



NIRB File No.: 12MN001
NWB File No.: 2BB-MAE----

July 20, 2015

John Roberts
Vice President, Environmental Affairs
TMAC Resources Inc.
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Suite 1010, P.O. Box 44
Toronto, ON M5J 2N7

Sent via email: john.roberts@tmacresources.com

Re: Opportunity to Address Comments Received Regarding TMAC Resources Inc.'s Application for NLCA 12.10.2(b) Exception

Dear John Roberts:

On December 29, 2014 the Nunavut Impact Review Board (NIRB or Board) received a submission from TMAC Resources Inc. (TMAC) describing the "Madrid Advanced Exploration Program" project proposal [the 12.10.2(b) application package or the Application] associated with its Phase 2 Hope Bay Belt project proposal (NIRB File No.: 12MN001) which is currently undergoing Review by the NIRB pursuant to Part 5, Article 12 of the Nunavut Land Claims Agreement (NLCA). The Application was submitted for consideration pursuant to NLCA Section 12.10.2(b), which allows for exceptions for specific approvals to be granted for exploration or development activities related to a project under Review by the NIRB where, in the judgment of the NIRB the activities can be considered and approved independently of the Review.

On January 15, 2015 the NIRB issued correspondence to TMAC indicating that, for the NIRB to commence assessment of the project proposal, a referral would be required from a Government agency or the Regional Inuit Associations [in this case, the Kitikmeot Inuit Association (KIA)] responsible for authorizing the proposed project works or activities. On March 24, 2015 the NIRB received a referral from the Nunavut Water Board for a Type "B" water licence associated with the proposed project. Due to the Madrid Advanced Exploration Program being proposed to occur on Inuit Owned Land, on May 29, 2015 the NIRB requested confirmation from the KIA on whether it intended to refer the Application to the NIRB for assessment, and subsequently on June 1, 2015 the KIA referred the Application to the NIRB.

On June 3, 2015 the NIRB circulated notice of the application package and invited comments from interested parties on TMAC's 12.10.2(b) application package, with a request for submissions to be received on or before June 24, 2015. As activities excepted under NLCA

Section 12.10.2(b) would be considered for approval separately from the NIRB's Review of TMAC's Phase 2 Hope Bay Belt project proposal, parties were asked to provide their comments and advice to the Board regarding the following:

- A determination of whether Parties agree/disagree with the conclusions in the 12.10.2(b) application package regarding the alternatives assessment, environmental impacts, proposed mitigation, significance of impacts, and monitoring measures – and reasons to support the determination,
- A determination of whether or not conclusions in the 12.10.2(b) application package are supported by the analysis – and reasons to support the determination,
- A determination of whether appropriate methodology was utilized in the 12.10.2(b) application package to develop conclusions – and reasons to support the determination, along with any proposed alternative methodologies which may be more appropriate (if applicable),
- An assessment of the quality and presentation of the information in the 12.10.2(b) application package, and
- Any comments regarding: the expressed need for and required timing of the proposed exceptions as presented; the permanence of proposed infrastructure; the reversibility of potential impacts; and the potential need for associated security bonding.

On June 15, 2015 TMAC submitted comments to the NIRB providing clarification on items of scope the NIRB had provided in its June 3, 2015 correspondence.

On or before June 24, 2015 comments regarding the Application were received from the following parties:

- Kitikmeot Inuit Association (KIA)
- Government of Nunavut (GN)
- Aboriginal Affairs and Northern Development Canada (AANDC)
- Environment Canada (EC)
- Fisheries and Oceans Canada (DFO)
- Natural Resources Canada (NRCan)
- Transport Canada (TC)

All submissions can be accessed from the NIRB's online public registry using the following link:
<http://ftp.nirb.ca/02-REVIEWS/ACTIVE%20REVIEWS/12MN001-HBML%20PHASE%202%20HOPE%20BAY%20BELT/2-REVIEW/15-12.10.2%20EXCEPTIONS/03-COMMENTS/>.

