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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

**File No.: 2BB-MAE1727**

January 12, 2018

Oliver Curran, M.Sc.  
Vice President, Environmental Affairs  
TMAC Resources Inc.  
95 Wellington Street West  
Suite 1010, P.O. Box 44  
Toronto, Ontario, M5J 2N7

E-mail: [oliver.curran@tmacresources.com](mailto:oliver.curran@tmacresources.com)

**RE: TMAC's Water Licence No. 2BB-MAE1727 Amendment No.1 for Madrid Advanced Exploration Program**

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Dear Mr. Curran:

Please find attached Type "B" Water Licence No. **2BB-MAE1727 Amendment No.1**, issued to TMAC Resources Inc. (TMAC, the Licensee or the Applicant) by the Nunavut Water Board (NWB) pursuant to its authority under Article 13 of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Agreement)* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, S.C. 2002, c. 10 (NWNSRTA). The terms and conditions of the original Licence related to water use and waste deposit are an integral part of this approval.

The pre-licensing regulatory requisites of the *Nunavut Agreement and the Nunavut Planning and Project Assessment Act*, S.C. 2013, c. 14 (NuPPAA) require that if a Proponent of a Project that was previously assessed under the *Nunavut Agreement* and NuPPAA proposes a significant modification to the Project, they must submit a Project Proposal to the Nunavut Planning Commission (NPC) in order to assess whether the proposed modifications conform to the applicable land use planning requirements. If the amendment is considered to be a significant modification to the previously assessed Project, the NPC would also provide directions regarding whether the amended Project Proposal should be subject to screening by Nunavut Impact Review Board (NIRB). In this case, the amendment to Licence No. 2BB-MEA1727 is limited to the security conditions of the Licence and does not involve any change in activities related to the use of water or the deposit of waste, or

management components of the Madrid Advanced Exploration Project. Consequently, the NWB does not consider the proposed amendment to constitute a significant modification and considers that the NPC letter issued on March 26, 2015 with respect to the previously assessed Madrid Advanced Exploration Project Proposal continues to apply to the amendment application (Application). Similarly, the subsequent NIRB Screening Decision Report with respect to the Project issued on June 24, 2016 also continues to apply to the proposed amendment of the security provisions of the Licence. On this basis, the NWB has concluded that the pre-licensing requirements of the *Nunavut Agreement*, the *NuPPAA* and the *NWNSRTA* have been met and has processed the amendment application accordingly.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified during the Application review period. This information is attached for your consideration.<sup>1</sup>

Sincerely,

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Lootie Toomasie  
Nunavut Water Board Chair

LT/sa/ip

Enclosure:   Licence No. **2BB-MAE1727 Amendment No.1**  
                  Comments – INAC

Cc:     Kitikmeot Region Distribution List

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<sup>1</sup> INAC comments submitted on July 7, 2017 and November 8, 2017

## LICENCE AMENDMENT No. 1

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<b>Licensee:</b>	<b>TMAC Resources Inc.</b>
<b>Licence No:</b>	<b>2BB-MAE1727</b>
<b>Licence Issued:</b>	<b>May 23, 2017</b>
<b>Amendment No. 1 Issued</b>	<b>January 12, 2018</b>
<b>Licence Expiry Date:</b>	<b>May 22, 2027</b>

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### DECISION

#### **I. Procedural History**

On June 2, 2017 the Nunavut Water Board (NWB or the Board) received an amendment application (the Application) submitted by TMAC Resources INC. (TMAC or the Licensee) seeking an amendment to Water Licence 2BB-MAE1727 (the existing Licence).

The Application included the following documents:

- Cover letter
- An Application for Water Licence Amendment
- Incorporation documentation and list of TMAC Officers and Directors
- Nunavut Impact Review Board Decision of June 24, 2016; and
- Summary of Amendment Application

On June 16, 2017, the NWB acknowledged receipt of the Application and following a preliminary completeness check, the Board invited interested parties to make representations before the Board on or before July 7, 2017. On or before the comment deadline, comments were provided by Indigenous and Northern Affairs Canada (INAC, the reviewer or the intervener). Following INAC's comments, on September 25, 2017 TMAC submitted a reply to INAC's comments, and on November 8, 2017 INAC submitted follow up comments in response to TMAC's further submissions.

Further to this and following TMAC's additional submissions and conversations with INAC, TMAC informed the Board<sup>2</sup> that an agreement has been reached with INAC, and that according to that agreement, TMAC proposes to furnish the total Security for the reclamation of the Madrid Facilities in three stages: the first stage consisting of the commencement of the construction activities at the Madrid North Project, the second stage being at the commencement of the construction of the all weather road (AWR) from Madrid North to Madrid South and the third stage being at the commencement of the construction activities at Madrid South.

In the same communication, TMAC provided the Board with definitions of some of the terminology employed by TMAC in the Application that TMAC and INAC had agreed would be useful to the

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<sup>2</sup> Email from TMAC to the NWB, Re: Definition of Phase 1 and Phase 2 for the Madrid Project, dated November 22, 2017

Water Licence in order to clarify some of the concepts applied in the Licence.

