



95 Wellington Street West
Suite 1010, P.O. Box 44
Toronto, Ontario
M5J 2N7
416-628-0216

January 13, 2017

Karen Kharatyan
A/Manager of Licencing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0B 1J0

Re. Evidence of Security under Part C, Item 1(b) of Type A Water Licence 2AM-DOH1323

Dear Mr. Kharatyan:

On December 16, 2016, the Minister of Indigenous Affairs and Northern Development Canada approved the amended Type A Water Licence 2AM-DOH1323 (the Water Licence) concerning TMAC Resources Inc. ("TMAC")'s Doris North Gold Project. As such, TMAC is pleased to jointly provide this letter which summarizes the current security which has been furnished and maintained by TMAC with INAC and with the Kitikmeot Inuit Association ("KIA") in respect of the Doris North Gold Project.

With respect to Part C, Item 1(a) of the Water Licence, as the Nunavut Water Board (Board) is aware, TMAC has previously furnished and maintained with INAC Letter of Credit LC SBT758771 in the amount of \$13,090,000.

With respect to Part C, Item 1(b) of the Water Licence, TMAC confirm that pursuant to the Commercial Lease in respect of Inuit Owned Lands (IOL) held by the KIA, TMAC has provided KIA with the following letters of credit totaling \$17,635,650:

- Letter of Credit LC SBT758737 (\$400,000);
- Letter of Credit LC SBT758776 (\$1,366,000); and
- Letter of Credit LC SBT761083 (\$15,869,650).

Copies of each of these letters of credit are enclosed with this correspondence. As determined by the Board in its Reasons for Decision dated November 4, 2016, the security held by KIA is held for the purposes of reclamation consistent with s. 76(2)(b) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and is applicable to reclamation of the Mining Undertaking described in the Water Licence.

With respect to Part C, Item 2 of the Water Licence, the total security furnished and maintained by TMAC with INAC and KIA under Part C, Items 1(a) and 1(b) in the form of letters of credit totals \$30,725,650 as prescribed.

TMAC trust that with this letter and its enclosures, TMAC has fulfilled the requirements of Part C, Item 1(b) of the Water Licence. Should the Board require any further information with respect to this submission, please do not hesitate to contact John Roberts of TMAC.

Regards,

A handwritten signature in blue ink, appearing to read 'M. Theunissen', with a large loop at the end of the signature.

Maarten Theunissen
Vice President, Finance
TMAC Resources Inc.
maarten.theunissen@tmacresources.com

cc. Karen Costello, Director, Resource Management, INAC
cc. Geoff Clarke, Direct of Lands and Environment, KIA

Letter of Credit Reference No. SBTG758771

Beneficiary:

The Receiver General for Canada on
behalf of Her Majesty the Queen in
Right of Canada
(Refer below full name and address)

Applicant:

TMAC Resources Inc.
95 Wellington Street West
Suite 1010, PO Box 44
Toronto, Ontario M5J 2N7

Amount: CAD 13,090,000.00
Thirteen Million and Ninety Thousand
Canadian Dollars

Date of Expiry: 13 December 2016

Beneficiary:

The Receiver General for Canada on behalf of
Her Majesty the Queen in Right of Canada,
as represented by the Minister of Indian Affairs and Northern Development Canada,
Mailing Address: P.O. Box 100, Bldg. 918
Iqaluit, Nunavut, Canada X0A 0H0
Attention: Manager of Water Resources, Nunavut Regional Office

Re: Security pursuant to Nunavut Water Board Water Licence Number 2AM-DOH1323 TYPE "A"

At the request and for the account of TMAC Resources Inc. (the Applicant), we, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, hereby establish in your favour our irrevocable standby letter of credit No. SBTG758771 ("Letter of Credit" or "credit") for sums not exceeding in the aggregate amount of CAD13,090,000.00 (Thirteen Million and Ninety Thousand Canadian Dollars).

