

File No: 2AM-MRY1325/ Part C, Schedule C

December 24, 2014

To: Mary River Distribution List

Subject: Water Licence 2AM-MRY1325, Type "A", Mary River Project; Additional Process

Guidance and Timelines to the Parties Regarding the Annual Security Review

(ASR) for 2015-2016, under Part C and Schedule C

Dear Parties:

As was indicated during the Nunavut Water Board (NWB or Board) teleconference on December 18, 2014, it appears that in order for the Board to receive more complete comment submissions and a full reply from the parties, additional time is required and the Board should anticipate additional information being filed by the parties. As discussed in the teleconference, this correspondence constitutes written notice confirming that the Board has further modified the timing and process for the ASR from that originally set out in Schedule C of Type "A" Water Licence No. 2AM-MRY1325 (the Type "A" Licence).

Table 1: Additional Modified Timeline of Events for ASR Process

Date	Event
December 19, 2014	The QIA files speaking notes from the ASR Teleconference
December 23, 2014	The NWB issues notice of additional process guidance and timelines
January 22, 2015	All parties provide the Board with such further and final written comments as they consider necessary ¹
January 26, 2015	The NWB holds an additional ASR meeting by teleconference
February 6, 2015	The NWB advises the Licensee and interested parties of the total financial security required under Part C, Item 1 of the Type "A" Licence. ²
February 27, 2015	The Licensee files the total financial security amount for the upcoming year (within 21 days of the Board's correspondence)

The Board also wishes to confirm in this correspondence that the scope of the current ASR process does not include a review of security held in respect of exploration activities under the Type "B" Water Licence 2BE-MRY1421, nor security required to be filed with Fisheries and Oceans Canada with respect to habitat alteration and offsetting in the marine environment.

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¹ Note: the QIA submissions are expected to include the non-confidential terms of the land lease relevant to security, as requested by AANDC.

² Note: The NWB correspondence also to include a specific response to the submissions of Aboriginal Affairs and Northern Development Canada with respect to the Board's evidentiary basis for the Board's view as to whether the security held by the QIA under the land lease is adequate and equivalent to the security held under the Type "A" Licence.

In closing, the Board wishes to thank all parties for their submissions to date and participation in the ASR process and the Board looks forward to the continued commitment by all parties to an effective and transparent process in the year ahead. If you have any questions or comments regarding this matter, please contact me directly at Ph.(780) 443-4406 or email at david.hohnstein@nwb-oen.ca, or Sean Joseph, Technical Advisor at sean.joseph@nwb-oen.ca.

Sincerely,

David Hohnstein

Director Technical Services/Acting Executive Director

Nunavut Water Board

A. Hohnstein

cc: NWB Public Registry