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July 30, 2018

Licensing
Nunavut Water Board
P.O. Box 119
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Re: June 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).

Part J Item 2 Water Use Volumes

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

Table 1. Water Usage

| Month | Windy Lake (MAE-01) | | Patch Lake (MAE-02) | | Total Usage |
|-------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------|
| | Domestic Water (m ³) | Industrial Usage (m ³) | Domestic Water (m ³) | Industrial Usage (m ³) | |
| January | 0 | 0 | 0 | 0 | 0 |
| February | 0 | 0 | 0 | 0 | 0 |
| March | 0 | 0 | 0 | 0 | 0 |
| April | 0 | 0 | 0 | 0 | 0 |
| May | 0 | 0 | 0 | 0 | 0 |
| June | 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 Sump | 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 the 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 these 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. Water quality samples were taken from monitoring stations MAE-14, MAE-15 and MAE-16 during the month of June. Results of this sampling is provided in Appendix A of this report.

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 enviro@tmacresources.com.

Yours sincerely,



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Figure 1. 2BB-MAE1727 SNP Monitoring Locations

