SRK Consulting (Canada) Inc.
Suite 2200 - 1066 West Hastings Street
Vancouver, BC V6E 3X2

**T: +1.604.681.4196**
**F: +1.604.687.5532**
vancouver@srk.com
www.srk.com

March 20, 2018
Project No: 1CT022.016

Vice President Environmental Affairs
TMAC Resources Inc.
Suite 1010 – 95 Wellington Street West
Toronto, Ontario, M5J 2N7

**Attention: Oliver Curran, MSc, Vice President Environmental Affairs**

Dear Oliver:

**RE: Boston Advanced Exploration Project: 2017 Annual Geotechnical Inspection**

TMAC Resources Inc. contracted SRK Consulting (Canada) Inc. to conduct a geotechnical site inspection on their Boston Advanced Exploration Project in Nunavut, which was temporarily closed in November 2011 and placed under Care and Maintenance. The Boston Camp was however reopened in 2017, supporting exploration activities during the summer season. This geotechnical inspection is an annual requirement in response to Part D, Item 13 of TMAC's Water Licence 2BB-BOS1217 issued by the Nunavut Water Board (NWB) on July 26, 2017.

The geotechnical site inspection was carried out by Principal Consultant Maritz Rykaart, PhD, PEng on July 13, 2017. Maritz was not accompanied by any TMAC personnel while he completed his walkover survey of site. Gord Morrison, President and Chief Technology Officer for TMAC accompanied Maritz during the aerial reconnaissance of the site via helicopter.

Formal annual geotechnical inspections of the Boston Camp have been carried out ten times between 2007 and 2016, and those reports are filed on the Nunavut Water Board (NWB) public registry. All of these inspections have been conducted by SRK. This letter presents the findings of the 2017 geotechnical inspection.

In response to the 2015 annual geotechnical inspection, SRK recommended that TMAC adopt a Surface Infrastructure Geotechnical Monitoring Program (SIGMP), as documented in the 2016 annual geotechnical inspection.

Like 2016, the intent behind the 2017 annual geotechnical site inspection was that SRK would audit the completed SIGMP documents and focus the inspection efforts on the areas where changes have been observed, or where unique or extraordinary observations were noted. TMAC, however, did not conduct any inspections in accordance with the SIGMP, and as a result SRK proceeded with a comprehensive annual geotechnical inspection in 2017.

Several notable differences at the site since the 2016 inspection was observed:

- As previously mentioned the camp has been seasonally reopened and used as a base camp for local exploration activities;
- A new high-density polyethylene (HDPE) lined greywater sump was constructed in accordance with a condition imposed by the Indigenous and Northern Affairs (INAC) inspector. The sump was designed and constructed by TMAC, and the liner installed by a local subcontractor;
- The liner installed in the old sump, previously used for discharge of water collected in the fuel storage area for testing prior to discharge has deteriorated further, and has slipped significantly low that the sump should not be used without first completing repairs;
- The large permafrost degradation holes immediately adjacent to the airstrip was being backfilled with drill cuttings from the exploration program; and
- The landfill has been partially excavated, and stockpiled within the lined footprint. This material will be bagged and transported to Doris for disposal underground during the upcoming winter season.

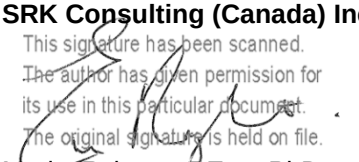
Overall, the 2017 geotechnical inspection did not reveal any areas of concern requiring immediate attention except for the old sump which would require repairs, if it is still required for use. Other than the items mentioned, there appears to be no change in the site conditions as it pertains to geotechnical performance since the 2016 inspection. More importantly, there is no significant change since the first formal inspection in 2007. Some site elements do need to continue to be monitored in accordance with existing management plans, and other elements require routine maintenance, but those activities are best addressed through existing standard site operational procedures and management plans as opposed to through an annual geotechnical inspection.

In consultation with SRK, TMAC has decided to continue with external (SRK) comprehensive annual geotechnical inspections, rather than implement the SIGMP for 2018 and the foreseeable future.

For ease of reference, a summary table of all recommendations is provided in Attachment 1.

Sincerely,

**SRK Consulting (Canada) Inc.**




Maritz Rykaart, PEng, PhD
Practice Leader

Attachment 1: Summary Table of Recommendations

## Summary of Recommendations – Boston Project 2017 Annual Geotechnical Inspection

| Observation | Recommendation |
|---|---|
| The liner installed in the old sump, previously used for discharge of water collected in the fuel storage area for testing prior to discharge has deteriorated further and slipped. | The sump should not be used without first completing repairs. |