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Project Proposal – Doris North Mine Modifications and Related Amendments to Project Certificate No. 003 and Type A Water Licence No. 2AM-DOH1323

Dear Mr. Barry and Mr. Côté,

Please find included with this letter a detailed description of the proposed Doris North Mine (Project) modifications and related amendments (the Project Proposal) to the Project Certificate No. 003 (Project Certificate) and to the existing Type A Water Licence No. 2AM-DOH1323 (Type A Water Licence). TMAC Resources Inc. (TMAC) has consolidated all proposed infrastructure changes recommended by our professional technical advisors in a single application document as improvements to the original Mine design, as well as identified certain changes that are associated with the proposed extension of the mine life.

This package is substantially similar to the materials that were submitted to the Nunavut Water Board (NWB) and Nunavut Impact Review Board (NIRB) in November 2011 by Hope Bay Mining Ltd. (HBML), with certain changes to reflect the recent renewal and amendment of the Type A Water Licence in September 2013 as well as revisions to bring the application up to date.

Summary of Application

TMAC has included with the Project Proposal detailed technical supporting documents prepared by our professional technical advisors on matters relevant to the proposed Mine modifications and include the evaluation of the potential for adverse environmental and socio-economic effects.

The proposed Project changes can be briefly summarized as follows:

- Extension to mine life by 2-4 additional years;

- Increases to mining and milling rates (mining of 1,000-2,000 tonnes/day and milling of 800-1,800 tonnes/day);
- Deposition of cyanide treated tailings at the tailings impoundment area (TIA);
- Changes to TIA water management:
 - TIA water to be treated and discharged into Roberts Bay
 - Changes to inputs to TIA and water transfer system
 - Water treatment system
 - Pipelines laid overland to discharge treated TIA water into Roberts Bay
- Ensure an overall minimum water cover for the TIA of approximately 2.3 metres;
- Construction of Doris Central Vent Raise Pad and Road, and provision for an additional vent raise, as necessary;
- Expansion to sewage treatment plant and camp capacity to accommodate up to 360 personnel at Doris Camp;
- Expansion to Pad U (waste rock storage area);
- Expansion to Pad T (general laydown facility and ore storage area);
- Use of materials from quarries at Doris North; and
- Additional infrastructure at Roberts Bay including laydown, accommodation barges and over-wintering of fuel barges.

Based on the technical information provided, TMAC believes the proposed infrastructure modifications to the Project are unlikely to cause negative impacts on public concern; ecological resources and socio-economic effects are not likely to be significant, and that the impacts associated with the proposed changes are highly predictable and can be offset through mitigation measures and best management practices.

Procedural History

In September 2006, the NIRB issued the Project Certificate to Miramar Hope Bay Ltd., later Project owner HBML for the Doris North Mine. The Project Certificate was issued following completion of NIRB's Part 5 Review of the Project in accordance with Article 12 of the Nunavut Land Claims Agreement (NLCA). The Type A Water Licence as well as all other key Project approvals were subsequently issued.

In November 2011, HBML filed a *“Project Proposal: Doris North Mine Modifications and Related Amendments to Project Certificate No. 3 and Type A Water Licence No. 2AM-DOH0713.”* Additional information was requested by the NIRB in respect of the application on November 27, 2011, and HBML provided the requested information in a follow up submission in December 2011 (see following link for HBML response: <ftp://ftp.nirb.ca/03-MONITORING/05MN047-DORIS%20NORTH%20GOLD%20MINE/01-PROJECT%20CERTIFICATE/03-PC%20AMENDMENTS/PC%20AMENDMENT%20No.1/1-APPLICATION/111208-05MN047-HBML's%20IR%20Response-IA1E.pdf>).

On December 16, 2011 the NIRB distributed the Doris North amendment application package and supplemental information to the Doris North Distribution List, and invited interested parties to provide comments to the Board, and followed up with this request on February 23, 2012.

The following agencies submitted comments in response (links to this correspondence are provided below):

- Kitikmeot Inuit Association (see [KIA](#))
- Aboriginal Affairs and Northern Development Canada (see [AANDC](#))
- Environment Canada (see [EC](#))
- Transport Canada (see [Transport Canada](#))
- Department of Fisheries and Oceans (see [DFO](#))
- Government of Nunavut (see [GN](#))
- Natural Resources Canada (see [NRCan](#))

In the attached Table 1, TMAC has responded to each of the technical related issues raised in these comments.

In May 2012, the NIRB suspended its consideration of the above-described proposal at HBML's request. Following TMAC's acquisition of the Hope Bay Project from HBML, NIRB reassigned the Project Certificate reflecting the transfer of ownership of the Project to TMAC on April 11, 2013. On August 16, 2013 the NWB issued a ten-year expiry Type A Water Licence, which was supported by the Minister in September 2013.

Reconsideration of Project Certificate Pursuant to NLCA

Section 12.8.2 of the NLCA states as follows:

12.8.2 NIRB may on its own account or upon application by a DIO, the proponent, or other interests, reconsider the terms and conditions contained in the NIRB certificate if it is established that:

- (a) the terms and conditions are not achieving their purpose;
- (b) the circumstances relating to the project or the effect of the terms and conditions are significantly different from those anticipated at the time the certificate was issued; or
- (c) there are technological developments or new information which provide a more efficient method of accomplishing the purpose of the terms and conditions.

As set out in the NIRB's December 16, 2011 correspondence, based on the relevant provisions of the NLCA, the current scope of the Project Certificate and the information provided by HBML, it was the NIRB's opinion that HBML's request to modify the Doris North Project would necessitate a reconsideration of the term and conditions of the Project Certificate pursuant to Section 12.8.2 of the NLCA. The NIRB restated this view in their correspondence of February 23, 2012.

TMAC is in agreement with the previous assessment that the NIRB has grounds for reconsideration of the Project Certificate terms and conditions pursuant to 12.8.2(a), (b) or (c). With respect to 12.8.2(a), some of the terms and conditions would not achieve their purpose if applied as currently written to the modified Project. With respect to 12.8.2(b), since the Project Proposal includes certain activities that were not part of the original Doris North Project (for example, discharge of treated tailings impoundment area water to the marine environment of Roberts Bay rather than the currently-permitted discharge to the freshwater environment of Doris Creek), TMAC is of the view that, the circumstances relating to the modified Project are significantly different from those anticipated at the time the Project Certificate was issued. With respect to 12.8.2(c), in the enclosed materials TMAC presents new information relating to ocean discharge that was not available during the first Doris North hearings which supports our view that this method of water management will provide a more efficient method of accomplishing the purpose of the terms and conditions, and additionally will eliminate the need for an on-site laboratory.

Conclusion

While the enclosed Project Proposal provides an overview of the amendments that TMAC has identified to date, TMAC requests all necessary amendments to the terms and conditions outlined in the Project Certificate and Type A Water Licence that will be necessary in order to proceed with the proposed infrastructure modifications to the original Mine design.

To the extent possible, TMAC is seeking for the NIRB and NWB to coordinate review processes (including, if necessary, any required public hearings) in order to provide for the most efficient possible processing of this Proposal. As TMAC wishes to proceed with implementation of the proposed changes as early as July 2014, TMAC requests the NIRM and NWB's earliest attention to the enclosed materials.

Thank you for your consideration. Should you have any questions or concerns regarding this matter, please do not hesitate to contact me at catharine.farrow@tmacresources.com.

Regards,

A handwritten signature in black ink, appearing to read 'Catharine Farrow', with a stylized, cursive script.

Catharine Farrow, CEO