

File: 2AM-DOH1335 / TR / G1

March 6, 2019

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

E-mail: oliver.curran@tmacresources.com

Subject: Notice of Modification – Development of 'Sump 3' at Doris; Type "A" Water

Licence 2AM-DOH1335, Hope Bay Phase 2 Project, TMAC Resources Inc.

Dear Mr. Curran

The Nunavut Water Board (NWB or Board) received from TMAC Resources Inc. (TMAC or Licensee) on January 30, 2019 the Notice of Modification – Development of 'Sump 3' at Doris (Notice of Modification or Modification) for Board review as required under Part G, Item 1 of the Water Licence 2AM-DOH1335 (Licence) that was approved by the Minister of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) on January 14, 2019.

The Notice of Modification outlined TMAC's plans to install an underflow interception sump (Sump 3) to enhance the existing water management system at the Doris site. The sump will be installed by hand excavation in the active layer of the tundra near the existing sumps, at a distance greater than 31 metres from the ordinary high water mark of any water body. Any water captured in the sump will be returned to the Sedimentation Pond via an automated float operated pump, consistent with Sump 1 and Sump 2. Installation is scheduled to occur prior to freshet in 2019 and is expected to last no more than a few days. If required, effective erosion and sediment control measures will be installed prior to construction. Once constructed, the sump will be regularly inspected by TMAC's Environment Department to ensure they are functioning as intended.

In the Notice of Modification, TMAC confirmed that the following conditions are met, under Licence 2AM-DOH1335, Part G Item 1:

- a. The Licensee has notified the Board in writing of such proposed modifications at least sixty (60) days prior to beginning the Modifications;
- b. Such Modifications do not place the Licensee in contravention of the License or the Act; and

c. Such Modifications are consistent with the applicable terms and conditions of the NIRB Project Certificate No. 009.

The Notice of Modification was distributed for a public review on January 31, 2019, requesting comments be submitted from interested parties by February 28, 2019. On February 12, 2019, correspondence was received from Environment and Climate Change Canada (ECCC) indicating that they have no comments. On February 25, 2019 one comment was received from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC).

In its submission, CIRNAC requested that TMAC provide justification for the installation of an additional sump.

On March 5, 2019, TMAC provided a response to CIRNAC's comment. In its response, TMAC stated that "the sump is meant to act as additional contingency in the event any shallow groundwater discharge from the active layer bypasses the water management design of the project area. Sump 1 and Sump 2 were installed to serve this purpose as outlined in the Hope Bay Water Management Plan (2017). As such, there is no change to the hydrogeologic conceptualization of the project area. The proposed location of Sump 3 is based on topography of the area and visual assessments of freshet flows which have been conducted as part of the annual seepage survey since the installation of Sumps 1 and 2. A localized seep has been identified during these assessments downstream of Pad G south of the TIA Access Road. The installation of Sump 3 will improve efficiency of water management in this area to ensure all shallow groundwater discharge is captured effectively."

The NWB has reviewed the Notice of Modification and related submissions, and finds the Modification functional and generally satisfying Licence requirements. By copy of this letter, the Board acknowledges that this Modification doesn't require any amendments to Licence conditions, and advises TMAC that all relevant monitoring should be completed to ensure that the site is stable once activities are completed. The Board is also advises that a Construction Summary Report should be provided as per Licence terms and conditions.

Should you have any questions or require any clarification with respect to the above, please feel free to contact the undersigned via email at Derek.Donald@nwb-oen.ca or phone (867) 360-6338 (Ext. 32).

Sincerely,

NUNAVUT WATER BOARD

Derek Donald Technical Advisor

Attachment: Comments by CIRNAC and ECCC

Cc: Distribution list – Doris North