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December 30, 2013

Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU  
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(867) 360-6338

**Re: 2BB-BOS1217 Interim Closure Plan Review**

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Dear Ms. Beaulieu,

Thank you for Karén Kharatyan's letter dated November 15, 2013 regarding the Nunavut Water Board ("**NWB**") review of the *Boston Camp Revised Interim Closure Plan* ("**Closure Plan**"), originally submitted to the NWB on July 13, 2012.

As background, the NWB first distributed the Closure Plan for comment on July 13, 2012. Following an extension to the comment period, comments were received from AANDC and the KIA in early October 2012. Hope Bay Mining Ltd. ("**HBML**") provided their response to the comments on February 14, 2013 (the "**HBML Closure Plan Responses**"). Because the NWB had received an application for the assignment of the licence on February 12, 2013, the NWB did not follow up with HBML's response to the comments. The project was transferred to TMAC Resources Ltd. ("**TMAC**") in March 2013. In its letter dated June 18, 2013 confirming the assignment of 2BB-BOS1217 to TMAC (the "**Assignment Letter**"), the NWB included specific comments relating to the Closure Plan. The NWB provided further guidance to TMAC regarding the closure plan in its letter dated November 15, 2013 (the "**Closure Plan Letter**").

TMAC plans to revise the Closure Plan to incorporate its responses outlined in the table below as well as the HBML Closure Plan Responses. Prior to final submission of the Closure Plan TMAC requests that the NWB confirm that, provided the Closure Plan is updated in this manner, there are no outstanding NWB information requirements relating to the Closure Plan.

It is TMAC's hope that this collaborative approach will ensure that all requirements of the licence and of the NWB are met in the most efficient way possible. It is TMAC's understanding that following the NWB's review of this correspondence, the NWB will be able to approve the final Closure Plan in short order without need for additional technical review or plan revisions.

**TMAC Responses/ Requests for Clarification**

In this letter, TMAC is addressing the information requests included in both the Assignment Letter and the Closure Plan Letter, and seeking confirmation that the NWB agrees with TMAC's approach final to submission of the final Closure Plan update. We have presented this information in tabular format for ease of reference.

NWB Request	TMAC Response or Request for Clarification
<b><i>Assignment Letter</i></b>	
<p>Abandonment and Restoration Plan (Part I)</p> <p>The Abandonment and Restoration Plan (A&amp;R Plan) (Part I, Item 1) that was submitted by the previous Licensee required revisions to reflect change in management and update the restoration liability estimate. An updated plan has been provided and distributed for comments, with issues being addressed by the Previous Licensee<sup>5</sup>. The Board acknowledged the Plan entitled “Hope Bay Project Boston Camp Revised Interim Closure Plan” dated June 2012 that was submitted as an update to the original plan. In addition, HBML submitted the December 31, 2012 Hope Bay Project Closure and Reclamation Cost Estimate – Update, which proposed security in the amount of \$5,988,000. HBML responded to comments received<sup>6</sup> on February 14, 2013. The Board has therefore deferred approval of the Plan entitled “Hope Bay Project Boston Camp Revised Interim Closure Plan” dated June 2012 that was submitted by HBML as an update to the original plan.</p> <p>TMAC Resources Inc. shall submit to the Board for review, within sixty (60) days following issuance of this assignment, an updated Abandonment and Restoration Plan that addresses the change in the Licence holder.</p>	<p>TMAC will update the Closure Plan to address the change in the licence holder as well as to reflect the further direction from the NWB received since the NWB confirmed assignment of the licence in June 2013.</p> <p><b>TMAC requests that before TMAC submits a final updated Closure Plan, the NWB confirm the proposed responses to the various information requests are adequate and that there are no outstanding technical information requirements relating to the Closure Plan.</b></p>
<p>Part B, Item 3 of the Licence required the Licensee to provide the Board, within sixty (60) days following issuance of the Licence, with an updated estimate of the Boston Advanced Exploration Project restoration liability using the current version of RECLAIM, its equivalent or other similar methods approved by the Board, in</p>	<p>Please see attached memo from SRK Consulting (Canada) Inc. (“<b>SRK</b>”) confirming that the closure cost estimate provided in January 2013 remains accurate.</p>

<p>accordance with principles of INAC’s “Mine Site Reclamation Policy for Nunavut” (2000). This updated estimate was submitted by HBML on January 14, 2013.</p> <p>TMAC Resources Inc., in review and revision of the Plan, shall review/revise and confirm the included Closure Cost Estimate provided by HBML, for the purposes of the Board assessing the security requirements under the Act.</p>	
<p>Spill Contingency Plan (Part H)</p> <p>The Board acknowledges that a revised Spill Contingency Plan (SCP) was submitted by the previous Licensee in October 2012 which addressed the current status of the Project where all activities are being suspended moving into a state of care and maintenance for the Hope Bay Project. The Board has approved the Plan entitled “Hope Bay Mining Ltd. Spill Contingency Plan HB-ER-ENV-MP-001 (REV 5)” dated October 2012, that was submitted by HBML. The Plan fulfills the requirement for the SCP for the NWB Licenses 2AM-DOH0713, 2BB-BOS1217, and 2BE-HOP1222.</p> <p>The Licensee shall submit to the Board for review within sixty (60) days following issuance of this assignment, an updated Spill Contingency Plan that addresses the change in Licence holder and comments received during the review.</p>	<p>TMAC will provide the updated Spill Contingency Plan (which will apply belt wide) by January 31, 2014.</p>
<p><b>Closure Plan Letter</b></p>	
<p>The NWB states that it is “<i>generally satisfied with the responses provided by HBML with respect to the Closure Plan, the NWB requires however that the following clarifications or information be included in the updates to the plan in addition to the items identified in the Assignment letter</i>”,</p>	<p>TMAC assumes that this statement refers to the HBML Closure Plan Responses. TMAC has reviewed this submission, and adopts it. Accordingly, TMAC plans to update the Closure Plan to include the information outlined in the HBML Closure Plan Responses as well as the additional information that TMAC commits to</p>

