give the reader an understanding for the rationale behind designating specific Limited Use areas or why the NPC considers the co-management regulatory system inadequate to mitigate the impacts of potential land use activities.
- While all participants views are important in the LUP process, we continue to recommend that particular consideration should be given to the concerns and recommendations of Participants having a broad mandate of cultural and environmental protection and economic development, specifically the Governments of Nunavut and Canada, NTI, and Regional Inuit Associations.
- The NPC's public record indicates a great deal of uncertainty with respect to the size, location and boundaries of polygons used to define Limited Use areas related to caribou calving and post calving grounds. The Government of Nunavut Department of Environment (GN DOE) previously indicated that caribou range polygons (including those for calving and post-calving grounds) were to be reviewed in 2017, including the application of new data and a detailed document was to be released on the methodology of defining the polygons. It is unclear if this work has been completed. Polygons have also been expanded based on input from community meetings and submissions. Considering the implications of full land use prohibitions and seasonal restrictions associated with areas designated as Limited Use and Conditional Use, an open and transparent review of these areas should be undertaken, on a polygon-by-polygon basis. We'd recommend this work be completed by a technical committee comprised of knowledgeable participants and the signatories, with a mechanism for direct input from impacted communities. This process would ensure that the basis for each polygon, including shape, areal extent and boundaries is understood and broadly agreed to by the participants, allowing for a well informed and more effective discussion of the plan at the public hearings. Review of the polygons would be aided by labeling each with a unique identifying label, similar to the labeling convention used for Inuit Owned Land parcels.

Specific comments related to North Arrow's Naujaat Project

The Naujaat project is anchored by the Q1-4 diamond deposit, located within the municipality of Naujaat. The Q1-4 deposit is covered by a Limited Use designated area in the 2021 DNLUP. This same area was delineated as a Protected Area in the 2016 DNLUP and our January 2017 submission to the NPC outlined several questions and concerns with respect to the area covered by this polygon, including the appropriateness of extending NLUP area designations onto municipal lands, the shape of this particular polygon, and concerns expressed by the Arviq (Naujaat) HTO and the community that the polygon does not accurately reflect the full extent of the area where caribou calve around their community. Many of these questions have not been clearly addressed in the 2021 DNLUP.

One important change in the 2021 DNLUP is the treatment of Existing Rights (Section 6.1.8). The Naujaat project is listed in Appendix A to the plan and would therefore be deemed to conform with the 2021 DNLUP, despite lying within a Limited Use area within the municipality of Naujaat. Although the project would conform with the plan, activities at the project would be subject to the land use restriction periods for the Wager Bay caribou herd, extending from May 30th through July 12th, as outlined in Table 2 of the plan. Based on North Arrow's conversations and meetings with Arviq HTO, Hamlet council and community members as well as our own observations and experience while working on the project since 2014, **these calendar-based land use restrictions do not correspond with the timing of caribou passing through the project area.** There are very few to no caribou present within the municipality during the proposed restricted periods. Instead, caribou start moving through the project area starting in August, particularly in mid-August through September and October. **The proposed seasonal restrictions could therefore result in project land use activities being conducted during periods when caribou are more likely to be present.** By way of example, North Arrow started its 2021 program in June and completed the most intensive land use activities by August 4th in order to avoid the periods in August when caribou were most likely to be present. As a result, the program was completed in an efficient manner with only one temporary shutdown due to caribou, on July 30th. Had the seasonal restrictions been in place, the program would have started in mid July and certainly extended through the end of August and the period when caribou are more likely present.

This example highlights the difficulties in implementing regional and territory wide land use prohibitions and restrictions when a more local approach could be more effective. We would recommend that the NPC re-engage with the Arviq HTO and Hamlet of Naujaat to ensure that any seasonal restrictions or mobile measures are appropriate and match the community's experience in the region. This work should include a balanced presentation of potential outcomes and effectiveness for proposed protection measures in meeting the community's conservation, cultural and economic development goals.

Further, Naujaat should be included in the above suggested work vetting the caribou range polygons located in the Naujaat Areas of the plan.

Existing Rights

The Existing Rights provision of the 2021 DNLUP (section 6.1.8) will allow for projects listed in Appendix A to conform with the plan despite being partially or wholly located within Limited Use or Conditional Use designated areas.

Projects listed in Appendix A are incomplete. We recommend that all mineral rights recorded with the Nunavut Mining Recorder or documented in an agreement with NTI at the time the plan is implemented be recognized as Existing Rights in the NLUP. Recognition of rights is important for future reference in situations where the rights may lie adjacent to Limited Use or Restricted Use designated areas, such as where mineral rights are located on tidewater adjacent to marine areas subject to seasonal prohibitions or restrictions.

At minimum, all active mineral tenures related to projects that have been submitted to the NPC at any time in the past should be included in Appendix A, regardless of whether there is a current land use permit or permit application in process. This would cover tenure that have seen past exploration or evaluation activities where there is no longer an active land use permit but the tenure remains in good standing. North Arrow's Hope Bay project is an example of this circumstance.

Some mineral claims or other mineral tenure may not be properly reflected in Appendix A due a variety of reasons including Covid-19 related relief under the Nunavut Mining Regulations. We would recommend that, prior to implementation of the NLUP, a clear process and timeline be developed whereby existing mineral rights holders can confirm with the NPC and NTI or the Nunavut Mining Recorder that the full extent of existing rights are accurately reflected in Appendix A.

Section 6.8.1 refers to existing rights in the mining sector. It is unclear if similar exemptions are available for other, non-mining projects that have been submitted to the NPC such as linear infrastructure projects at the GN or community level. Consideration for future land and marine infrastructure such as roads, water treatment plants, hydroelectric power generation, port facilities, will also be significantly restricted by land use restrictions proposed in the 2021 DNLUP and may conflict with current government development strategies.

While it appears that North Arrow's projects would benefit from the existing rights provision, we would note that some of our projects, and Existing Rights held by other operators in the territory, may be effectively stranded if future transportation infrastructure cannot be linked to the project area or if we would be unable to extend mineral rights in the event discovered mineralization extends beyond current mineral claims. This uncertainty may render further investment too risky and result in abandonment of some projects.

Closing

Overall, the 2021 DNLUP is not an improvement on the 2016 DNLUP. The draft plan continues to contemplate the removal of land use decision making from the hands of communities and landowners. As suggested above, use of Land Use Policy Option 4 in place of outright land use prohibitions would

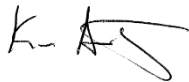
better allow local communities the ability to weigh the potential impacts and benefits of specific land use proposals and self-determine how best to utilize lands that are important to them.

We thank the NPC for the opportunity to provide these initial comments on the 2021 DNLUP and we look forward to reviewing the comments and concerns of the other participants and participating in the Kivalliq Public Hearings.

Sincerely,

North Arrow Minerals Inc.

Per:

A handwritten signature in black ink, appearing to read 'K. Armstrong', with a stylized flourish at the end.

Ken Armstrong, P.Geo.(NWT/NU)

President & CEO