**OPPORTUNITY TO RESPOND TO COMMENTS
AND REQUESTS FOR ADDITIONAL INFORMATION**

The parties identified information gaps and have raised various technical issues associated with TMAC's 12.10.2(b) application package. Although the NIRB expects that TMAC will thoroughly review each comment submission in order to provide a comprehensive response to each of the party's requests, the Board wishes to highlight, in particular, the following specific comments provided by the parties.

Kitikmeot Inuit Association (KIA)

The Kitikmeot Inuit Association (KIA) commented on the lack of information in the application related to the proposed undertakings of the Madrid Advanced Exploration Program, and requested clarification in the design of infrastructure, as well as potential impacts on water, fish and wildlife. The KIA requested the following additional information:

- Proposed design of infrastructure and operational procedures for the bulk sample;
- Project description of the interactions between the Madrid Advanced Exploration Program and the existing Doris North Project, as well as the separation of scope and discussion of proposed changes to mitigation and monitoring plans proposed for use during the bulk sample program as well as the draft plans;
- How the bulk sample would increase use of the milling facility and the resulting affect on the required water for the Doris North mill;
- Description of the biophysical environment (i.e., groundwater, permafrost and wildlife) for the Madrid site as well as proposed traffic between the two locations;
- Wildlife and loss/changes in habitat and sensory disturbance; and
- Potential cumulative effects and residual impacts of the Madrid Advanced Exploration program.

Government of Nunavut (GN)

The Government of Nunavut (GN) noted concerns regarding the Proponent's justification of the need for, and timing of, the proposed exceptions as well as the expected permanence of proposed infrastructure, and expected reversibility of impacts. In addition, the GN noted concerns related to the reliance of the proposed exceptions activities on infrastructure at the Doris North site, and on systems undergoing a separate 12.8.2 amendment application. The GN requested the following additional information:

- How TMAC proposes to bring the Doris North site out of care and maintenance as well as complete the Project Certificate amendment process, and how these processes would impact, or be impacted by, the current exception application;
- How valued ecosystem components, such as caribou and caribou habitat, were considered in the application, the age of the baseline data presented, the addition of muskox as a valued component, and evaluation of impacts in relation to traffic on the roads;
- Proposed mitigation and monitoring plans specific to the bulk sample program;
- How the proposed bulk sample will affect the socio-economic environment (i.e., employment and training, local business opportunities, community wellness and housing);
- Provide detail on the archaeological work conducted at the Madrid site;
- An assessment of the cumulative effects due to increased activity in the Kitikmeot region; and
- Provide clarification on the scope of the proposed Phase 2 Hope Bay Belt project, as many details were noted as only available in the draft Environmental Impact Statement, which has not yet been submitted.

Aboriginal Affairs and Northern Development Canada (AANDC)

Aboriginal Affairs and Northern Development Canada (AANDC) noted that TMAC's proposal did not provide sufficient analysis of data regarding alternatives assessment, nor did it identify potential environmental impacts of the bulk sample, proposed mitigation and monitoring measures, or discuss the significance of impacts. AANDC further commented that baseline information presented in the application was provided in general terms and it was not clear how information was used to inform the analysis of potential impacts. As a result, AANDC requested clarity regarding the following information:

- Details on project infrastructure at the Doris North site that would be relied on to conduct the Madrid bulk sample;
- The permanence of proposed infrastructure specific to the bulk sample program; and
- Clarification on how the proposed bulk sample applies to the NIRB's Draft Guide 9 section 6.7 Major Project Development which states that such a development "means any Crown corporation or private sector project that ...either entails, within the Nunavut Settlement Area during any five-year period, more than 200 person years of employment, or entails capital costs in excess of thirty-five million dollars."¹; and
- A complete analysis to support the conclusions made in the application regarding assessment of potential impacts, as many conclusions as currently presented appear to be based on unsubstantiated assumptions.

Environment Canada (EC)

Environment Canada (EC) was of the opinion that the scope and nature of activities included in the application constitute significant steps toward the development of an operational mine; therefore EC suggests that the proposed activities remain within the ongoing NIRB Part 5 Review of the Phase 2 Hope Bay Belt.

