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July 6 2015

Phyllis Beaulieu, Manager of Licensing Sonia Aredes, Technical Advisor Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0 phyllis.beaulieu@nwb-oen.ca sonia.aredes@nwb-oen.ca

Dear Ms. Beaulieu, Ms. Aredes;

Re:

- Part G Item 19 of 2AM-DOH1323, Request for Approval of Revised Waste Rock and Ore Management Plan - Responses to Party Comments
- Revisions to TMAC Resources Inc. Amendment Application No. 1 of Project Certificate 003 and Water Licence 2AM-DOH1323 – Clarification on Waste Rock and Ore Management Plan

With respect to the Request for approval of the revised Doris Waste Rock and Ore Management Plan (WR&OMP I) submitted to the Nunavut Water Board (NWB) on May 1, 2015, and in response to the comments received by interested parties on or before the extended comment period closing date of June 8, 2015, TMAC Resources Inc. (TMAC) is pleased to provide the following responses. Comments were received from AANDC and the KIA. These comments are provided in Table 1, with responses and/or clarifications for each item.

Further, TMAC wishes to respond to the letter from the NWB received on July 3, 2015, to address the inconsistencies between the WR&OMP I and the *Hope Bay Waste Rock and Ore Management Plan* (WR&OMP II) submitted in June 2015 as part of a resubmission of an Application for Amendment to 2AM-DOH1323. TMAC recognizes that the timing of the submissions and the difference in content is confusing, yet purposeful, hence the desire to address both topics under the same cover.

WR&OMP 1

As stated in the request for approval of the WR&OMP I (April 2015):

- TMAC wishes to utilize Pad T for waste rock storage in the near term (2015-2016).
- TMAC wishes to achieve this through approval of a revised WR&OMP (I).
- The revisions to the WR&OMP I are restricted to the addition of Pad T; no changes to waste rock characterization, handling or segregation are proposed.
- The revisions to the WR&OMP I are based on the current mine plan, permitted under 2AM-DOH1323. This mine plan results in some unmineralised waste rock to be left on site at closure.

Based on a review of procedural history and the points listed above, TMAC understands that Pad T can be approved as a revision to the WR&OMP I by the NWB, and does not require an amendment to 2AM-DOH1323. The WR&OMP I remains largely similar to the approved version of the WR&OMP (2010); waste rock characterization, handling and segregation, along with facility closure will occur in accordance with current approved procedures and closure planning.

It is understood that the WR&OMP I has undergone a preliminary review by the NWB and is currently being assessed by the Nunavut Impact Review Board (NIRB).

WR&OMP II

As a component of the recent submission to the NWB, Revisions to TMAC Resources Inc. Amendment Application No. 1 of Project Certificate 003 and Water Licence 2AM-DOH1323, TMAC has submitted an updated Hope Bay Waste Rock and Ore Management Plan (WR&OMP II). This Plan has been revised to support a new mine plan and differs substantially from both the current approved WR&OMP (2010) and the revised version, the WR&OMP I currently under review in the Pad T submission, in the following ways:

- Revised approach to waste rock characterization, handling and segregation.
- Under the new mine plan, all waste rock will be used either for construction (if deemed suitable) or as backfill underground, with no waste rock on surface at closure.
- Revised approach to closure of waste rock facilities.
- Assumes Pad T has been permitted and will be the approved waste rock pad, once operations under a revised 2AM-DOH1323 commence (late 2016).

These changes are substantial enough in nature that TMAC anticipated an amendment process would be required to facilitate review and approval, hence the inclusion of the revised WR&OMP II in the Amendment Application Package.

WR&OM Implementation Plan

Figure 1 illustrates the relationship between the current approved WR&OMP (2010), the WR&OMP I currently under review by the NIRB (April 2015) and the revised WR&OMP II (June 2015) recently submitted, as well as the related mine plans and water licences.

