



OCT 10 2018

Ms. Elizabeth Copland
Chairperson
Nunavut Impact Review Board
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Dear Ms. Copland:

Thank you for your correspondence of June 26, 2018, from former Chairperson Mr. Allen Maghagak, outlining the Nunavut Impact Review Board's determination with regards to TMAC Resources Incorporated's proposed Phase 2 Hope Bay Belt Project and the enclosed Final Hearing Report. We appreciate the Board's diligence in this matter and apologize for the delay in responding.

The Final Hearing Report contains the Nunavut Impact Review Board's assessment of potential eco-systemic and socio-economic effects of the project and its determination that the project should proceed, subject to the terms and conditions it has identified as appropriate. It is evident that the Nunavut Impact Review Board met its primary objectives under Article 12.2.5 of the Nunavut Agreement, which are to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the eco-systemic integrity of the Nunavut Settlement Area, while taking into account the well-being of residents of Canada outside of the settlement area.

The Ministers of Fisheries, Oceans and the Canadian Coast Guard; Transport; Natural Resources; Crown-Indigenous Relations; and Intergovernmental and Northern Affairs and Internal Trade have regulatory jurisdiction for allowing the project to proceed and, as a result, are responsible Ministers for this project. In furtherance of our role, under the Nunavut Agreement and based on our review of the Final Hearing Report and our post-report consultation efforts with the Kitikmeot Inuit Association, the responsible Ministers and we have concluded that the Final Hearing Report contains a thorough assessment of potential eco-systemic and socio-economic impacts. Pursuant to sub-article 12.5.7 (a) of the Nunavut Agreement, we agree with the determination that the project should proceed, and we accept all the terms and conditions identified by the Nunavut Impact Review Board in its report with one exception.

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In response to the Government of Canada's consultations with the Kitikmeot Inuit Association, and in particular correspondence we received on July 23, 2018, the responsible Ministers agree to vary Term and Condition 39 as per Article 12.5.11 of the Nunavut Agreement.

The original proposed Term and Condition 39 states:

The Proponent should collaborate with the Hope Bay Socio-Economic Working Group and the Inuit Impact Benefit Agreement Implementation Committee to monitor efforts by stakeholders, including the Proponent, to meet mutually-agreed annual Inuit employment targets for the project.

The Kitikmeot Inuit Association has expressed concern that socio-economic effects of the project should be compared against predictions articulated in the Final Environmental Impact Statement, and not against employment targets negotiated in the Inuit Impact Benefit Agreement. The Kitikmeot Inuit Association is also concerned that the Hope Bay Socio-Economic Monitoring Plan should be informed by a committee that is more inclusive than the bilateral Inuit Impact Benefit Agreement Implementation Committee, since achieving high levels of Inuit employment is a long-term goal and requires effort by the Proponent, the Kitikmeot Inuit Association and other northern stakeholders. As well, the Kitikmeot Inuit Association has consistently expressed the view that the high-hiring scenario described in the Final Environmental Impact Statement is the best socio-economic outcome for the Inuit and residents of the Kitikmeot Region of Nunavut.

Higher numbers of Inuit meaningfully employed in major infrastructure and resource development projects in Nunavut is an aspirational goal, shared not only by the people of the Kitikmeot Region, as expressed by their representatives in the Kitikmeot Inuit Association, but also by the Government of Canada, the Proponent and all stakeholders, who are working to develop a prosperous northern economy. We share the Kitikmeot Inuit Association's assertion that the work needed to overcome barriers to high Inuit employment is long-term and is a shared responsibility between industry, the people of the Kitikmeot, and multiple levels of government. Monitoring Inuit employment, and the identification of barriers and opportunities to achieving employment levels predicted or envisioned, benefits all Kitikmeot rights-holders and stakeholders and is best undertaken within an inclusive forum, such as the Kitikmeot Socio-Economic Monitoring Committee. The Proponent has stated that the high hiring scenario described in Section 3.5.5.3 of the Final Environmental Impact Statement is a reasonable upper bound estimate, and reaching this high level of Inuit employment at the mine would require the removal of many of the barriers now faced by Kitikmeot

residents in their efforts to seek meaningful employment at the proposed mine. The high hiring scenario described in Section 3.5.5.3 of the Final Environmental Impact Statement is, therefore, the best benchmark for gauging the socio-economic effects of the proposal.

To reflect the concerns of the Kitikmeot Inuit Association, the responsible Ministers and we have varied Term and Condition 39 as follows:

The Proponent, reflecting input from the Hope Bay Socio-Economic Working Group and the Kitikmeot Socio-Economic Monitoring Committee, should include in its annual Hope Bay Socio-Economic Monitoring Plan report levels of Inuit employment at the Project as well as barriers and opportunities to achieving the high levels of employment described on page 3-137 of the Madrid Boston Project Final Environmental Impact Statement.

