

March 10, 2016

Eva Paul
Water Resources Officer
Indigenous and Northern Affairs Canada
PO Box 1500, 4923-52 St
Yellowknife, NWT
X1A 2R3

Dear Ms. Paul;

Re. Response to INAC 2016 Inspection Reports for Water Licence 2AM-DOH1323 and 2BE-HOP1222

This document is being provided to address the 'actions required' as identified during your inspection of the Doris Project, Water Licence 2AM-DOH1323, conducted April 4-7, 2016, and your November 4-5 inspection of both Doris and Windy (Water Licence 2BE-HOP1222).

The April 4-7, 2016 Inspection Report 'actions required' are listed below, along with TMAC Resources Inc.'s (TMAC's) responses.

1. *"Continue recording and reporting water used for all purposes, including ice road development."*

TMAC Response: Acknowledged. TMAC has continued to record and report all water used, and has also recorded and reported water applied to ice roads.

2. *"Resume seasonal backhauls of hazardous waste as per the Hazardous Waste Management Plan"*

TMAC Response: TMAC made one test backhaul of packaged waste by air in December (the material was a non-hazardous animal attractant) and will commence routine air backhaul of Hazardous Wastes in 2017, making use of flight and/or sealift backhaul opportunities. TMAC is also working with shippers to arrange backhaul of waste stored in sea containers.

3. *"Monitor drainage function of, and sediment resulting from, newly constructed works"*

TMAC Response: Prior to freshet, sediment control (rolled coconut matting) was placed downslope of the newly constructed Tailings Impoundment Area (TIA) roadway to ensure sediment was not flushed to a natural water body. During freshet, monitoring along the roadway indicated no runoff of sediment-laden water or drainage concerns.

As is the case with all roads constructed on site, only rock is used for construction. This minimizes or eliminates potential for sediment runoff in most areas, except where overburden has been previously removed. In areas of overburden removal fine sediments

may be exposed and/or liberated and sediment control measures may be appropriate. Generally, removal of overburden is not conducted in road building or pad expansion. Overburden disruption is also minimized by constructing roads while the ground is frozen. 2016 construction activities have not required overburden removal.

4. *"Monitor dustfall as per licence requirements"*

TMAC Response: TMAC continues to monitor dustfall routinely at the Doris Project, and results are reported to the Board. The Doris Air Quality Management Plan was revised in 2016, with improvements made in winter dustfall collection methodologies and overall sampling design.

5. *"Ensure extensive sediment control measures during spring freshet"*

TMAC Response: To limit sediment runoff during freshet of 2016, sediment controls (coconut matting) were installed across surface drainages downslope of areas with notable visible dust. Visual inspections were also conducted during freshet to ensure runoff did not contain excessive quantities of dust; no turbid runoff was noted.

6. *"Ensure that changes to licensed facilities are approved prior to implementation"*

TMAC Response: Acknowledged, TMAC will seek approval where required.

The April 4-7, 2016 inspection report further requested that TMAC copy the Inspector on the submission of the Annual report for 2016, as well as the Management Plans being submitted. TMAC can confirm that these were provided directly to the Inspector, and are also available on the Nunavut Water Board (NWB) public registry.

The Inspection report also noted that *"it is understood that several plans are in the process of being updated in the period prior to Operations, as per the licence. Submission of these plans will begin the 6-month window, after which Operations may commence"*. TMAC provided all applicable plans to the NWB in alignment with an operational start in December of 2016. TMAC would like to clarify that not all management plans submitted triggered a 6 month pre-operations timeline, but that this timeline varied by plan; in each case the applicable requirements set out in the water licence were adhered to.

The November 4-5, 2016 Inspection Report 'actions required' are listed below, along with TMAC's responses.

1. *"Notify Inspector with confirmation when waste backhaul begins"*

TMAC Response: As noted above, TMAC made one test backhaul of packaged waste (kitchen grease) in 2016 and plans additional backhauls of hazardous waste in 2017. This backhaul was reported in the monthly water licence report copied to the Inspector.

2. *"Ensure that secondary containment capacity is maintained by removing snow regularly throughout the winter"*

TMAC Response: Snow removal occurs routinely throughout the winter on an as needed basis to maintain adequate containment capacity.

TMAC appreciates your inspection of our Project, and hopes the above addresses the concerns raised in your April and November inspections. Should you have any questions, please contact me at John.Roberts@tmacresouces.com or 1-416-628-0216.

Regards,

A handwritten signature in blue ink, appearing to read 'John Roberts', with a stylized flourish at the end.

M John Roberts
TMAC Vice President, Environmental Affairs

cc: Nunavut Water Board