It is understood that proceeding in this manner will allow TMAC to construct and utilize Pad T for waste rock storage in the near term to support current approved development activities. Changes in waste rock characterization, handling and segregation procedures would be implemented following approval of 2AM-DOH1323 Amendment 1 (2016). Proceeding in this manner ensures timely, efficient and compliant waste rock characterization, handling, segregation and storage to support current development and future mining.

TMAC is on a forward-moving path to production across the Hope Bay belt; with the several licences in place and reviews underway, TMAC recognises that the rationale for the various submissions is complex and the processes interconnected. However, the strategy being implemented follows both the NIRB and the NWB processes, and is key to achieving both near term and long term success throughout the Hope Bay belt, and to bring sustained benefits to the Kitikmeot region and Nunavut.

TMAC is committed to participating in an open and collaborative dialogue to facilitate a timely and thorough understanding and review of the various licences in place and reviews underway.

Should you have any questions regarding the responses, or require any further information, please contact me at john.roberts@tmacresources.com.

Yours sincerely,

M. John Roberts

Vice President, Environmental Affairs

Hope Bay Project

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	2015				2016			2017			
	YTD	Q3	Q4	Q1	Q2 Q3 Q4			Q1	Q2	Q3	Q4
Mine Plan	 Current 698,700 t ore Doris zone only Waste rock on surface at closure 			e	 Revised 2.5M t ore Doris, Connector and Central zones No waste rock on surface at closure 						
Water Licence	2AM-DOH1323 (Review of 2AM-DOH1323 Amendment 1) Current WR&OMP I (2010) (April 2015)			2AM-DOH1323 Amendment 1							
Waste Rock and Ore Management Plan				WR&OMP II (June 2015)							

Figure 1 Implementation of the various versions of the Waste Rock and Ore Management Plan.

Table 1 Part G Item 19 of 2AM-DOH1323, Request for Approval of Revised Waste Rock and Ore Management Plan (WR&OMP I)- Responses to Party Comments

ITEM TOPIC PARTY COMMENT		PARTY COMMENT	PARTY REQUEST	TMAC RESPONSE
AANDC	June 5, 201	5		
		nalysis of Pad T's Foundation (Permafrost Soils)		
A1	Stability	Section 2.1.1 of the Stability Analysis Memo (SRK 2015c) states: Pad T will be constructed on permafrost soils (i.e., directly onto the tundra) and is designed to promote freeze-back, thereby minimizing long-term environmental effects from possible acid rock drainage and/or metal leaching. Permafrost soils will provide suitable foundation conditions for waste rock	Pad T's foundation (permafrost soils) based on updated thermal analysis because the 2006 thermal model results (SRK 2006) are dated. Climate change and/or global warming may impact the foundation's	 Both the full load of Pad T as well as the maximum extent of waste rock on the pad. Both Pad T and the waste rock are assumed to be fully thawed. In reality, the majority of waste rock on Pad T will be stored on surface temporarily; at most 188 Mt unmineralized (of the total 848)
		piles, provided the foundation remains frozen. SRK (2006) presents the thermal analysis for the site that demonstrates the viability of this approach. material properties. These details should be considered. Mt capacity) waste roo 660 Mt will ultimately be expected permanent closure will be less the stability analysis. The Mean Annual Air normal for the Doris assessment was -12.1 Climate change pred MAAT could increase about -5.5°C by the year the result will be a verthe active layer. Base the MAAT between 2 enough to indicate the		660 Mt will ultimately be used as underground backfill. Therefore, the expected permanent long term load on the foundation soils at closure will be less than 25% of what has been presented in the
				The Mean Annual Air Temperature (MAAT) based on 30 year climate normal for the Doris North Project used in the 2006 thermal assessment was -12.1°C. The equivalent MAAT in 2015 is -11.7°C. Climate change predictions for the Project site suggest that the MAAT could increase to about -10.5°C by the year 2030, and to about -5.5°C by the year 2100. Should these predictions materialize, the result will be a very slow and marginal increase in the depth of the active layer. Based on professional judgement, the difference in the MAAT between 2006 and 2015 is not considered significant enough to indicate that the thermal analysis completed by SRK in 2006 is invalid for estimating the active layer thickness.
				As climate change predictions materialize, the active layer deepening will occur over decades, allowing any thawing soils ample time to consolidate and strengthen. With the minimal load of Pad T and only 188 Mt of unmineralized waste rock on these foundation soils, there are no long term engineering concerns. In addition, parts of Pad T, and possibly portions of the waste rock pile are expected to freeze, as has been demonstrated at Hope Bay and at other arctic mine sites. In the near term this additional frost will act to substantially slow down the deepening of the active layer

