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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

NEWS RELEASE

File No: 2AM-DOH1323 Amendment No. 1

Nunavut Water Board Issues Decision Report and Recommends Issuance of Amendment No. 1 to Type “A” Water Licence 2AM-DOH1323

GJOA HAVEN, NU – November 4, 2016 -- The Nunavut Water Board (NWB or Board) has completed its review of an application filed with the Board on June 15, 2015 by TMAC Resources Inc. (TMAC) for specified amendments to an existing Type “A” Water Licence, Licence No. 2AM-DOH1323 (the Amendment Application). Following the NWB’s thorough review of the Amendment Application, including a Public Hearing conducted by the NWB in Cambridge Bay on September 13 and 14, 2016, the NWB has recommended that the Amendment Application should be granted and that an amended water licence (Licence No. 2AM-DOH1323, Amendment No. 1) should be issued to TMAC. The NWB has submitted its Decision Report including Record of Proceedings and an amended Licence to the Federal Minister of Indigenous and Northern Affairs Canada for her review and decision.

The Board has placed all non-confidential information associated with this file on its public registry and these materials are available from the following link:

<http://www.nwb-oen.ca/public/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-DOH1323%20TMAC/>

The Amendment Application proposed amendments to an existing Water Licence 2AM-DOH1323 which authorizes the use of waters and deposit of waste in relation to the construction, operation, closure and reclamation of the Doris North Gold Mine Project (the Project). The Project is located on Inuit owned land (IOL) in the West Kitikmeot region of Nunavut, approximately 125 kilometers (km) south of Cambridge Bay and 150 km north of Omingmaktok (Bay Chimo).

The Amendment Application was filed by TMAC along with an application to amend the Nunavut Impact Review Board’s (NIRB) existing Project Certificate No. 003 which was issued in 2006.

The NIRB Project Certificate set out the terms and conditions under which the Project could be allowed to proceed. To the extent possible, the NWB co-ordinated the NWB's consideration of the Amendment Application with the NIRB's assessment of the amendments to the Project and associated reconsideration of the existing terms and conditions in Project Certificate No. 003. On September 23, 2016 upon completion of the NIRB's review and as approved by the Minister of Indigenous Affairs and Northern Development Canada, the NIRB issued an amended Project Certificate No. 003 that applies to the changes to the Project as proposed by TMAC in their application to the NIRB.

In addition to participating in the co-ordinated consideration of the Amendment Application with the NIRB, the NWB also undertook several steps independently, including a completeness check, technical review and a follow up technical meeting and Pre-Hearing Conference held by teleconference on June 24, 2016. On September 13 and 14, 2016 the NWB held an in-person Public Hearing in Cambridge Bay to consider the Amendment Application. A Community Session was hosted by the NWB on the evening of September 13, 2016.

Following the Public Hearing and the Board's receipt of additional information for a limited time after the Public Hearing as requested by several participants and permitted by the Board, on September 27, 2016 the Board closed the Public Hearing Record for the file and remitted the file to the three-person Panel of the Board responsible for decision-making on this file.

On the basis of the information provided by TMAC and the interveners who participated in the NWB's process including the Kitikmeot Inuit Association, Environment and Climate Change Canada, Fisheries and Oceans Canada, Indigenous and Northern Affairs Canada and Natural Resources Canada and community members who asked questions and provided comments to the Board during the Technical Meeting and the Public Hearing held in Cambridge Bay, the Board has decided to grant TMAC's request to amend Water Licence No. 2AM-DOH1323 in accordance with the terms and conditions outlined in the Board's Reasons for Decision and attached amended Licence No. 2AM-DOH1323 Amendment No. 1.

Specific terms and conditions of note in the amended Licence include the following:

- The Board has decided that the total reclamation cost estimate should be increased to \$30,725,650 as this a reasonable estimate of the cost required to reclaim the Project components included under the amended scope of the Licence. Of this total amount, the Board has directed that the Minister should continue to hold security in the amount of \$13,090,000 as is currently the case under the existing licence. The amended Licence also requires TMAC to confirm that the remaining \$17,635,650 has been posted with the KIA as reclamation security to be applied to the same purposes as security held under the amended Licence within 30 days of the Minister approving the issuance of an amended Licence. If the NWB does not receive confirmation that the KIA holds the required security, TMAC will be required to post (within 30 days) additional security with the Minister under the amended Licence to ensure the total amount of \$30,725,650 is in place for the Project;
- Amendments required by TMAC to change the method of depositing tailings and the use

- of the Tailings Impoundment Area;
- Additions to the scope of the amended Licence to allow for the construction of additional surface infrastructure including the vent raise pads, access roads, Roberts Bay Expanded Laydown Area and a temporary ore storage pad;
- Changes required to reflect the increase in the mining and milling rates and increased camp size;
- Amendments to remove or amend, as appropriate, items in the existing licence that no longer apply; and
- Revisions to the monitoring requirements under the amended Licence to reflect changed operating conditions, revised and updated plans and also to reflect the mine infrastructure that has been constructed to date.

As set out in the applicable legislation, the Minister of Indigenous and Northern Affairs Canada has 45 days (which may be extended to 90 days) from the receipt of the NWB's Decision Report and recommended amendments to the Licence to either: accept the Board's decision and authorize the issuance of the amended Licence; or withhold approval of the issuance of the amended Licence and provide written reasons for the Minister's decision. If the Minister does not make a decision within the 45 or (if applicable) the 90 day time period, the Minister would be deemed to have approved the NWB's Decision Report and issuance of the amended Licence.

During the 45 or 90 day time period when the Minister is considering the Board's Decision Report and amended Licence the Board will not typically comment on the file, but does welcome any questions you may have about general NWB processes, roles or responsibilities. Please follow up with the Board's contact identified below if you have any such questions.

Regards,

Thomas Kabloona
Chairperson
Nunavut Water Board

For more information, the media may contact:

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cc. Public Registry