



ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪᓐ ᑲᓂᓕᓂᓪᓐ  
NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

**File: 2BB-MAE1727 / Part C, Item 1**

June 2, 2017

John Roberts,  
V.P Environmental Affairs  
TMAC Resources  
95 Wellington Street West  
Suite 1010 P. Box 44  
Toronto, Ontario N5J 2N7

[E-mail: john.roberts@tmacresources.com](mailto:john.roberts@tmacresources.com)

**Subject: Water Licence No. 2BB-MAE1727: NWB Response to TMAC letter with respect to Reclamation Security Provisions**

---

Dear Mr. Roberts,

On May 23, 2017, the Nunavut Water Board (the Board or NWB) issued licence 2BB-MAE1727 (the Licence) to allow TMAC Resources (TMAC or the Licensee) for the use of water and the deposit of waste associated with the development of the Madrid Advanced Exploration Program (Program).

Under Licence No. 2BB-MAE1727, the Board accepted and included a security amount of \$7,131,000 for the reclamation and closure of all facilities associated with the Madrid Advanced Exploration Program. Under Part C, Item 1 of the Licence, the Licensee is required, within thirty (30) days of issuance of the Licence, to furnish and maintain with the Minister the accepted amount of security.

On May 31, 2017 by means of a letter, TMAC notified the NWB that the work at site is now postponed and is expected to commence on or about October 1, 2018, and has requested that the Licence be modified to allow the provision of the appropriate amount of security thirty (30) days prior to the commencement of site preparation for the Program. The letter also stated that “*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*”.

Copies of all documents related to Water Licence No. 2BB-MAE1727, including a copy of the above noted letter, can be accessed through the NWB’s FTP site using the following link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BB%20-%20Bulk%20Sampling/2BB-MAE1727%20TMAC/>

In accordance with the relevant terms and conditions of Licence No. 2BB-MAE1727 and details provided in the correspondence, TMAC's request constitutes a significant change to the terms and conditions under the existing Water Licence, and therefore requires a Water Licence amendment. The Licensee is advised, however, that in this case, as no work has yet begun under the Water Licence, and prior to any work commencing under the Licence, a cancellation of the Licence may also be applicable. Depending on its chosen option, it is recommended that the Licensee submit an application to either amend or cancel the Licence at its earliest convenience.

Regarding the Licence amendment, and based on the information included in the letter, work at site is expected to commence on or about October 1, 2018; however, as this is a proposed date based on current information, a change in the proposed start date could happen.

It was also not clear, within the May 31, 2017 letter, if TMAC is planning to undertake any activity at Madrid authorized under the scope of the existing Licence prior to October 2018 (or the date of notification of commencement of site preparation). In that case, the amendment wouldn't be a simple amendment to post security in advance of operations starting up, it would have to be phased in security with the posting of some security to provide for reclamation associated with the use of waters and the deposit of waste that would be proposed to be undertaken.

The NWB will require clarification with any application, as to whether any activity at site will be undertaken prior to the date of commencement of site preparation.

It should also be taken in account that, since the Board is not exactly certain on the proposed date on which activities under the licence would actually commence, and if the notice of operation is received beyond the period of time proposed (ie October 2018), TMAC may also be required to provide an updated security assessment.

Furthermore, the Licensee is advised to seek guidance from INAC related to security arrangements as to the timing and form of posting of the security amount under the current Licence conditions, and to inform the Board of INAC's recommendations on this matter.

Should you have any questions, please do contact Karen Kharatyan, Acting Licensing Manager at [Karen.kharatyan@nwb-oen.ca](mailto:Karen.kharatyan@nwb-oen.ca).

Karen Kharatyan  
A/Licensing Manager

CC: Kitikmeot Distribution