



April 5, 2013

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
Gjoa Haven, NU X0E 1J0

Our reference
IQALUIT-#652295

Your reference
2BE-HOP1222

**Re: Hope Bay Regional Exploration Project – Hope Bay Mining Ltd. –
Application to assign licence #2BE-HOP1222 to TMAC Resources Inc. –
Kitikmeot Region**

Dear Ms. Beaulieu,

Thank you for your email of February 28, 2013, concerning Hope Bay Mining Ltd. application to assign the above-mentioned water licence to TMAC Resources Inc.

A memorandum is provided for the Board's consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4555 or email at David.Abernethy@aandc-aadnc.gc.ca for further information.

Yours very truly,

David Abernethy
Regional Coordinator
Water Resources Division
Resource Management Directorate
Aboriginal Affairs and Northern Development Canada
Iqaluit, NU X0A 0H0

Encl.

c.c.: Murray Ball Manager of Water Resources (AANDC, Iqaluit, NU)
Erik Allain, Manager of Field Operations (AANDC, Iqaluit, NU)
Karen Costello, Director of Resource Management (AANDC, Iqaluit, NU)

Memorandum

TO	Phyllis Beaulieu Manager of Licensing Nunavut Water Board	OUR REFERENCE IQALUIT-#652295
FROM	David Abernethy Water Resources Regional Coordinator Aboriginal Affairs and Northern Development Canada	YOUR REFERENCE 2BE-HOP0712 DATE April 5, 2013
SUBJECT	Hope Bay Regional Exploration Project – Hope Bay Mining Ltd. – Application to assign licence #2BE-HOP1222 to TMAC Resources Inc. – Kitikmeot Region	

A. PROJECT DESCRIPTION

On February 28, 2013, the Nunavut Water Board (“NWB” or “Board”) provided notification that Hope Bay Mining Ltd. (“HBML”) had submitted an application to assign their Hope Bay Regional Exploration Project’s Type ‘B’ licence to TMAC Resources Inc. (“TMAC”). It should be noted that HBML submitted two additional applications to assign the Doris North Gold Project’s Type ‘A’ licence, No. 2AM-DOH0713, and the Boston Advanced Exploration Project’s Type ‘B’ licence, No. 2BB-BOS1217, to TMAC.

On March 12, 2013, HBML and TMAC closed a January 25, 2013 transaction agreement where TMAC agreed to purchase and HBML agreed to sell the Hope Bay Gold Project, including all mineral and surface rights and related assets. This transaction agreement allows TMAC to proceed with re-commencing development of the Doris North Project and exploration of the Hope Bay Belt, which were placed in care and maintenance on January 31, 2012.

The licence does not require HBML to furnish and maintain reclamation security with the Minister in accordance with section 76 of the [Nunavut Waters and Nunavut Surface Rights Tribunal Act](#) and the [Mine Site Reclamation Policy for Nunavut, 2002](#). The department anticipates that security will be required following the Board’s review of the June 2012 *Hope Bay Project Windy Camp and Patch Facility Final Closure Plan* and the December 31, 2012 *Hope Bay Project Closure and Reclamation Cost Estimate – Update for NWB Licenses 2AM-DOH0713, 2BB-BOS1217, and 2BE-HOP1222* that were submitted by HBML pursuant to Part I, Item 1 of the licence. The proposed security amount is \$5,641,000.

B. RESULTS OF REVIEW

On behalf of Aboriginal Affairs and Northern Development Canada ("AANDC"), the following comments are submitted for the Board's consideration,

1. Based on the information presented at this time AANDC has no real concerns with the requested assignment provided that TMAC comply with the terms and conditions specified in the licence.

Prepared by David Abernethy