Given that an agreement was reached between the Applicant and the intervener, and that during the review process, no issues were identified that would prevent the Board from issuing the Licence Amendment, the Board gave consideration to the reviewer's comments and the material submitted by the Applicant and decided to grant the requested amendment to allow for staged security to be posted under the Licence.

## **II. General Considerations**

The Board notes that condition Part C, Item 2 of the Existing Licence which requires the Licensee to submit a revised and updated Madrid Advanced Exploration Reclamation Security Estimate that includes Care and Maintenance Costs to the Board for approval remains outstanding. The Board would like to remind the Licensee that it is required to abide by all of the terms and conditions in the Licence at all times.

Pursuant to its authority under the Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to an application to amend Licence No. 2BB-MAE1727, dated June 2, 2017 made by TMAC Resources Inc., the Nunavut Water Board (NWB or Board) hereby issues the following Licence amendments:

### **PART A: SCOPE, DEFINITIONS AND ENFORCEMENT**

#### **2. Definitions**

**Insert the following definitions:**

**“Madrid Advanced Exploration Project”** means the exploration activities, drilling, bulk sampling and associated activities, including the construction of underground mining facilities, roads and other surface infrastructure to support the safe collection of underground bulk samples, from the Madrid North and Madrid South Deposits, as described in the 2015 Application for Madrid Water Licence, dated December 8, 2014;

**“Madrid North to Madrid South AWR”** means the portion of the all-weather-road (AWR) connecting the Madrid North Facilities to the Madrid South Facilities;

**“Madrid North Phase of the Madrid Advanced Exploration Project”** means the exploration activities, drilling, bulk sampling and associated activities, including the construction of underground mining facilities, roads, including the access/spur road from the existing Windy All Weather Road (AWR), and other surface infrastructure to support the safe collection of underground bulk samples via the Madrid North Portal, as described in the 2015 Application submission for Madrid Water Licence, dated December, 8, 2014 (located at the approximate coordinates of 68° 03' 49" N and 106° 36' 31" W);

**“Madrid South Phase of the Madrid Advanced Exploration Project”** means the exploration activities, drilling, bulk sampling and associated activities, including the construction of underground mining facilities, roads and other surface infrastructure to support the safe collection of underground bulk samples via the Madrid South Portal, as described in the 2015 Application submission for Madrid Water Licence, dated December 8, 2014 (located at the approximate coordinates of 68° 01’ 44” N and 106° 33’ 26” W);

**PART C: CONDITIONS APPLYING TO SECURITY**

**Amend Item 1**

1. The Licensee shall furnish and maintain with the Minister, reclamation security in the amount of \$7,131,000, as set out in Items 8, 9 and 10 of this Part.

**Insert Item 8**

8. The Licensee shall, upon providing notification in writing to the Board, in accordance with Part G, Item 17, furnish and maintain with the Minister, in a form that is satisfactory to the Minister, security in the amount of \$4,042,000 to ensure the closure and reclamation of the Madrid North Phase of the Madrid Advanced Exploration Project.

**Insert Item 9**

9. The Licensee shall, in addition to the security required to be posted under Part C, Item 8, and upon providing notification in writing to the Board, in accordance with Part G, Item 18, furnish and maintain with the Minister, in a form that is satisfactory to the Minister, security in the amount of \$17,000 to ensure the closure and reclamation of the Madrid North to Madrid South AWR.

**Insert Item 10**

10. The Licensee shall, in addition to the security required to be posted under Part C, Items 8 and 9, and upon providing notification in writing to the Board, in accordance with Part G, Item 19, furnish and maintain with the Minister, in a form that is satisfactory to the Minister, security in the amount of \$3,072,000 to ensure the closure and reclamation of the Madrid South Phase of the Madrid Advanced Exploration Project.

**PART G: CONDITIONS APPLYING TO MODIFICATIONS AND CONSTRUCTION**

**Insert Item 17**

17. The Licensee shall provide to the Board in writing, at least sixty (60) days prior to the initiation of construction of the Madrid North Phase of the Madrid Advanced Exploration Project and construction of the access/ spur all-weather road (AWR) from the existing

Windy AWR to the proposed Madrid North site, a notice to construct.

**Insert Item 18**

18. The Licensee shall provide to the Board in writing, at least sixty (60) days prior to the initiation of construction of the all-weather road (AWR) to connect the Madrid North property to the Madrid South Property, a notice to construct.

**Insert Item 19**

19. The Licensee shall provide to the Board in writing, at least sixty (60) days prior to the initiation of construction of the Madrid South Phase of the Madrid Advanced Exploration Project, a notice to construct.

**All remaining terms and conditions of Type “B” Licence No. 2BB-MAE1727, dated May 23, 2017 continue to apply.**

**This Licence Amendment No. 1 to Type “B” Licence No. 2BB-MAE1727, is issued and recorded at Gjoa Haven, NU on January 12, 2018**

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Lootie Toomasie  
Nunavut Water Board, Chair