Fisheries and Oceans Canada (DFO)

DFO agreed with the conclusions presented by TMAC regarding the proposed culvert installation and water withdrawal, especially with regard to the alternatives assessment, projected environmental impacts, proposed mitigations, significance of impacts and monitoring measures.

Natural Resources Canada (NRCan)

Natural Resources Canada (NRCan) commented on components of the application related to explosives storage, quarry rock characterization, and permafrost and terrain stability. NRCan requested clarification on the scope of activities in the application, noting that additional information and clarification would be required, specifically:

- Discussion on the how the Doris North project infrastructure would accommodate the additional material and waste products from the bulk sample program, especially when potentially combined with possible amendments to the Doris North project which was previously noted to include changes to the explosives facilities and implications to licencing for the Doris North and bulk sample projects.

¹ NIRB. *Draft Guide to Exceptions from the Review Process*, April 2012.

- Discussion on site-specific baseline information (e.g., groundwater quality, quantity, and permafrost).
- Provide supporting reports and plans that should be reviewed by all parties in order to provide comments on the appropriateness of the conclusions, potential environmental effects, mitigation measures and management plans.

Transport Canada (TC)

Transport Canada (TC) noted that at this time, the proposed project activities for the Madrid Bulk Sample would not require a regulatory decision from TC.

ADDITIONAL ITEMS FOR CONSIDERATION

12MN001 – Phase 2 Hope Bay Belt project proposal

On February 24, 2012 the NIRB issued a Screening Decision Report for the Phase 2 Hope Bay Belt project proposal recommending that a Review would be required to adequately assess the potential impacts of the proposal. Within the document the NIRB noted that “[w]hile enough information was provided to confidently determine a Review was required, the proponent would likely be required to provide additional clarification regarding the use of existing infrastructure at the Doris North site”² which remains an issue of consideration through the 12.10.2 exceptions application.

On May 30, 2012 then Minister of Aboriginal Affairs and Northern Development (the Minister) referred the project proposal to the NIRB to conduct a Part 5 Review, and directed that items such as the inclusion of geochemical characterization of waste rock, proposed mitigation measures for potential acid generating rock and metal leaching, as well as any tailings management and cumulative effects should be considered as part of the NIRB’s Review.

On December 14, 2012 the NIRB issued the *Guidelines for the Preparation of an Environmental Impact Statement for Hope Bay Mining Ltd.’s Phase 2 Hope Bay Belt* to the Proponent; within Section 6.6 of the document, the NIRB provided the following direction:

*As this application incorporates facilities that are currently in place and which have been allowed to proceed pursuant to the NIRB Project Certificate [No. 003], the Proponent is required to include details clearly outlining the distinctions between Phase 1 and Phase 2 of the development so that the potential environmental and socio-economic impacts of the expanded facilities at the Doris North and Roberts Bay sites that might exceed what was anticipated in the Doris North Project Certificate may be addressed during the assessment of Phase 2. The Proponent must note below where currently proposed Phase 2 project components or activities may impact upon the ongoing function of, or may occur on existing Phase 1 Doris North Mine site and/or infrastructure.*³

² NIRB Screening Decision Report for Hope Bay Mining Ltd.’s “Phase 2 Hope Bay Belt” project proposal, NIRB File No. 12MN001. February 24, 2012, p. 5.

³ Final Guidelines for the Preparation of an Environmental Impact Statement for Hope Bay Mining Ltd.’s Phase 2 Hope Bay Belt Project. December 2012, p. 20.

In the Phase 2 Hope Bay Belt project proposal, it was noted that facilities at the Doris North site, which TMAC considered Phase 1 of development, would be employed in Phase 2. As referenced above, the NIRB has encouraged TMAC to consider the linkage between the two projects and submit a thoroughly developed proposal and rationale for the Board's consideration of the project proposal as a whole. Additionally, the NIRB would encourage considerations be carried over to the current application and submitted materials to enable the Board to assess the proposed bulk sample at Madrid as a separate and self-supporting application from the Phase 2 Hope Bay Belt project proposal.

