



Water Resources Division  
Nunavut Regional Office  
Iqaluit, NU X0A 0H0

Your file - Votre référence  
2BB-MAE1727

November 8, 2017

Our file - Notre référence  
CIDM#1184653

Sonia Aredes  
Technical Advisor  
Nunavut Water Board  
Gjoa Haven, NU X0B 1J0

**Re: Indigenous and Northern Affairs Canada's (INAC) reply to TMAC Resources Inc.'s response for amendment #1 application for water licence #2BB-MAE1727 – Madrid Bulk Sample Project**

Dear Ms. Aredes,

Thank-you for the email received on October 20, 2017 regarding the above mentioned application.

INAC Water Resources Division has reviewed TMAC Resources Inc's (TMAC) September 25, 2017 response to comments we submitted on July 7, 2017. We have also had time to consider your question regarding the definition of "commencement".

Reply to TMAC's response

INAC do not have an issue with the timeline and amounts proposed by TMAC for posting security; that is 60 days prior to commencement at Madrid North for Phase 1 for 4,042,000\$ and 60 prior to commencement at Madrid South for Phase 2 for 3,089,000\$.

We note that the contingency amount in Table 2 is described as 20% of direct costs but does not quite equal 20% of the direct costs in Table 1. The total amount remains consistent with the original estimate submitted by TMAC dated October 31, 2014, for which we did not have any comments.

Definition of commencement

In your October 20, 2017 email, you outline three activities included in the scope of water licence 2BB-MAE which are distinct from the activities included in the scope of water licence 2BE-HOP. These are:

1. bulk sampling activities
2. construction of all weather roads
3. construction of bulk fuel storage at Madrid Site

The question you have asked us to respond to is: *“What is INAC’s opinion on defining the “Commencement” of the Project activities by using any of these three activities, whichever happen in first place, to mark the commencement of activities at Madrid North or Madrid South?”*

The construction of roads off of the current Doris-Windy road to the Madrid North and Madrid South sites will necessarily precede bulk sampling activities and construction of bulk fuel storage facilities. INAC is therefore of the opinion that using the definition “which ever of bulk sampling, all weather road construction or bulk fuel storage construction happens first” for commencement is equivalent to the definition TMAC proposes. We prefer the TMAC definition because it explicitly states “initiation” of road construction.

Please do not hesitate to contact me at 867-975-3876 or [sarah.forte@aandc-aadnc.gc.ca](mailto:sarah.forte@aandc-aadnc.gc.ca) for any additional information.

Regards,

Sarah Forté  
Water Management Specialist

CC: Richard Dwyer, Nunavut Water Board  
John Roberts, TMAC Resources Inc.