	<p>provide in this table.</p> <p><b>TMAC requests that the NWB confirm that provided TMAC follows this approach, that there are no outstanding NWB information requirements relating to the Closure Plan.</b></p>
<p>The AANDC identified that the Plan does not reference the need to identify and remediate metal contaminated soils. In its submissions, KIA indicated that all rock materials derived from exploration or mining activities should be tested for acid generation and metals leaching potential, and that detail of long-term ore stockpile disposal should be based on the acid generating potential of the stockpile along with monitoring of seepage.</p> <p>In its response the HBML referred to the Boston Water and Ore/ Waste Rock Management Plan for details on the chemical characteristics of the rock stored at Boston.</p> <p>Section 2.5 Geochemical Characteristics of Ore and Waste Rock of referred document identifies that <i>ore stockpiles and waste rocks seepage monitoring indicates that concentrations of Arsenic, and to a lesser extent, Nickel and Selenium may be somewhat elevated in comparison to CCME guidelines for aquatic life. Section 4 Closure Plans states if Arsenic concentrations increase the ore used as surfacing material on the airstrip results in seepage concentrations that are similar in character to those currently discharging from the ore stockpiles, there is some potential for impacts to East Bay.</i></p>	<p>The Closure Plan will be updated to include closure details for potentially metal contaminated soils and waste rocks. The source of metal loads is from the ore stockpiles and from ore being used as construction media in other areas of the Boston site such as for crush on the airstrip. As described in Section 3.2 of the Closure Plan all such material will be stripped and consolidated and ultimately covered with a HDPE geomembrane cover (Section 3.6) to eliminate ongoing concerns pertaining to poor quality seepage.</p> <p><b>TMAC requests that the NWB confirm that updating the Closure Plan to reflect this response will be sufficient to fulfil the NWB’s request for information included in the Closure Plan Letter.</b></p>
<p>As stated by AANDC, Section 3.10 of the submitted plan provides the remedial alternatives that HBML intend to implement</p>	<p>Details of the in-situ bioremediation of hydrocarbon impacted soils will be included in the updated Closure Plan and can be</p>

<p>on hydrocarbon impacted soils that exceed the Government of Nunavut's Environmental Guideline for Contaminated Site Remediation Tier 1 criteria-based approach for industrial land use and coarse grained soils, which will either be remediated in the existing land farm, relocated to an off-site facility, or remediated in situ. KIA stated that extensive soil testing should be done of berm soils using wild land criteria for all COPC. Material exceeding, wild land criteria should be removed from site for disposal at a licensed facility.</p> <p><i>In its response HBML referred to the EBA Phase III Environmental Site Assessment (ESA) report, included with this submission, for details on planned in-situ bioremediation methods. Specifically, see sections 5 and 6.</i></p> <p>From the NWB understanding, planned in-situ bioremediation methods would be used that is also reflected in the Cost Estimate Summary as well. <b>This section should include details of in-situ bioremediation of hydrocarbon impacted soils.</b></p>	<p>summarized as follows. In-situ bioremediation will be used in small localized areas where the level of hydrocarbon contamination is not excessive. Treatment will consist of aerobic treatment whereby a proprietary oxygen releasing compound EHC-O (manufactured by Adventus Americas) will be applied to the affected area at an application rate of about 2.5 g EHC-O/kg of soil. This compound will be tilled into the soil active zone (done in summer season). At least one season after the compound has been added the impacted soils will be retested to determine if microbial activity has resulted in a reduced hydrocarbon contamination. If the soils still exceed compliance criteria, the treatment may be repeated or the soils will be excavated and removed as described in the Closure Plan.</p> <p><b>TMAC requests that the NWB confirm that updating the Closure Plan to reflect this response will be sufficient to fulfil the NWB's request for information included in the Closure Plan Letter.</b></p>
<p>The Licensee is also advised that prior to using an alternative disposal of contaminated soils (encapsulating in place) the Board's written approval shall be obtained.</p>	<p>Noted.</p>
<p>With respect to Decommissioning of Mine Workings, KIA stated that the material should be geochemically stable and not result in the development of acidic drainage or leaching of metals into the environment.</p> <p><i>HBML stated that material will be used to backfill the portal will come from available waste rock material on site as described in section 3.5.1 of the closure plan. Details of the waste rock geochemistry can be found in</i></p>	<p>The portal will be backfilled using geochemically suitable rock. This may include waste rock that has been tested and confirmed to be suitable for general construction, or clean quarry rock suitable for general construction.</p> <p><b>TMAC requests that the NWB confirm that updating the Closure Plan to reflect this response will be sufficient to fulfil the NWB's request for information included in</b></p>

<i>the Water and Ore/Waste Rock Management Plan.</i>	<b>the Closure Plan Letter.</b>
<b>This section should provide details on the material proposed for the use of backfilling the portal making sure that no potentially acid generating and metal contaminated material will be used</b>	

Thank you for considering our responses to these items. Should you have any questions regarding this letter, please do not hesitate to contact me at [lea-marie.bowes-lyon@tmacresources.com](mailto:lea-marie.bowes-lyon@tmacresources.com) or at 778-210-1676.

Sincerely,

Léa-Marie Bowes-Lyon  
Tenure and Permitting Manager  
TMAC Resources Inc.