

ORIGINAL



20 August 2012

Damien A. Côté
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0



Dear Mr. Côté,

RE: IZOK CORRIDOR PROJECT PROPOSAL

Please find enclosed the Izok Corridor Project Proposal submitted by MMG Resources Inc. (MMG). This document provides the information required to complete the initial screening of the biophysical and socio-economic effects of this proposed mining project in the Kitikmeot region of Nunavut.

MMG anticipates that this Project, by virtue of its size and scope, will undergo a review pursuant to Article 12, Part 5 of the *Nunavut Land Claims Agreement* (NLCA).

As described in the Project Proposal, the Izok Corridor Project includes the following components:

- Izok Mine: an open pit and an underground mining operation, including an ore processing plant, tailings and waste storage, a permanent camp, and supporting infrastructure
- High Lake Mine: an open pit and underground mining operation, with crushing and screening run-of-mine ore, a permanent camp, and supporting infrastructure
- Izok Road: an all-season road connecting Izok Mine, High Lake Mine and Grays Bay Port
- Grays Bay Port: a dock and land-based infrastructure to support marine transportation of concentrate and resupply
- Marine shipping: transport of concentrate from Grays Bay to ports in Europe and Asia and resupply cargo into Grays Bay during the open-water season
- Winter roads: two temporary winter roads for use during the construction phase of the Project – one from Grays Bay to High Lake Mine, and another from Jericho Mine and / or Lupin Mine to Izok Mine, which will link Izok Mine to the Tibbitt-to-Contwoyto Winter Road

The Project Proposal includes the following core applications necessary to initiate the regulatory processes established pursuant to Articles 11, 12, 13 and 19 of the NLCA:

- Draft Water Licence applications for Izok Mine, High Lake Mine and water-crossings on the all-season Izok Road, submitted to the Nunavut Water Board
- Draft Application for Access to Inuit Owned Land for the Izok Mine, submitted to the Kitikmeot Inuit Association
- Draft Application for Land Use Permit for the laydown and storage area at the Grays Bay Port, submitted to Aboriginal Affairs and Northern Development Canada
- Draft Application for Authorization for Works or Undertakings Affecting Fish Habitat for the Izok Mine, submitted to Fisheries and Oceans Canada

Additional submissions pursuant to the *Navigable Waters Protection Act, Canada Transportation Act* and other applicable statutes will be submitted to the appropriate agencies in due course.

In closing, we look forward to working with all parties involved as the Izok Corridor Project proceeds through the regulatory review process. Please do not hesitate to contact me if you have any questions or require further information.

Yours sincerely,



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