				as the MAAT increases.			
Issue #	2 Incremen	tal Liability Associated with Waste Rock Storage on P	ad T				
A2	Liability, Stability	Table 2 of the Stability Analysis Memo (SRK 2015c) presents material properties of the foundation soils. The Apparent Cohesion (c') of the frozen marine silt and clay is 112 kPa, whereas, in unfrozen state it is 0. An unexpected temperature rise can decrease the Apparent Cohesion of silt and clay, jeopardizing the stability of underneath soils. Section 2 of the Security Brief (SRK 2015b) provides the total incremental liability associated with Pad T, i.e., CAD \$6,000, in undiscounted 2014 Canadian dollars	The Licensee should ensure that the incremental liability amount will be sufficient if ambient air temperatures were to increase due to climate change and/or global warming. The possibility of the waste rock pile becoming unstable due to temperature rise and resulting unfrozen soil conditions should be considered.	scenario where climate change would result in a sudden loss of permafrost and subsequent sudden and complete loss in strength of the foundation materials under Pad T. Therefore the closure plan for Pad T, which entails primarily re-grading of the pad, is appropriate and as a result the proposed liability amount associated with Pad T			
Issue #	3 Reclamati	on Cost Estimate Details					
A3	Liability	The Security Brief (SRK 2015b) does not include details on why \$6,000 in undiscounted Canadian dollars is considered to be the total incremental liability associated with the revised waste rock management strategy (use of Pad T). Details such as tasks, quantities, units, unit cost codes, associated subtotals, and indirect costs (e.g., general and administrative costs, post closure monitoring, etc.) are not provided. Section 2 states that it was assumed that 100% of the pad surface area would be re-graded to ensure positive drainage and ponding. Section 3 states that the value was calculated using the same principles and costing assumptions used in the current Doris North Closure and Reclamation Plan (SRK 2012).	TMAC should provide details (i.e., spreadsheet based) that demonstrate why \$6,000 in undiscounted Canadian dollars is considered to be the total incremental liability associated with the Waste Rock Storage Pile (Pad T).	bonding line items already on file with and approved by the NWB), 'regrading' as an activity consists of the line items presented below.			

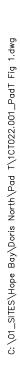
Issue #3	3 Groundwat	ter Considerations				
A4	Ground- water	Information to prevent surface water contamination due to seepage has been provided in section 5 of the submitted plan (Revised Waste Rock and Ore Management Plan (SRK 2015d)). However, groundwater information is not available. Seepage and runoff from the waste rock storage pad may contaminate groundwater.		confirmed through both shallow and deep drill holes and ground temperature cable readings. There is no groundwater present under this site. Free water is present in the unfrozen, 1 m thick, active layer that thaws each summer. The base of Pad T, like all service pads at Hope Bay, is designed to ensure that the summer active layer occurs within in the pad thickness and that the tundra below remains frozen year round. Thermistor data reported in regular NWB and NIRB reports indicates this design concept has been proven. Hence no unfrozen tundra, or shallow groundwater is anticipated beneath Pad T. Seepage from the waste rock on the pad and the pad itself is collected in the pollution control collection system and is deposited in the Tailings Impoundment Area (TIA). Data from these collection		
	2 2245			systems are reported regularly in the SNP reports.		
	e 3, 2015	Configuration				
K1		Configuration	TMAC to confirm decima clare for the	The lang town everall alone design for the weste real mile is 2.51 1.41/		
KI	Design slope for pile	Figure 3 shows 2.5H:1V on waste rock slope. Drawing DN-DMC-T3 shows 2.5H:1V on waste rock slope and 2H:1V on diversion berm slopes.	TMAC to confirm design slope for the waste rock pile. If 2.5H:1V is long term slope, why not construct waste dump at such slope rather than leaving possible re-sloping liability until later?			

