

From: [Mark Balog](#)
To: licensing@nunavutwaterboard.org
Subject: FW: Double Bonding & Recalculation of Restoration Liability
Date: Thursday, May 20, 2010 9:05:07 AM
Attachments: [LC application to CIBC for INAC from CMF.pdf](#)

-----Original Message-----

From: Mark Balog
Sent: Thursday, May 20, 2010 9:02 AM
To: 'Lou-Ann Cornacchio'; John Witteman; licensing@nunavutwaterboard.org
Cc: Patrick O'Neill; Bernie MacIsaac; Bryan Rayner; Spencer Dewar; Tanya Trenholm; dionne@nunavutwaterboard.org; Sandy Barham
Subject: RE: Double Bonding & Recalculation of Restoration Liability

Hi Lou Ann,

As you may or may not be aware, Comaplex has been working with the heads of INAC in Iqaluit and the KIA in Rankin to try and set up meetings in the very near term to try to resolve this double bonding requirement. We also understand that the Federal Minister has set up a panel to review the matter of security bonding and meetings are set up with the KIA for tomorrow. Comaplex has sent a letter of support for this meeting to the individuals involved.

With all this going on, it still appears that the issue of immediate compliance is of primary importance to your group. That being the case, we have already started the paperwork for the Letter of Credit for the full amount of \$639,000. See attached application to the CIBC. This LC should be in place tomorrow May 21, 2010. We will forward to your office as soon as we receive the actual Letter.

Please let John, myself, and the NWB know when you intend to release the hold on the other water license amendments. I called you this morning, but could not connect. Please contact me at 403-750-2560 if questions.

Thank you.

mark balog
Comaplex Minerals Corp.

-----Original Message-----

From: Lou-Ann Cornacchio [<mailto:LouAnn.Cornacchio@inac-ainc.gc.ca>]
Sent: Thursday, May 20, 2010 7:18 AM
To: John Witteman; licensing@nunavutwaterboard.org
Cc: Patrick O'Neill; Mark Balog; Bernie MacIsaac; Bryan Rayner; Spencer Dewar; Tanya Trenholm; dionne@nunavutwaterboard.org
Subject: Re: Double Bonding & Recalculation of Restoration Liability

John/Mark

Further to our conversation of last Wednesday and Mark's follow up email of later that day, I would like to reaffirm the following:

As noted in Bryan Rayner's April 7, 2010 letter to Mark Balog, Comaplex continues to be in non-compliance with Water Licence 2BB-MEL0914 due to

the unfurnished security requirement of Six Hundred and Thirty Nine Thousand Dollars (\$639,000).

INAC has not been provided with any substantive evidence or plans to indicate that the security will be furnished in the near future and is therefore of the opinion that this item of the licence remains out of compliance.

Given that the Crown is technically liable for said unfurnished security, INAC is of the opinion that any further water licence amendments should remain on hold by the Board.

As quite rightly stated below, any request for an amendment to the security amount required by the licence is made to the board.

Lastly as also discussed, the form of said security takes continues to be option for Compalex to explore. Should Comaplex choose to exercise this option, INAC would fully consider their proposal.

I trust this email resolves any uncertainty regarding furnishing the security required by the Water Licence and the process for applying for an amendment to the licence.

Regards,
Lou-Ann

>>> "John Witteman" <JWitteman@bonterraenergy.com> 5/17/2010 5:46 PM >>>
Dear Ms. Beaulieu,

The Water Licence, 2BB-MEL0914 allows for a review and update of the restoration liability for the Meliadine Lake Gold Project. This is allowed under Part B GENERAL CONDITIONS, Clause 3:

"Licensee shall review as required by changes in project operation, project components and or technology revise and submit annually to the Board for review, an updated estimate of the Meliadine Lake Gold Project restoration liability using the current version of RECLAIM, its equivalent or other similar method approved by the Board, in accordance with principles of INAC's "Mine Site Reclamation Policy for Nunavut (2000)."

What has changed since the earlier calculation by INAC of May 11, 2009 was the completion of static testing of Tiriganiaq waste rock. The consultants have concluded that all waste rock at the Tiriganiaq deposit is non-ARD. With this being the case, it will have a significant bearing on the calculated restoration liability and will reduce it by up to one third.

At this time we have not heard back from the parties we had hoped to meet with in resolving the double bonding issue. Nonetheless, we are

continuing to work on the issue and are now preparing a formal request to the NWB to have the restoration liability reduced.

In the interim, we are looking forward to the proposed meeting to resolve the issue of double bonding.

Regards,

John Witteman

Comaplex Minerals Corp.