

## Executive Summary

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The Hope Bay Project (the “Project”) is an approximately 20 km × 80 km property along the south shore of Melville Sound in Nunavut, Canada. The Project is TMAC Resources Inc.’s (“TMAC”) prime holding and is its sole focus for exploration, development and mining. This report to the Nunavut Impact Review Board (NIRB) has been prepared to summarize the Project activities and monitoring conducted under TMAC Resources Inc. (TMAC) existing Project Certificate No. 003 for the Doris Project.

In 2018 commercial operations continued at Doris with continued efforts to progressively ramp up production to increase ore throughput and optimize gold recovery. Infrastructure constructed included a fabric tent structure over the primary crusher of the mill and an enclosure for the detoxified tailings conveyor exiting the mill building. Two dorms were added to allow an additional 98 beds at the Doris site.

Earthworks continued to complete the Doris Airstrip south apron expansion and lined aircraft de-icing and refueling pad. Construction of the Tailings Impoundment Area South Dam and associated access road were completed in 2018. In addition to this, construction of the access road and outfall berm for the Roberts Bay ocean discharge line and fusing of the discharge pipeline began in 2018. To accommodate increased fuel storage required for future project activities, the Roberts Bay single tank farm berm was raised to allow full use of the 5 ML tank and this tank was recommissioned in 2018. In order to support continued underground development, the Doris Connector Vent Raise access road was constructed. The final section of Pad T was completed in 2018 to allow additional ore and waste rock storage within the permitted footprint.

Underground waste development continued in 2018 with further advancement of the below the dyke (BTD) decline and necessary support infrastructure. TMAC completed ore development above the dyke for long hole drilling and blasting in the Doris Connector (DCO) and BTD at Doris, and commenced ore sill development in the DCO. TMAC also continued waste development of the DCO for future mining horizons. Long hole blasting continued throughout 2018, with all ore production trucked to surface and processed through the mill or added to the stockpile. Development of the Doris Central (DCN) decline began in Q4 of 2018. TMAC continued underground exploration diamond drilling below the dyke at Doris, focused on the BTD East limb in 2018. The DCO Vent Raise was constructed and a conventional raise to surface was also developed from the BTD to support underground ventilation requirements.

Ore development also occurred from surface in Q4 of 2018 with the completion of surface blasting and hauling of ore and waste rock from the Doris Crown Pillar Trench.

In the Fall, TMAC concluded another successful sealift operation including the purchase and delivery of diesel fuel and Jet-A fuel as well as explosives and reagents to support mining and milling activities. The sealift also included additional heavy equipment and supplies to support mining and construction operations.

In 2018 the focus of TMAC’s permitting efforts were on the Madrid-Boston (Phase 2) project. The scope of activities proposed included mobilization, construction, operation, closure, reclamation, and post-closure monitoring of three (3) gold mines along the Hope Bay Property, referred to as the Madrid North, Madrid South and Boston. After completing the review of the final environmental impact study, the Nunavut Impact Review Board issued a recommendation to the Ministers of Crown-Indigenous Relations and Northern Affairs Canada for approval of a new Project Certificate for the Madrid and Boston mines, which approval was granted on November 12, 2018. The final permitting for the Madrid and Boston

projects was completed on January 14, 2019 with the approval of two Type A Water Licence as recommended by the NWB on December 7, 2018 and concludes the final step in the environmental permitting process that enables mine development at Madrid North, Madrid South and Boston, with connecting all-weather roads. As approval for the Madrid Boston portions of the Project did not occur until late in the calendar year, only limited monitoring occurred under Project Certificate No. 009 in 2018. As such, TMAC undertook only limited monitoring that occurred in 2018 to support Project Certificate No.009 with full results and effects conclusions for Project Certificate No.009 related monitoring programs reported in the 2019 NIRB Annual Report.

Community consultation in 2018 focused on engaging positively and effectively with local communities regarding TMAC operations, employment and contracting opportunities and consultation on TMAC's Boston-Madrid Project. TMAC conducted community tours of Kugluktuk, Cambridge Bay, Kugaaruk, Taloyoak, and Gjoa Haven in both March and October, 2018. The purpose of the March 2018 Community Tour was to share a Hope Bay Project update and seek public input on the proposed Boston-Madrid portion of the Project and the purpose of the October 2018 Community Tour was to offer an opportunity to ask questions and to raise awareness on Human Resources related matters such as jobs and skill training opportunities.

Throughout 2018, TMAC continued to operate in compliance with its existing Project Certificate No.003, Water Licences, Framework Agreement, and other obligations and authorizations. Water use in 2018 was conducted in accordance with Type A Water Licence 2AM-DOH1323, the Type B Water Licences 2BB-BOS1727 for Boston, the Type B Water Licences 2BB-MAE1727 for Advanced Exploration at Madrid, and the Type B Water Licence 2BE-HOP1222 for regional exploration. Water usage in 2018 was conducted within approved limits. Fifteen spills were reported to the Nunavut Spill Line, Water Licence Inspector and KIA Major Projects office. The remaining spills that occurred during 2018 were minor in nature, occurring on land, with quick response and clean up resulting in negligible impact to the receiving environment.

TMAC continued the collection of relevant monitoring and baseline data for the Project during 2018. Baseline data and impact predictions were provided in the respective environmental impacts statements and data continues to be collected in construction and operations. From both a biophysical and socio-economic environment perspective, monitoring results in 2018 continue to show impact predictions remain valid, there have been no significant adverse effect observed on Valued Components from the Project, and mitigation measures are continuing to prove successful. Socio-economic monitoring has shown that in 2018 TMAC was able to award \$68.0 million in contracts to Kitikmeot Qualified Businesses as defined under the Hope Bay IIBA, project employment has exceeded initial predictions, total payroll for Inuit TMAC employees is increasing year over year, and TMAC as made significant improvements on its lost-time injury rate.

On-going progressive reclamation focused on reclaiming the unoccupied Windy Camp and ensuring appropriate financial security is in place.

As demonstrated above, TMAC strives to continually achieve compliance with its Project Certificates, various regulatory requirements and to maintain positive community relationships. Environmental monitoring under both Project Certificate No.003 and No.009; in addition to Water Licences, Framework Agreement, other authorizations, management plans and environmental effects monitoring plans; will continue during 2019.