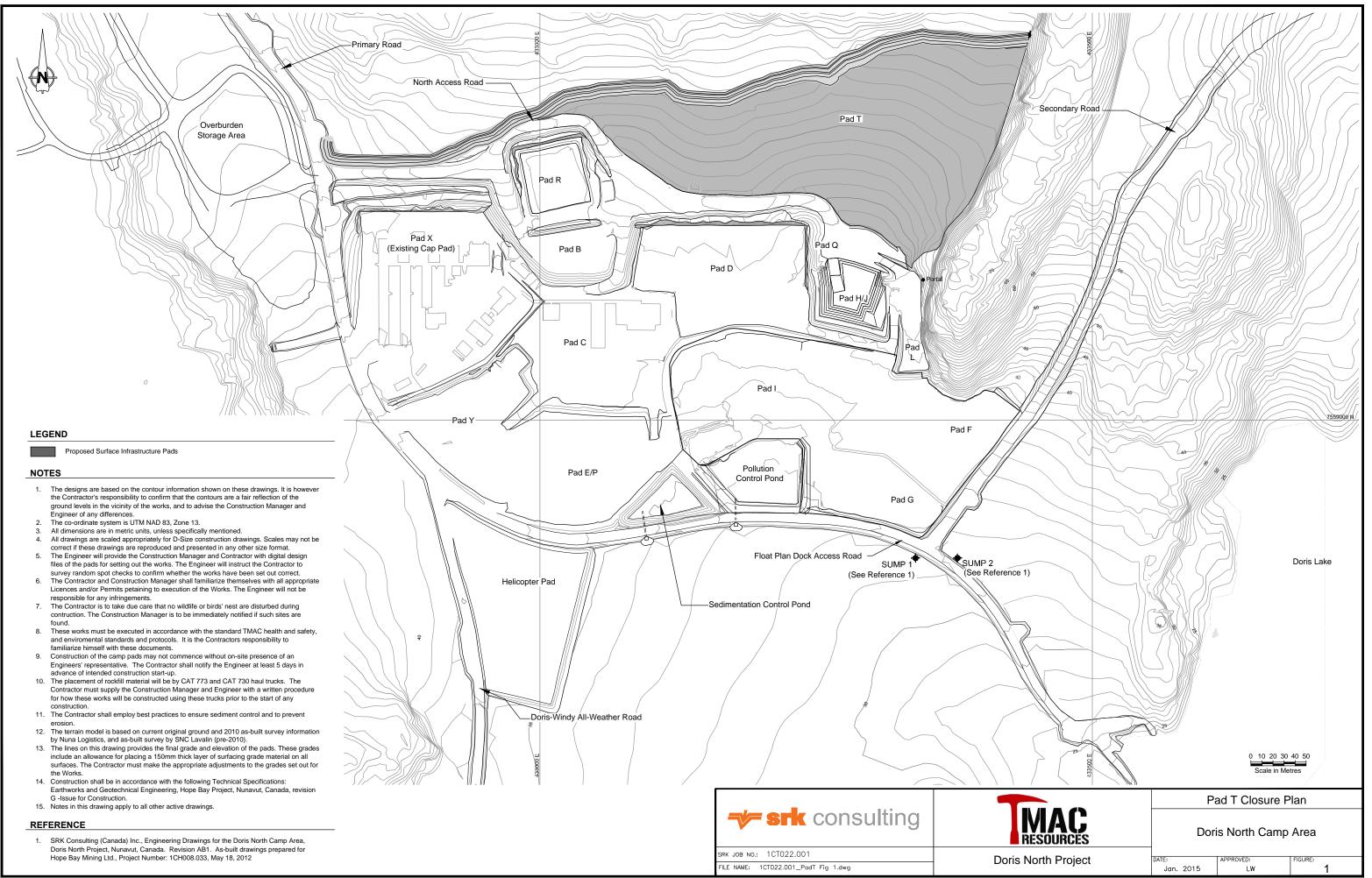
Issue #2	2 Water Mana	agement				
K2	Sumps	All seepage and runoff from waste rock pads are directed to Pollution Control Ponds and sumps (as shown on Figure 6). No sumps are shown on associated plans or sections in Drawings DN-DMC-T0 to -T3.	Pollution Control Pond, why is there a need for sumps on the downstream	 design and operation, is presented in the approved <i>Interim Wat Management Plan</i>-Rev 5 (SRK 2012): Figures 1, 2 and 3 illustrate the sump locations; 		
			Are the sumps lined to contain all contact water?	Updated Drawing and Figures, showing the locations of Sumps 1 and 2, are provided (see attached).		
			Are there specific design criteria for the sumps to prevent overflow or seepage?			
			Why are the sumps not shown on the engineering drawings?			
Issue #3	B Low Salt U	nderground Brine Water Use				
K3	Salt levels		Could TMAC confirm acceptable salt levels (possibly defined in water licence for Station ST-2)? If salt levels not acceptable, what happens to impacted water?	and the revised <i>Waste Rock and Ore Management Plan</i> (SRK 2010, SRK 2015), includes seepage monitoring for chloride from the toe of the waste rock pile, as reported annually to the NWB (refer to <i>Hope</i>		
		addition, no target salt level forecast when using the low salt procedure.	nappens to impacted water?	Contact water from the waste rock pile collects in the Pollution Control Pond (PCP). This water is pumped from ST2 (PCP discharge point) to the Sedimentation Pond (Sed Pond). Under 2AM-DOH1323, water is required to be monitored for chloride at ST2, however, 2AM-DOH1323 imposes no criteria here, or elsewhere (exception being TL3). Sed Pond water is then pumped from ST1 (Sed Pond discharge point) to the TIA.		
				The TIA discharges to the receiving environment. Chloride is		