This credit is available with us for drawing at sight, without enquiry as to whether you have a right as between yourself and the Applicant to make such demand and without recognizing any claim of the Applicant or objection by the Applicant, against presentation to us, by you or your duly authorized representative or agent, of the following documents:

1. a sight draft, payable to the Receiver General of Canada, drawn on Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8; and
2. the original of this irrevocable letter of credit No. SBTG758771 for endorsement of payment thereon; and
3. a statement signed by an official of the Department of Indian Affairs and Northern Development Canada certifying:
 - a) that the signatory is an official of Indian Affairs and Northern Development Canada and has the authority to sign the statement on behalf of the Minister of Indian Affairs and Northern Development Canada ("the Minister"), and
 - b) either
 - i. that the Minister is entitled to apply the amount drawn, being all or part of the security posted and maintained pursuant to Nunavut Water Board Water Licence Number 2AM-DOH1323 TYPE "A" issued by the Nunavut Water Board, whether as originally issued or as amended, renewed or replaced from time to time, or

This Page forms an integral part of our Letter of Credit No. SBT758771.

ii. that this credit is due to expire in thirty (30) days or less and that the Applicant has not replaced this credit by posting with the Minister other security satisfactory to the Minister.

Partial drawings are permitted.

This credit shall expire at our counters on December 13, 2016. This credit shall be extended automatically for an additional one-year period from the initial expiration date and for an additional one-year period from each future expiration date (each such expiration date, the operative expiration date), unless at least ninety (90) days prior to the operative expiration date we notify you in writing by registered mail or courier that we elect not to consider this credit extended for such additional period.

The water licence is referred to herein for reference purposes and does not form part of the terms of this credit.

We hereby agree that all drafts drawn under and in compliance with the terms of this credit shall be duly honoured by us if presented for payment on or before the operative expiration date.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 revision), International Chamber of Commerce, publication No. 600. Notwithstanding Article 36 of said publication, if this credit expires during an interruption of business as described in Article 36, we agree to effect payment if this credit is drawn on us within thirty (30) days after the resumption of business.

For Canadian Imperial Bank of Commerce

Counter Signature

Grace Zhu

Authorized Signature

Augustine C. Arulnesan

A2452



Letter of Credit Reference No. SBT758737

Beneficiary:

Kitikmeot Inuit Association
Department of Lands and Environment
(Refer below for full name
and address)

Applicant:

TMAC Resources Inc.
95 Wellington Street West
Suite 1010
Toronto, Ontario M5J 2N7

Amount: CAD 400,000.00
Four Hundred Thousand Canadian Dollars

Date of Expiry: 09 December 2016

Beneficiary's full name and address:
Kitikmeot Inuit Association
Department of Lands and Environment
#4 Akhak Street, PO Box 360.
Kugluktuk, Nunavut X0B 0E0
Attn: Director Lands, Environment and Resources.

Re: TMAC Resources Inc. ("TMAC") reclamation security obligations under all Commercial Leases pursuant to the Framework Agreement dated March 30, 2015 between TMAC and the Kitikmeot Inuit Association ("KIA").

At the request of and for the account of TMAC (the "Applicant"), we, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, hereby establish in your favour our irrevocable standby letter of credit no. SBT758737 (the "Letter of Credit") for sums not exceeding in the aggregate of CAD400,000.00 (Four Hundred Thousand Canadian Dollars).

This Letter of Credit is available with us for drawing at sight, without enquiry as to whether you have a right as between yourself and the Applicant, to make such demand and without recognizing any claim of the Applicant, against presentation to us, by you or your duly authorized representative or agent of the following documents:

1. A sight draft drawn on "Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, standby letter of credit No.SBT758737 dated December 11, 2015".
2. The original of this irrevocable standby letter of credit no.SBT758737 for our endorsement of payment thereon; and
3. A statement purportedly signed by an official of KIA certifying that the signatory is an official of KIA and has authority to sign the statement on behalf of KIA and certifying that KIA is entitled to draw on this Letter of Credit pursuant to section 12.1 (c) of the framework agreement between KIA and TMAC dated March 30, 2015 (as amended from time to time, the "Agreement").

