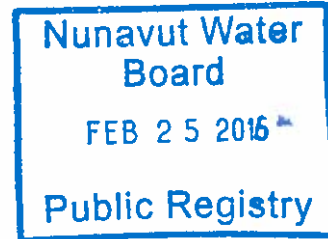


February 15, 2016

Ms. Stephanie Autut  
Executive Director,  
Nunavut Water Board  
P. O. Box 119  
Gjoa Haven, Nunavut  
X0B 1J0



Dear Ms. Autut:

Pursuant to Part D, Article 8(d) and (e) of Water Licence 1BR-CUL1118, please find appended 2 paper copies of a report by exp Inc. entitled "2015 Tailings Dam Examination, Cullaton Lake Gold Mine". A third electronic copy has been e-mailed to you concurrent with this release.

Summarized, the consultant recommends continued annual visual surveillance of the Tailings Pond No. 1 spillway for erosion and Station 940-20 for artesian conditions. As in the past these will be addressed during the annual site visit.

I apologize for the tardiness of this report. As you may know we are also currently completing a Dam Safety Review and some reference and review was required by our consultants. The Dam Safety Review will be released shortly.

Sincerely,

A handwritten signature in blue ink that reads "Paul Brugger".

Paul Brugger  
Site Manager, Cullaton Lake

Attachments: As Stated

Cc Jim Alto, Director: Environment, Capital Projects and Mine Closure  
Ian Parsons, Water Resources Coordinator, Indian and Northern Affairs Canada