Issue	#4 Waste Roc	k Pile		measured at the end of the mixing zone in the Doris Creek (TL3). At TL3, the licence criteria for chloride is 150 mg/L max concentration (any grab sample). To date, TMAC remains in compliance with this criteria (Typical values for chloride at TL1 and TL4 are in the range of 40-60 mg/l, as reported in SNP Reports). There are no direct discharges from either the PCP or the Sed Pond to the tundra.
K4	Salinity	Section 5.1 outlines parameters to be checked at Station ST-2 from Pollution Control Pond (off waste rock). Listed parameters do not include salinity.	Does salinity need to be checked based on comment above?	Chloride arising from drilling contributes to the salinity that is measured in relation to the waste rock runoff. Therefore, TMAC feels it is appropriate to monitor chloride, as opposed to salinity. Chloride is monitored both under 2AM-DOH1323 as well as the seepage monitoring program.
Issue a	#5 Drawing De	etails		
K5	GCL Liner	Detail1 of Drawing DN-DMC-T3 Pad T – Section and Details shows GCL liner installed at 1H:1V slope. If GCL liner installed at 1H:1V slope, it will be very difficult to place bedding layer and properly compact over top, leading to potential stability issues on the upstream side. No information noted regarding bedding or cover layer to protect GCL. Liner would possibly be punctured without these layers leading to leakage through Diversion Berm	Could there be any chance of salty water from the waste dump impacting the GCL as performance of these liners may be impacted by salt.	The Doris North Camp Area Diversion Berm was constructed in 2012 as referenced on drawing DN-DMC-T3. The geosynthetic clay liner (GCL) was successfully covered and compacted and the berm has shown no signs of stability concerns as demonstrated in the two annual geotechnical inspections conducted and reported to the NWB since its construction. The function of the GCL liner is to divert upstream non-contact surface water runoff away from the Doris North Camp Pads. There is no chance of contact water from the waste rock pile coming into contact with the GCL liner within the Doris North Camp Diversion