Partial drawings are permitted

This Letter of Credit is effective from December 11, 2015 and shall expire at our counters at 5PM on December 9, 2016. This Letter of Credit shall be renewed automatically without amendment for an additional one-year period from the initial expiration date and for an additional one-year period from each future date, unless at least ninety (90) days prior to the present or future expiration date we notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for such additional period.



This Page forms an integral part of our Letter of Credit No. SBT758737.


We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honoured by us if presented for payment on or before the present or future expiration date.

Except so far as is otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication no. 600. Notwithstanding Article 36 of said publication, if this Letter of Credit expires during an interruption of business as described in Article 36, we agree to effect payment if this Letter of Credit is drawn on us within fifteen (15) days after the resumption of business. For matters not covered by such publication, it shall be governed by and construed in accordance with the laws of the province of Ontario.

For Canadian Imperial Bank of Commerce


Counter Signature

F. Barboza
B6011


Authorized Signature

C. Thavaratnam
T1444

Letter of Credit Reference No. SBT758776

Beneficiary:

Kitikmeot Inuit Association
Department of Lands and Environment
(Refer below for full name
and address)

Applicant:

TMAC Resources Inc.
95 Wellington Street West
Suite 1010
Toronto, Ontario M5J 2N7

Amount: CAD 1,366,000.00
One Million Three Hundred and Sixty Six
Thousand Canadian Dollars

Date of Expiry: 09 December 2016

Beneficiary's full name and address:

Kitikmeot Inuit Association
Department of Lands and Environment
#4 Akhak Street, PO Box 360.
Kugluktuk, Nunavut X0B 0E0
Attn: Director Lands, Environment and Resources

Re: TMAC Resources Inc. ("TMAC") reclamation security obligations under all Commercial Leases pursuant to the Framework Agreement dated March 30, 2015 between TMAC and the Kitikmeot Inuit Association ("KIA").

At the request of and for the account of TMAC (the "Applicant"), we, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, hereby establish in your favour our irrevocable standby letter of credit no. SBT758776 (the "Letter of Credit") for sums not exceeding in the aggregate CAD1,366,000.00 (One Million Three Hundred and Sixty Six Thousand Canadian Dollars).

This Letter of Credit is available with us for drawing at sight, without enquiry as to whether you have a right as between yourself and the applicant, to make such demand and without recognizing any claim of the applicant, against presentation to us, by you or your duly authorized representative or agent of the following documents:

1. A sight draft drawn on "Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, standby letter of credit No.SBT758776 dated December 11, 2015".
2. The original of this irrevocable standby letter of credit no.SBT758776 for our endorsement of payment thereon; and
3. A statement purportedly signed by an official of KIA certifying that the signatory is an official of KIA and has authority to sign the statement on behalf of KIA and certifying that KIA is entitled to draw on this Letter of Credit pursuant to section 12.1 (c) of the framework agreement between KIA and TMAC dated March 30, 2015 (as amended from time to time, the "Agreement").

Partial drawings are permitted

This Letter of Credit is effective from December 11, 2015 and shall expire at our counters at 5PM on December 9, 2016. This Letter of Credit shall be renewed automatically without amendment for an additional one-year period from the initial expiration date and for an additional one-year period from each future date, unless at least ninety (90) days prior to the present or future expiration date we notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for such additional period.



Trade Finance Centre
11 December 2015

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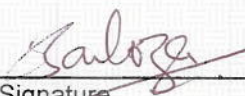
Place and date of issue *Lieu et date d'émission*

This Page forms an integral part of our Letter of Credit No. SBTG758776.

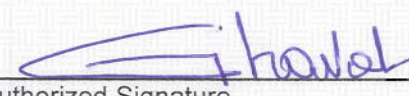
We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honoured by us if presented for payment on or before the present or future expiration date.

