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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

**File: 2AM-DOH1323/
Amendment No.1**

July 3, 2015

John Roberts
Vice President, Environmental Affairs
TMAC Resources
Suite 1010 95 Wellington Street
Toronto, Ontario, M5J 2N7
Email: john.roberts@tmacresources.com

**Subject: Water Licence No. 2AM-DOH1323; TMAC Resources Inc.'s Application for
Water Licence Amendment**

Dear Mr. Roberts:

On April 27, 2015 TMAC Resources Inc. (TMAC) submitted a letter with associated documents to the Nunavut Water Board (the NWB or the Board) seeking the NWB's approval for a revision to the current *Waste Rock and Ore Management Plan (2010 (Pad T))*; TMAC's request was formulated according to Part G, Item 19 of Licence No. 2AM-DOH1323.

The Plan, entitled "*Hope Bay Project, Doris North Waste Rock and Ore Management Plan (WR&OMP), Revision 02*" (WR&OMP I) dated April, 2015 underwent a preliminary review and then on June 18, 2015 was submitted to the Nunavut Impact Review Board (NIRB) for assessment¹.

Further to that, on June 15, 2015 TMAC re-submitted to the Board an application (Application) for the amendment of water licence 2AM-DOH1323 (Licence). Documents received in support of this request include:

- Cover Letter;
- Project Summary and Submission Outline;
- Project Description;
- NIRB and NWB Application Forms;

¹ NWB letter to NIRB, Re: Water Licence No. 2AM-DOH1323; TMAC Resources Inc.; Updated Waste Rock and Ore Management Plan (2015); Request for NIRB Assessment, on June 18, 2015

- Environmental Effects Assessment;
- Management Plans;
- Engineering and Design Documents;
- Proponent Information.

All documents related to the Application can be obtained from the NWB ftp site, at the following link: <ftp://ftp.nwb-oen.ca>

The NWB has conducted a preliminary technical review of all materials received to date to determine completeness of the Application. Based on this review, the NWB has identified some issues that the Licensee will need to address before the Application will be considered administratively complete and can proceed through the regulatory process. Issues identified during the review of the Application are:

1. Inconsistencies found between the documents submitted with the Application and the “Hope Bay Project, Doris North Waste Rock and Ore Management Plan (WR&OMPI), Revision 02” submitted on April 2015 for Board’s approval; and
2. Application deficiencies related to the completeness of the Application.

1. Application Inconsistencies:

The following Plans were included with the Application of June 2015:

- Doris North Interim Closure and Reclamation Plan (C&RP), Hope Bay, Nunavut, June 2015, No. P5-2;
- Water Management Plan (WMP), Hope Bay, Nunavut, June 2015, No.P5-3; and
- Waste Rock and Ore Management Plan (WR&OMPII), Module A: 2AM-DOH1323, Nunavut, June 2015, No. P5-4.

All of the June 2015 submitted Plans, the Interim C&RP, WMP, and WR&OMP II, state the following:

“According to the mine plan no waste rock will be left on the surface at closure, as the required quantities of underground structural backfill exceed the quantity of mined waste rock”.

Further to that, the submitted NWB Application Form for Licence Amendment states that:

“Current projections indicate that all of the waste rock produced will be returned to the Mine as backfill during the life of the Mine. The waste rock (material) will be handled and reclaimed as specified in the Waste Rock and Ore Management Plan”.

This concept is repeated all through the submitted NWB Amendment Application Form and the Project Summary (see Table 1).

However, the “*Hope Bay Project, Doris North Waste Rock and Ore Management Plan, Revision 02, April 2015*” (WR&OMP I) states that:

“The amount of the waste rock on surface at closure, including contingency, is estimated at 188,000 tons of waste rock”.

It is evident that two different Waste Rock and Ore Management Plans were submitted for Board’s approval under the Water Licence 2AM-DOH1323: WR&OMP I, dated April 2015 and WR&OMP II, dated June 2015. As the two submitted Plans contradict each other (see Table 1, attached), it is unclear the amount of waste rock that will be left on surface at the time of closure of the Project, and it is unclear whether the waste rock at Doris will be managed following the WR&OMP II or the WR&OMPI. With these issues, it is obvious that the Board cannot process/approve at the same time, the two different plans under the same name for the same Project.