In their July 23, 2018 letter, the Kitikmeot Inuit Association stated that they are supportive of TMAC Resources Incorporated's Phase 2 development and all but one of the terms and conditions proposed by the Nunavut Impact Review Board in their Final Hearing Report. With modification to Term and Condition 39, no outstanding concerns should remain. The impact assessment of the project has provided many opportunities for engagement and consultation of Indigenous Peoples and organizations. The thorough and inclusive assessment process, the consultation and engagement efforts that followed the release of the Final Hearing Report, and the subsequent modifications to Term and Condition 39 have led the other responsible Ministers and us to conclude that there has been adequate and meaningful consultation with affected Indigenous groups.

The Northern Projects Management Office also requested comment from the Government of Nunavut on the assessment of TMAC Resources Incorporated's Phase 2 proposal by inquiring if the interventions and interests of the territorial government were captured and addressed during the Nunavut Impact Review Board's Review process and reflected in their Final Hearing Report. The Government of Nunavut responded on August 13, 2018, expressing concern that the impact to wildlife and other land users resulting from the development of a power transmission line has not been fully assessed. The responsible Ministers and we agree that all potential effects of the project should be fully evaluated and assessed prior to initiation of project works or activities, and that impacts on wildlife and other land users relating to the development of the proposed power transmission line should be fully understood. We note that the Nunavut Impact Review Board has addressed this concern in Term and Condition 25 by requiring an assessment of the impacts of the transmission line on

wildlife and reporting on this at least 90 days prior to its construction. We recognize and support the Government of Nunavut's interest in extending to 180 days the reporting requirements associated with Term and Condition 25, to ensure that all interested parties have ample time to evaluate and assess potential impacts caused by the design and development of this project-related infrastructure. We also agree with the Government of Nunavut that the modification to the reporting requirements of Term and Condition 25 can be discussed during the Project Certificate Workshop.

The Nunavut Impact Review Board noted that specific terms and conditions in the amended Project Certificate No. 003 will need to continue to apply to this project after the Doris Gold Mine has ceased operation, as some mine infrastructure will continue to be used for this project.

The responsible Ministers and we agree with reviewing the 17 terms and conditions identified by the Nunavut Impact Review Board, related to wildlife, the terrestrial environment, and socio-economic impacts, that may need to extend beyond the end of operations at the Doris Gold Mine. The applicability of these existing terms and conditions, and any further updates to them that may be required, should be discussed at the Project Certificate Workshop.

We look forward to the issuance of the Project Certificate, and appreciate the Nunavut Impact Review Board's commitment to work with the parties throughout the development of the proposed mine to ensure that all of the associated terms and conditions can be fully implemented.

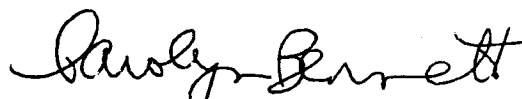
In closing, the responsible Ministers and we would like to acknowledge the continued hard work and dedication exhibited by the Nunavut Impact Review Board throughout the assessment of the project. We would also like to recognize the full engagement and participation of the Kitikmeot Inuit Association and community representatives during this assessment. It is clear this decision is in accordance with the Government of Canada's five interim principles to guide environmental assessment decision-making, announced in January of 2016. The Nunavut Impact Review Board's assessment of this project accords with those principles in that it is based on science, Inuit Qaujimajatuqangit, and other relevant evidence, and provided for meaningful consultations of Inuit and other Indigenous Peoples that allowed due consideration of the views of affected communities. The conclusion of this rigorous impact assessment of the Phase 2 Hope Bay Belt Project illustrates the results that can be achieved through positive working relationships that are the fundamental underpinnings of this northern co-management process.

I and the other responsible Ministers look forward to working closely with TMAC Resources Incorporated while ensuring environmental protections are implemented and socio-economic benefits of the project are fully realized.

Sincerely,



Hon. Dominic LeBlanc, P.C., Q.C., M.P.



Hon. Carolyn Bennett, M.D., P.C., M.P.

c.c.: The Honourable Catherine McKenna, P.C., M.P.
The Honourable Jonathan Wilkinson, P.C., M.P.
The Honourable Marc Garneau, P.C., M.P.
The Honourable Amarjeet Sohi, P.C., M.P.
The Honourable Hunter A. Tootoo, M.P.
The Honourable Dennis Patterson
The Honourable Joe Savikataaq
Ms. Aluki Kotierk
Mr. Stanley Anablak
Mr. Lootie Toomasie
Mr. Oliver Curran