Except so far as is otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication no. 600. Notwithstanding Article 36 of said publication, if this Letter of Credit expires during an interruption of business as described in Article 36, we agree to effect payment if this credit is drawn on us within fifteen (15) days after the resumption of business. For matters not covered by such publication, it shall be governed by and construed in accordance with the laws of the province of Ontario.

For Canadian Imperial Bank of Commerce


Counter Signature

F. Barbosa
80011


Authorized Signature

C. Thavaratnam
T1444

**Letter of Credit Reference No.** SBTGT761083**Beneficiary:**

Kitikmeot Inuit Association
Department of Lands and Environment
#4 Akhak street, P O Box 360
Kugluktuk, Nunavut X0B 0E0.

Applicant:

TMAC Resources Inc.
95 Wellington Street West
Suite 1010
Toronto, Ontario M5J 2N7

Amount: CAD 15,869,650.00
Fifteen Million Eight Hundred and Sixty Nine
Thousand Six Hundred and Fifty Canadian
Dollars

Date of Expiry: 21 December 2017

Beneficiary's full name and address:

Kitikmeot Inuit Association
Department of Lands and Environment
#4 Akhak Street, PO Box 360.
Kugluktuk, Nunavut X0B 0E0
Attn: Director Lands, Environment and Resources.

Re: TMAC Resources Inc. ("TMAC") reclamation security obligations under all Commercial Leases pursuant to the Framework Agreement dated March 30, 2015 between TMAC and the Kitikmeot Inuit Association ("KIA").

At the request of and for the account of TMAC (the "Applicant"), we, Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, hereby establish in your favour our irrevocable standby letter of credit no. SBTGT761083 (the "Letter of Credit") for sums not exceeding in the aggregate of CAD15,869,650.00 (Fifteen Million Eight Hundred and Sixty Nine Thousand Six Hundred and Fifty Canadian Dollars)

This Letter of Credit is available with us for drawing at sight, without enquiry as to whether you have a right as between yourself and the Applicant, to make such demand and without recognizing any claim of the Applicant, against presentation to us, by you or your duly authorized representative or agent of the following documents:

1. A sight draft drawn on "Canadian Imperial Bank of Commerce, Trade Finance Centre, 595 Bay Street, 7th Floor, Toronto, Ontario M5G 2M8, standby letter of credit No.SBTGT761083 dated December 22, 2016".
2. The original of this irrevocable standby letter of credit no.SBTGT761083 for our endorsement of payment thereon; and
3. A statement purportedly signed by an official of KIA certifying that the signatory is an official of KIA and has authority to sign the statement on behalf of KIA and certifying that KIA is entitled to draw on this Letter of Credit pursuant to section 12.1 (c) of the framework agreement between KIA and TMAC dated March 30, 2015 (as amended from time to time, the "Agreement").

Partial drawings are permitted



This Page forms an integral part of our Letter of Credit No. SBTGT761083.

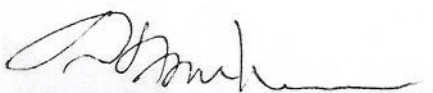
This Letter of Credit is effective from December 22, 2016 and shall expire at our counters at 5PM on December 21, 2017. This Letter of Credit shall be renewed automatically without amendment for an additional one-year period from the initial expiration date and for an additional one-year period from each future date, unless at least ninety (90) days prior to the present or future expiration date we notify you in writing by registered mail or courier that we elect not to consider this Letter of Credit renewed for such additional period.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit shall be duly honoured by us if presented for payment on or before the present or future expiration date.

Except so far as is otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce, Publication no. 600. Notwithstanding Article 36 of said publication, if this Letter of Credit expires during an interruption of business as described in Article 36, we agree to effect payment if this Letter of Credit is drawn on us within fifteen (15) days after the resumption of business. For matters not covered by such publication, it shall be governed by and construed in accordance with the laws of the province of Ontario.

For Canadian Imperial Bank of Commerce



Counter Signature

Authorized Signature
Augustine C. Aruinesan
A2452