			Berm.
Issue #6 Non-mir	eralised rock on surface at closure		
Issue #6 Non-mir K6 Closure	Regarding SRK 2015 (Attachment 6; Security Brief): Any exposed areas of Pad T, not covered by non-mineralised waste rock, will remain in place at closure	intentions for waste rock and confirm if any uncovered mineralised waste rock will be left on surface at closure?	To clarify: "Any exposed areas of Pad T, not covered by non-mineralised waste rock, will remain in place at closure and only minimal grading will be required" refers to the pad itself, which will remain in place at closure. Section 2.1 of the submitted Waste Rock and Ore Management Plan states: "It is expected that all of the waste rock remaining on surface at the end of the mine life will be non-mineralized." In summary: • Mineralized rock will be preferentially used for backfill in the mine so as to preclude its remaining on the surface at closure. • Only non-mineralised waste rock may remain on surface at closure. • Pad T will remain in place at closure.

	Issue #7 E	extra Security					
K7	Security	Regarding SRK 2015 (Attachment 6):	Refer to response to Item A3.				
		\$6000 extra security estimated based on regarding					
	costs only.		Further, closure planning is ongoing throughout the life of the mine				
			and should waste rock disposition change during the course of				
	This assumes that only non-mineralised waste rock		operations there is opportunity to adapt the management practices				
		remain on surface at closure. If mineralised waste	and closure planning to this situation and thereby continue to protect				
		rock placed on surface (previous question), then	the environment. Options include relocating all mineralized waste				
		liability to manage waste and contact water would be	rock underground at closure, and designing covers suitable to isolate				
		much higher. So the estimate security value is related	any material on surface, as required.				
		to previous question.					





Engineering Drawings for the Doris North Camp Area - Pad T, Doris North Project, Nunavut, Canada Water License Amendment