In order for the Board to consider the application for activities to be excepted from the NIRB's ongoing Review of the Phase 2 Hope Bay Belt, sufficient information related to the topics identified in the Screening Decision Report and the Minister's direction for inclusion in the NIRB's Part 5 Review, must be provided by the Proponent. It is noted that on June 15, 2015 TMAC submitted correspondence clarifying the scope of the 12.10.2(b) application package in relation to the NIRB's correspondence to solicit comments from interested parties, and would encourage TMAC to include this in its response to comments.

05MN047 – Doris North Project

In 2015, the NIRB has received a number of applications and/or correspondences related to the Doris North project, currently being monitored by the NIRB under Project Certificate No. 003, which are listed below in Table 1.

Table 1: Applications Related to Project Certificate No. 003

Date Received	Project Number	Application
March 9, 2015	05MN047	TMAC letter re Doris North care & maintenance activities recommencing at site, and personnel commencing operations in September 2015 by resuming underground mining activities.
April 10, 2015	05MN047	TMAC letter re Doris North would be moving out of care and maintenance and recommencing construction/operations
June 2, 2015	12MN001	NIRB receipt of project exception application package for Phase 2 Hope Bay Belt project from TMAC
June 19, 2015	05MN047	Nunavut Water Board letter to NIRB requesting assessment of Proposed Updated Waste Rock and Ore Management Plan – construction, operation and eventual decommissioning of a new pad, designated as Pad T
June 23, 2015	05MN047	NIRB receipt of replacement application for Doris North Project Certificate reconsideration from TMAC

On June 23, 2015 the NIRB received an updated 12.8.2 application from TMAC, with a request that it replace the previous 2013 application, to recommence the NIRB's reconsideration of the terms and conditions in Project Certificate No. 003; this replacement application included a revised scope of activities and revised operation plans. During the NIRB's conformity review of the new 12.8.2 application, which is currently ongoing, it has been determined that clarification is required regarding:

- Specific Plans: the proposed updated Waste Rock and Ore Management Plan also was referred to the NIRB by the Nunavut Water Board on June 19, 2015 which was a part of the previous 12.8.2 application, was not included in the current package. A discussion of this proposed updated plan was not referenced within the 12.8.2 amendment application.
- Site moving out of Care and Maintenance: the NIRB has received indication that the site would be moving out of care and maintenance, but has not yet received a clear indication regarding the timing of the transition, and when the NIRB could expect to receive the plans and updated documents (required 3 months prior to resuming operations). Within the current 12.8.2 application, no reference has been made to plans that could be changing with the Doris North Site as it transitions out of care and maintenance, or how this change in status would affect the application (i.e., Closure and Reclamation Plan).

The NIRB notes that the Doris North Project Certificate No. 003 is a key component of TMAC's 12.10.2(b) application package, and therefore recommends that TMAC ensure that any outstanding issues related to the Doris North site coming out of care and maintenance and the 12.8.2 amendment package are addressed to ensure clarity throughout the processing of both applications.

NEXT STEPS

The NIRB appreciates the update that TMAC provided on July 7, 2015 and at this time, respectfully requests that TMAC provide the Board with a response to comments, in line with the proposed date of **August 7, 2015**. If TMAC determines that additional time is required to prepare an adequate response, please advise the Board accordingly prior to this date. Following receipt of TMAC's response to comments, it may be necessary for the NIRB to allow for a second, shortened public comment period to give parties an opportunity to comment on the adequacy and content of information provided by TMAC to address gaps.

Please direct all forthcoming submissions to the NIRB at info@nirb.ca or via fax at (867) 983-2594.

If you have any questions regarding the NIRB's Review of TMAC's Phase 2 Hope Bay Belt project proposal, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,



Tara Arko
Director, Technical Services
Nunavut Impact Review Board

cc: Phyllis Beaulieu, Nunavut Water Board
Dave Hohnstein, Nunavut Water Board
Sonia Aredes, Nunavut Water Board
Geoff Clark, Kitikmeot Inuit Association
John Roesch, Kitikmeot Inuit Association
Hope Bay Belt Phase 2 Distribution List