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Sent by Email

March 31, 2018

Licensing Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Re: February 2018 – Monthly Monitoring Report for Water Licence 2BB-MAE1727

This report is comprised of monitoring requirements as set out in Part J of water licence 2BB-MAE1727 for the Madrid Advanced Exploration Program (MAEP). In February, a geotechnical drill program occurred to investigate the permafrost where the Madrid North infrastructure intends to be constructed. It is anticipated that work on this site will commence in 2018.

Part J Item 2 Water Use Volumes

No water used for domestic, drilling and all other purposes from all sources in February.

Table 1. Water Usage

	Windy Lake	(MAE-01)	Patch Lake	Total	
Month	Domestic Water (m³)	Industrial Usage (m³)	Domestic Water (m ³)	Industrial Usage (m³)	Usage
January	0	0	0	0	0
February	0	0	0	0	0
Annual Total	0	0	0	0	0
Annual Allowance					108,000

Part J Item 3 and 4 Water Use and Waste Locations (GPS Coordinates)

GPS coordinates of locations of water sources and waste associated with the camp and drilling activities will be kept on file when established with the Inspector. At this time, there are no water sources being used and no waste being produced.

Part J Item 5 Daily Quantities of Effluent Discharged, Containment Pond, Bulk Fuel Storage and Quarry Pond

Table 2. Effluent Discharge

Facility	Station Code	Discharge Volume (m³)	Exceedances of Discharge Criteria	Discharge Location	Licence Reference
Madrid North Pollution Control Pond (PCP) Water at the point of discharge	MAE-04	0	0	Tundra Discharge	Part J Item 5

Madrid South Pollution Control Pond (PCP) No. 1 water at the point of discharge.	MAE-05	0	0	Tundra Discharge	Part J Item 5
Madrid South Pollution Control Pond No. 2 Water at the point of discharge.	MAE-06	0	0	Tundra Discharge	Part J Item 5
Madrid South Fuel Storage Area Water Sump	MAE-07	0		Tundra Discharge	Part J Item 5
Madrid North Fuel Transfer Station	MAE-08	0	0	Tundra Discharge	Part J Item 5
Madrid South Fuel Storage Area Water Sump	MAE-09	0	0	Tundra Discharge	Part J Item 5
Madrid South Fuel Storage Area Water Sump	MAE-10	0	0	Tundra Discharge	Part J Item 5
Quarry G Contact Water Sump	MAE-11	0	0	Tundra Discharge	Part J Item 5
Quarry H Contact Water Sum	MAE-12	0	0	Tundra Discharge	Part J Item 5
Quarry I Contact Water Sump	MAE-13	0	0	Tundra Discharge	Part J Item 5

Part J Item 6 and 9 (also Part E, Item 2) Sampling at Pollution Control Ponds

No samples were taken from monitoring station MAE-04, MAE-05 and MAE-06 as containment ponds have not been constructed at this time.

Part J Item 7 and 10 (also Part E, Item 9) Sampling at Fuel Storage Sites

No samples were taken from monitoring station MAE-07, MAE-08 and MAE-09 as facilities have not been constructed at this time.

Part J Item 8 and 10 (also Part G, Item 7) Sampling at Quarry Sumps

No samples were taken from monitoring station MAE-11, MAE-12 and MAE-13 as Quarry's are not operational.

Part J Item 11 Sampling of Water from Madrid South Underground Mine Water Sumps

No mining operations occurring at this time.

Part J Item 12 Sampling at Windy Lake, Patch Lake and Wolverine Lake down gradient of Pollution Control Ponds Discharge

These ponds have not been constructed at this time. The proposed monitoring locations for MAE-14, MAE-15 and MAE-16 are provided in Figure 1 below. No samples were taken from monitoring stations MAE-14, MAE-15 and MAE-16 during the month of February.

Part J Item 13 (also Part F, Item 11) Under-Ice Quality Sampling

Not applicable as on-ice drilling did not occur pertaining to licence 2BB-MAE1727.

Incident Reporting

No incidents pertaining to this licence occurred during the month.

Should there be any questions regarding this monthly report, please contact Oliver Curran at Oliver.Curran@tmacresources.com.

Yours sincerely,

Oliver Curran

Vice President, Environmental Affairs Hope Bay Project

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cc. Eva Paul, Water Resources Officer, INAC Jeremy Fraser, Water Resources Officer, INAC

Figure 1. 2BB-MAE1727 SNP Monitoring Locations MAE-16 MAE-14 MAH-15