

File No.: 2BE-KIY----

April 26, 2017

Christopher Pennimpede Montego Resources Inc. 950 Plymouth Place North Vancouver, B.C., V7H 2J2 E-mail: cpennimpede@gmail.com

Subject: Montego Resources Inc. - Kiyuk Lake Project - Type "B" Water Licence 2BE-KIY----

Dear Mr. Pennimpede:

The Nunavut Water Board (NWB) acknowledges receipt, on April 13, 2017, a joint request from Northern Empire Resources Corp. and Montego Resources Inc. to bring forward the renewal application materials, as well as the NPC and NIRB determinations, filed with the Board to date in association with expired Licence 2BE-KLG1116 to be considered as an application for a new Type "B" water license for water use and/or the deposit of waste associated with activities in the Kivalliq Region of Nunavut. The application consists of the following documents:

- Reports May 17, 2016
- 2016 Water Sources April 19, 2016
- Kiyuk Lake 2013 Project Description April 19, 2016
- Kiyuk Lake Community Consultation Log April 19, 2016
- Executive Summaries English and Inuktitut April 19, 2016
- Kiyuk Lake List of Studies April 19, 2016
- Kiyuk Lake Restoration Cost 2016 April 19, 2016
- Interim Financial Statements April 19, 2016
- Certificate of Amalgamation April 19, 2016
- Consolidated Financial Statements April 19, 2016
- Non-Technical Summary April 19, 2016
- Certificate of Name Change April 19, 2016
- NM NU Certificate of Name Change April 19, 2016
- Water Licence Topographic Map April 19, 2016
- Water Licence Water Source April 19, 2016
- Cover Letter April 26, 2016
- ARO Revised Estimate October 12, 2016
- Kiyuk Demobilization Plan October 12, 2016
- Spill Prevention and Response Plan October 12, 2016
- Application for Water Licence Renewal October 17, 2016
- Appendix I MSDS Sheets December 19, 2016
- Appendix II NT NU Spill Report Form December 19, 2016
- Appendix III Spill Report December 19, 2016

- Appendix IV Figures December 19, 2016
- Appendix V Waste Manifest December 19, 2016
- Follow Up Requirement Submission February 6, 2017
- Follow Up Requirement Submission February 7, 2017
- Claim Transfer Dated November 25, 2016 March 29, 2017
- Company Name Change March 29, 2017
- Management Discussion and Analysis for 3 Months Sept 30, 2016 March 29, 2017
- Company Change Info March 31, 2017
- April 6, 2017 NERC Montego liability assumption letter to NWB April 13, 2017
- Ltr to NWB re corp ownership new water licence April 13, 2017
- Montego FS Q2 2017 Final April 13, 2017
- Company Change April 18, 2017

The application can be obtained from our ftp site at the following link: ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-KIY----%20Montego%20Resources%20Inc/

As noted in the NWB's earlier correspondence acknowledging receipt of this application, under the Nunavut Land Claims Agreement (NLCA), Article 11, Section 11.5.9 and s. 76 (1) of *Nunavut Planning and Project Assessment Act* (NuPPAA), the proponent of a project proposal governed by the NLCA and NuPPAA that requires a water licence is required to submit a project proposal document (which may include the water licence application) directly to the Nunavut Planning Commission (NPC or Commission). The NPC then reviews the project proposal and makes a determination regarding the applicable land use planning requirements and/or provides direction regarding whether the project proposal is subject to screening by the Nunavut Impact Review Board (NIRB). Under Articles 11, 12 and 13 of the NLCA, NuPPAA and Part 3 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA), until the project proposal has concluded the applicable land use planning and assessment process required by the NPC and the NIRB, the NWB cannot issue a water licence.

On this basis, the NWB, while previously acknowledging the receipt of the application, waited for the Commission's determination and recommendations before proceeding to the next steps in the NWB's processing of the application. Please be advised that on September 16, 2016 and subsequently on March 22, 2017, the NWB received the required determinations and recommendations from the Commission regarding the conformity determination and the NIRB's determination for the project proposal associated with the water licence application.

Now that the application has concluded the pre-licensing steps required under the NLCA, NuPPAA and the NWNSRTA, the NWB is now proceeding to the next steps in processing the application, including providing the attached Notice of Application which will be published in due course. In addition, to ensure this application is dealt with in a timely fashion, the NWB has forwarded notice of all documentation received by the NWB in respect of the application to regulators and Council of the Municipality(ies) most affected by the project. The NWB is also inviting interested parties to make representations about the application, including information requests, identifying issues of water user compensation and providing technical review comments directly to the NWB within fourteen (14) days from the date of this letter; on or before May 10, 2017.

After the NWB receives and reviews the comments received, the Board may provide additional procedural instructions regarding the next steps in the Board's processing of the application. Please note that throughout the Board's consideration of the application, the NWB retains the right to request additional information and studies, as set out under ss. 48(1)-(3) of the NWNSRTA. If additional information will be requested, the NWB's technical staff will contact the applicant to discuss the Board's request in detail.

If the applicant or parties have any questions regarding this matter, please contact Cynthia Ene, the Technical Advisor for the file. Cynthia.Ene@nwb-oen.ca

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Sincerely,

Ida Porter

Licensing Administrative Assistant

Enclosure: Notice of Application Cc: Distribution List – Kivalliq