



November 14, 2022

Andrew Williams
Environmental Manager
Pine Point Mining Limited
1100, AVENUE DES CANADIENS-DE-MONTRÉAL, BUREAU 300
MONTRÉAL QC H3B 2S2

Dear Mr. Williams:

Mackenzie Valley Land and Water Board - Pine Point Mining Limited - Confirmation and Drilling Program – Pine Point - Type A Water Licence MV2020L8-0012 - Partial security deposit return

On December 08, 2021, the Mackenzie Valley Land and Water Board (Board) issued a Type A Water Licence MV2018L8-0012 to Pine Point Mining Limited (PPML) with a \$317,298.00 security deposit requirement. On July 21, 2022, our department received the full security deposit amount from PPML.

On July 18, 2022, the Board received a PPML letter dated July 12, 2022, which addressed a Water Licence proposal to change Schedule 2 – securities into two separate phases and security deposit amounts. The total security deposit amount would not change. On August 31, 2022, the Board accepted the proposal and changed Schedule 2: MV2020L8-0012 - Security.

The Licence security deposit requirements were divided into two phases, which state: Item 1.
a) Within 90 days of issuance of this Licence, the Licensee shall post \$201,930.00; and Item 1.
b) Prior to the Construction of camp, an ammonium nitrate storage facility, increase in fuel storage or increase in use of equipment, the Licensee shall post an additional \$115,369.00.

Due to the Board's Schedule change approval and an October 21, 2022, PPML security deposit request letter to our office, PPML is entitled to a \$115,369.00 security deposit return. On November 11, 2022, our department in conjunction with the Department of Finance returned \$115,369.00 to PPML via bank direct deposit.

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We note that Schedule 2: MV2020L8-0012-Security's licence conditions and the total security deposit amount are correct, however, the combined security deposit amounts do not add up correctly. We understand the Board's office may correct the Schedule with an administrative amendment. Our office will monitor the issue and ensure the next security deposit amount addresses the required and overall security deposit amount.

If you have any comments or questions, please contact Mr. Bill Pain, A/Manager, Water Regulatory and Assessment at (867) 767-9234 extension 53117 or email Bill_Pain@gov.nt.ca or Mr. David Jessiman, Water Management Advisor, (867) 767-9234 extension 53114 or email David_Jessiman@gov.nt.ca.

Sincerely,



Rick Walbourne
A/Director
Water Management and Monitoring
Environment and Natural Resources

Attachment

c. Celestino Oh
Assistant Comptroller General and Superintendent of Insurance
Finance

Jessica St. Arnaud
Director, Financial Planning
Environment and Natural Resources

Tony Vermillion
Regional Superintendent
Environment and Natural Resources

Dr. Shelagh Montgomery
Executive Director
Mackenzie Valley Land and Water Board