Moreover, the Board wants to remind the Licensee that information contained in all documents under the same Project must be consistent; information must be accurately cross-referenced between all of the pertaining documents (submitted Plans for approval, applicable approved Plans and information submitted with applications).

Therefore, the Board requests that, in order to have coherent presentations, the Licensee must address these issues and reformulate either the Application documents or the Waste Rock and Ore Management Plan to be consistent with the application and other approved plans.

2. Application deficiencies:

During the preliminary review of the application, the Board has identified the following information / administrative deficiencies as either missing or incomplete:

- Figures 3 and 4 of the Project Summary are missing;
- The Supplemental Information Guideline (SIG) is incomplete. Block No. 61 of the NWB’s SIG should address comments of AANDC’s Inspector in the 2014 Inspection Reports;
- The Reclamation Security information is incomplete. The Reclamation Security states that the new 2015 estimate of closure costs is \$25.1 million, representing an increase in closure liabilities of \$3.6 million; TMAC should provide details (i.e., spreadsheet based) of the estimation.

Once the items in this letter are deemed satisfactorily addressed by the Board, the Board will proceed to distribute the Application to interested parties and request them to review the information and identify any deficiencies requiring an additional response from the Applicant.

After the Application is deemed to be fully complete, and following NWB confirmation of concordance with the information requests, the NWB will issue a notice of the application pursuant to subsection 55(1) of the Nunavut Waters and Nunavut Surface Right Tribunal Act.

Please, note that according to the NWB procedures, the formal technical review of the application will begin on the date of the public notice of the application.

Should you have any questions regarding the above, please do not hesitate to contact Sonia Aredes, Technical Advisor, at 867-979- 3079 or by email to sonia.aredes@nwb-oen.ca or David Hohnstein, Director of Technical Services, at (780) 443-4406 or by email to David.Hohnstein@nwb-oen.ca for any technical related questions. For procedural related inquiries and/or request for information, please contact Phyllis Beaulieu, Manager of Licensing, at 867-360-6338 or by email to Phyllis.Beaulieu@nwb-oen.ca.

Sincerely,

Sonia Aredes
Technical Advisor

Cc: tarko@nirb.ca
kgillard@nirb.ca

Enclosed: Table 1

TABLE 1: APPLICATION INCONSISTENCIES

ISSUE	WR&OMPI I, April 2015	WR&OMPII, June 2015	C&RP, June 2015	Project Description, June 2015	Application Form for Water Licence Amendment, June 2015
Waste Rock on Surface at Closure	<i>188,000 tonnes</i>	<i>“Under the current mine plan, there is capacity to backfill all of the waste rock in the underground mine”</i>	<i>"According to the mine plan no waste rock will be left on surface."</i>	<i>“Current projections indicate that all of the waste rock produced will be returned to the Mine as backfill during the life of the Mine. Material will be handled and reclaimed as specified in the Waste Rock and Ore Management Plan II”</i>	<i>“Expanded mining activities will result in additional waste rock that will require storage. Upon closure, all waste rock will be placed underground.”</i>
Assumptions	<i>“Approximately 398,000 t of material will be required for backfill, including 368,000 t of waste rock and 30,000 t of tailings. Therefore, 188,000 t of waste rock will remain at the end of the mine life. It is expected that all of the waste rock remaining on surface at the end of the mine life will be non-mineralized”.</i>			<i>“The changes that are proposed to existing and planned Doris Mine facilities are required for mining at Doris and are not a “pre-build” for any aspect of Madrid/ Boston. In the near term, the Doris Mine will operate as a stand-alone project.”</i>	<i>“Type of Waste: Waste Rock; Quantity Generated: 1,340,000 t over life of mine; Disposal method: Backfill underground”</i>

Documents:

“Hope Bay Project, Doris North Waste Rock and Ore Management Plan, Revision 02 (WR&OMPI)” submitted on April 2015 for Board’s approval;

“Doris North Interim Closure and Reclamation Plan”(C&RP), Hope Bay, Nunavut, June 2015, No. P5-2;

“Water Management Plan” (WMP), Hope Bay, Nunavut, June 2015, No.P5-3; and

“Waste Rock and Ore Management Plan” (WR&OMPII), Module A: 2AM-DOH1323, Nunavut, June 2015, No. P5-4

Project Description and Application for Water Licence Amendment, June 2015.