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May 31, 2017

Nunavut Water Board
P.O. Box 119
1 Water Street
Gjoa Haven, NU
X0B1J0

Attention: Stephanie Autut, Executive Director

Reclamation Security Provisions of Water Licence 2BB-MAE1727

Dear Ms. Autut;

On May 23, 2017 TMAC Resources Inc. received the Type B Water Licence – 2BB-MAE1727 (the “Madrid Type B Licence”) based on an application submitted in December of 2014. TMAC would like to thank the Board and its staff for its diligent consideration of the proposed advanced exploration program and for granting the licence. As was requested in the application, the licence permits geologic and geophysical mapping, surface and underground diamond drilling, test stoping and bulk ore sampling, the provision of fresh water from Patch Lake and Windy Lake and the construction of roads, portals and underground workings, offices, waste rock and ore storage pads, sumps and pollution control ponds necessary for the safe completion of the bulk sampling activity.

The Company's original planning called for initiating the advanced exploration program in the fall of 2017. Recently, TMAC has re-evaluated plans for the program in the context of current priorities and activities and has determined that the work of constructing the Madrid sites should not be started until after the completion of the sealift resupply in 2018. As a practical matter, this means that the work at site is now expected to commence on October 1, 2018.

Under Licence Part C: 1. TMAC is required to provide security of approximately \$7.1 million 30 days after issuance of the licence (or June 22, 2017). Given the change in the schedule mentioned above, TMAC respectfully requests that this term be modified to allow the provision of the appropriate amount of security 30 days prior to the commencement of site preparation. TMAC would undertake to notify the Board at least 60 days in advance of its intention to commence site preparation should a change in the proposed start date be warranted. For clarity, in the event that a

change of schedule occurs, TMAC would provide 60 days prior notification of the proposed start date and 30 days thereafter would provide the required amount of security in an acceptable form.

TMAC intends to fulfill the requirements of Condition C: 2., and will provide a revised and updated cost estimate for the closure of the Advanced Exploration program.

Should you require anything further information to fulfill this request, please do not hesitate to contact me directly (John.Roberts@tmacresources.com).

Sincerely,



John Roberts

Vice President Environmental Affairs

cc. (via email)

Licencing Department, NWB
David Hohnstein, NWB
Karen Costello, INAC
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John Roesch, KIA
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