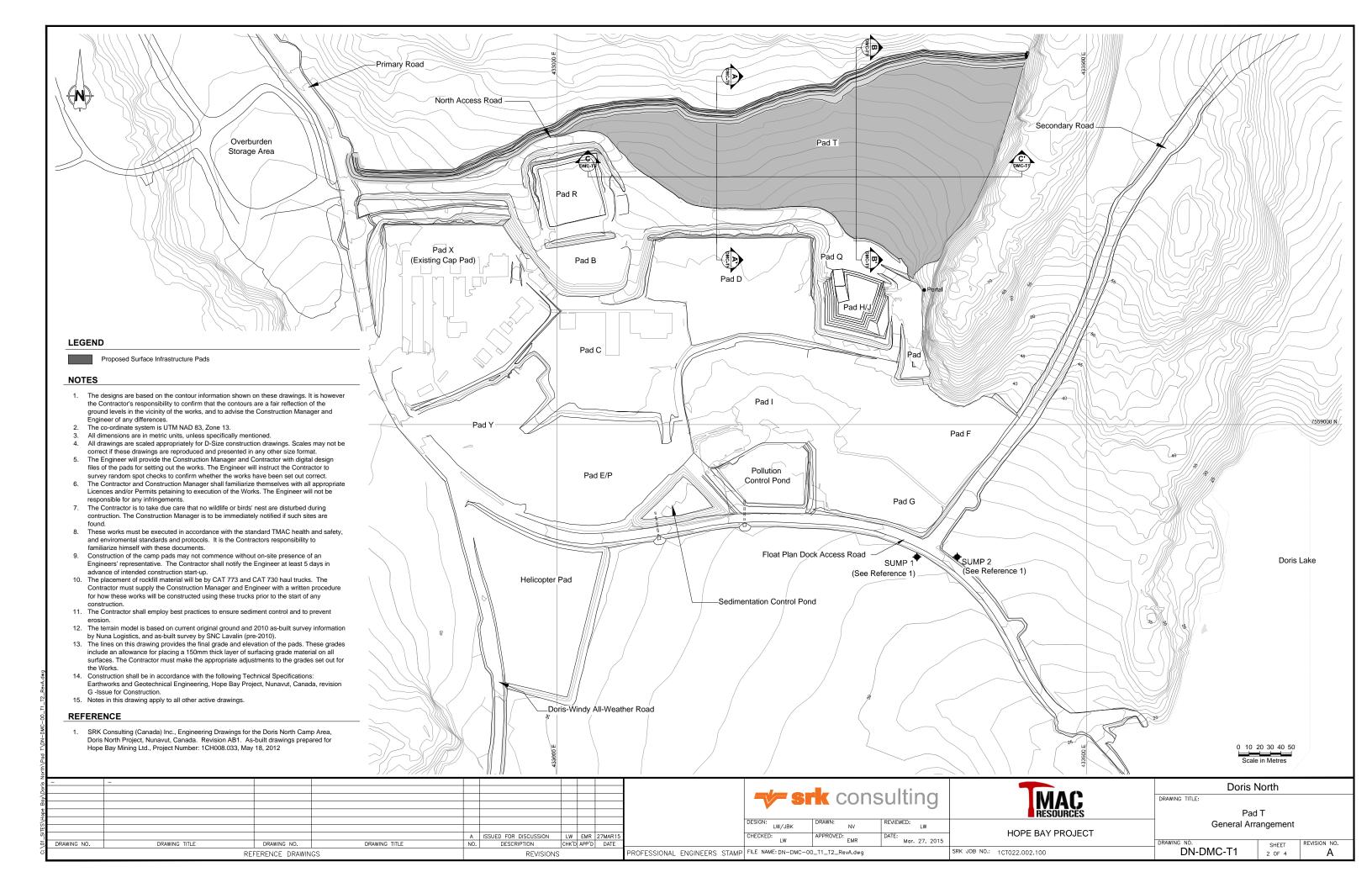
ACTIVE DRAWING STATUS

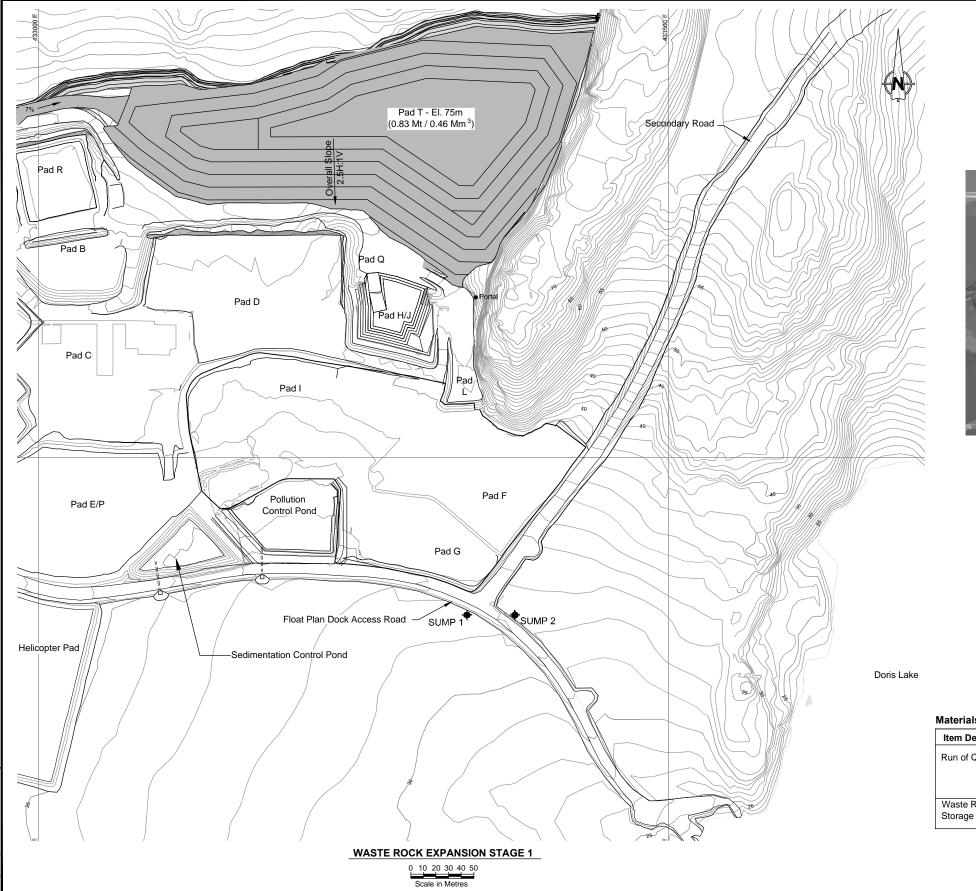
SRK DWG NUMBER	DRAWING TITLE		DATE	STATUS
DN-DMC-T0	Engineering Drawings for the Doris North Camp Area - Pad T		Mar. 27, 2015	Issued for Discussion
DN-DMC-T1	Pad T General Arrangement	Α	Mar. 27, 2015	Issued for Discussion
DN-DMC-T2	Pad T Waste Rock Storage Capacity		Mar. 27, 2015	Issued for Discussion
DN-DMC-T3	Pad T Sections & Details	Α	Mar. 27, 2015	Issued for Discussion





