



95 Wellington Street
Suite 1010
Toronto, Ontario
M5J 2N7
416-628-0216

October 16, 2018

Karén Kharatyan
Director of Technical Services
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0

Sent via Email: karen.kharatyan@nwb-oen.ca; licensing@nwb-oen.ca

Re: TMAC Request Re Allocation of Security between Parties for 2BB-MAE1727

Dear Mr. Kharatyan,

TMAC Resources Inc. (TMAC) would like to formally request the Nunavut Water Board (the Board) to clarify the allocation of security under Amendment No.1 of Type 'B' Water Licence 2BB-MAE1727, to permit discounting of the amount posted with Kitikmeot Inuit Association (KIA) from the total amount currently required to be posted with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC). TMAC is not requesting any change to the total amount of security required, only for the Licence to reflect the mutually agreed upon allocation of the security.

In September 2018 the KIA and CIRNAC engaged with each other to mutually agree upon the allocation of security under the Madrid Advanced Exploration Program as defined in Amendment No.1 of Type 'B' Water Licence 2BB-MAE1727. The mutually agreed upon results of that discussion, as confirmed by each party, are presented in Table A.

Table A: Agreed Upon Allocation of Security for Madrid Advanced Exploration Program

	KIA	CIRNAC	Total
Madrid North	\$1,492,763	\$2,549,236	\$4,042, 000
AWR	\$14,863	\$2,137	\$17,000
Madrid South	\$2,270,139	\$801,862	\$3,072,000
Total	\$3,777,765	\$3,353,234	\$7,131,000

TMAC is requesting that Items 1, 8, 9, 10 of Part C in Type 'B' Water Licence 2BB-MAE1727 be clarified to reflect the mutually agreed upon allocations described in Table A and the fact the Licensee will furnish and maintain security with both the Minister and the KIA in these respective amounts.

Should the Board determine that an administrative amendment to the security provisions of 2BB-MAE1727 is required in order to effect this agreed allocation, TMAC would suggest that the Board consider the security provisions set out in Part C of Type A Water Licence 2AM-DOH1323 which also permits the Board to discount amounts posted with KIA from the security that would otherwise be required to be posted with CIRNAC.

Due to the time-sensitive nature of TMAC development plans, TMAC requests that this clarification be issued by the Board on or before **October 31, 2018** to enable TMAC to post the required security with KIA and with CIRNAC and commence construction as soon as possible.

TMAC has provided this letter to KIA and to CIRNAC and both parties have confirmed the referenced amounts stated in Table A are reflective of their agreement.

If you require any additional information in order to process this request or should you have any further questions please feel free to contact me at oliver.curran@tmacresources.com.

Sincerely,



Oliver Curran
Vice President, Environmental Affairs, TMAC

Cc:
Licencing (NWB)
Derek Donald (NWB)
John Roesch (KIA)
Spencer Dewar (CIRNAC)
Ian Parsons (CIRNAC)
Sarah Forte (CIRNAC)