



NWB Tools

Richard Dwyer <richard.dwyer@nwb-oen.ca>

2AM-LUP1520 Amendment 3 Reduced Reclamation Security Teleconference

Belinda Labatte <b.labatte@mandalayresources.com>

Fri, Feb 22, 2019 at 7:58 AM

To: "Dewar, Spencer (AADNC/AANDC)" <spencer.dewar@canada.ca>, Richard Dwyer <richard.dwyer@nwb-oen.ca>, "Parsons, Ian (AADNC/AANDC)" <ian.parsons@canada.ca>

Cc: Karyn Lewis <k.lewis@mandalayresources.com>, Christine Kowbel <ckowbel@lawsonlundell.com>, "Okonkwo, Godwin (AADNC/AANDC)" <godwin.okonkwo@canada.ca>, Nick Dwyer <n.dwyer@mandalayresources.com>

Spencer could you please confirm this today so we can plan accordingly?

Thanks

Belinda

Belinda Labatte, CFA, MBA, ICD.D

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From: Belinda Labatte

Sent: February 21, 2019 2:30 PM

To: 'Dewar, Spencer (AADNC/AANDC)' <spencer.dewar@canada.ca>; Richard Dwyer <richard.dwyer@nwb-oen.ca>; Parsons, Ian (AADNC/AANDC) <ian.parsons@canada.ca>

Cc: Karyn Lewis <k.lewis@mandalayresources.com>; Christine Kowbel <ckowbel@lawsonlundell.com>; Okonkwo, Godwin (AADNC/AANDC) <godwin.okonkwo@canada.ca>; Nick Dwyer <n.dwyer@mandalayresources.com>

Subject: RE: 2AM-LUP1520 Amendment 3 Reduced Reclamation Security Teleconference

Thanks Spencer; appreciate the feedback.

Mandalay will request Option 2.

CIRNAC can sign and courier back the LOC as it is and HSBC, on receiving it, will return the funds to Mandalay to reduce the bond by C\$3,197,697. On the same day another amendment by HSBC will be made to add the missing amount of \$7303.00. This amendment of the LOC will be sent back to CIRNAC with showing the correct bond of \$26,107,303.

Belinda

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From: Dewar, Spencer (AADNC/AANDC) <spencer.dewar@canada.ca>

Sent: February 21, 2019 12:22 PM

To: Belinda Labatte <b.labatte@mandalayresources.com>; Richard Dwyer <richard.dwyer@nwb-oen.ca>; Parsons, Ian (AADNC/AANDC) <ian.parsons@canada.ca>

Cc: Karyn Lewis <k.lewis@mandalayresources.com>; Christine Kowbel <ckowbel@lawsonlundell.com>; Okonkwo, Godwin (AADNC/AANDC) <godwin.okonkwo@canada.ca>

Subject: RE: 2AM-LUP1520 Amendment 3 Reduced Reclamation Security Teleconference

Hello,

Regarding the status of amended security as per 2AM-LUP1520. The amended amount for the Letter of Credit (LOC) is \$7303.00 less than what the water licence requires (\$26,107,303). Our review indicates that the error is with the LOC and not the water licence.

Therefore, there are two viable options:

1. we can return the LOC and you can have the corrections made, or
2. we can accept the LOC and LMI can undertake to furnish an additional \$7303.00 within 30 days

Please advise how you would like to proceed.

If you have any further questions, please do not hesitate to contact us.

Thanks,

Spencer Dewar

Director, Resource Management

Crown-Indigenous Relations and Northern Affairs Canada

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From: Belinda Labatte [<mailto:b.labatte@mandalayresources.com>]
Sent: Wednesday, February 20, 2019 2:29 PM
To: Richard Dwyer; Parsons, Ian (AADNC/AANDC); Dewar, Spencer (AADNC/AANDC)
Cc: Karyn Lewis; Christine Kowbel
Subject: 2AM-LUP1520 Amendment 3 Reduced Reclamation Security Teleconference
Importance: High

Spencer, Richard, Ian; on December 21 the NWB agreed with CIRNAC on the reduction of the bond of C\$3,197,697 and a decision was made for the Minister's approval due by Feb 3. We still today do not have this release complete and it has been two months since a decision was made. How does this kind of delay happen? Karyn has been patiently following up and I would please ask that all further communications occur on this email so we can move on.

- We are now Feb 20 and documentation from HSBC to Nunavut for finalization was sent as soon as the decision was received.

- Feb 4 a courier was sent to Nunavut
- On Feb 14, HSBC advised that it still not had not received the consent from the beneficiary and we had sent the HSBC release the first week of Feb.

On our last call, we had requested the CIRNAC team to please assist the company in the event of a bond reduction to get the release done expediently and we are now Feb 20 and HSBC is still waiting for the CIRNAC team to sign off. CIRNAC had stated they would do this.

Can someone at CIRNAC please take this problem in hand and resolve it so the funds can be released tomorrow which requires HSBC to receive the signature.

The continued delay in timing has impacted our corporate planning process throughout this interim and final closure planning to a great degree, and provides and provides a difficult environment in how to move forward, if the timelines are delayed on the administrative side each time.

Please advise when the sign off has occurred to release the C\$3m.

Thank you,

Belinda



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