PROJECT NO: 1CT022.002.100 ISSUED FOR DISCUSSION Revision B March 27, 2015 DN-DMC-T0







WASTE ROCK STORAGE PILE (PAD T)

NT:

NOTES

- The designs are based on the contour information shown on these drawings. It is however the Contractor's
 responsibility to confirm that the contours are a fair reflection of the ground levels in the vicinity of the works,
 and to advise the Construction Manager and Engineer of any differences.
- 2. The co-ordinate system is UTM NAD 83, Zone 13.
- 3. All dimensions are in metric units, unless specifically mentioned.
- All drawings are scaled appropriately for D-Size construction drawings. Scales may not be correct if these
 drawings are reproduced and presented in any other size format.
- The Contractor and Construction Manager shall familiarize themselves with all appropriate Licences and/or Permits petaining to execution of the Works. The Engineer will not be responsible for any infringements.
- The Contractor is to take due care that no wildlife or birds' nest are disturbed during contruction. The Construction Manager is to be immediately notified if such sites are found.
- 7. The placement of rockfill material will be by CAT 773 and CAT 730 haul trucks. The Contractor must supply the Construction Manager and Engineer with a written procedure for how these works will be constructed using these trucks prior to the start of any construction.
- 8. The Contractor shall employ best practices to ensure sediment control and to prevent erosion.
- 9. Bulk density of waste rock is assumed to be 1.8 tonnes/m ³.

SRK JOB NO.: 1CT022.002.100

10. Notes in this drawing apply to all other active drawings.

Materials List and Quantities

Item Description			Description		
Run of Quarry Material			Approximate in-Place Neat-line Volumes (no allowance has been made for losses and/ or tundra embedment)		
Waste Rock Storage Volume	Stage 1	= 460,000 m ³	Storage volumes derived by Gemcom.		

North		Scale in Metres							
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5	DRAWING NO.	DRAWING TITLE	DRAWING NO.	DRAWING TITLE	NO.	DESCRIPTION	CHK'D	APP'D	DATE
ت	REFERENCE DRAWINGS				REVISIONS				

	Y	k cons	sulting
	DESIGN: LW/JBK	DRAWN: NV	REVIEWED: LW
	CHECKED: LW	APPROVED: EMR	DATE: Mar. 27, 2015
PROFESSIONAL ENGINEERS STAM	FILE NAME: DN-DMC-00	D_T1_T2_RevA.dwg	

TWAC	
HOPE BAY PROJECT	

Doris North			
	DRAWING TITLE:		
	Pad T Waste Rock Storage Capacity		

DRAWING NO.	SHEET	REVISION NO.
DN-DMC-T2	3 OF 4	Α

