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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP
SUPPLEMENTARY INFORMATION REQUEST

Applicant: MMG Resources Inc. **Licence No:** _____
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: A. Mitchell Tel: 807-346-1668 Fax: 807-345-0284
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2. Project Manager: Jason Rickard Tel: 807-346-1668 Fax: 807-345-0284
E-mail: jason.rickard@mmgroupltd.com

3. Does the applicant hold the necessary property rights?

MMG has submitted an application to the Kitikmeot Inuit Association for permission to construct the camp on IOL Parcel BB-68.

4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? If so, please provide letter of authorization.

No

5. Duration of the Project
☐ One year or less Start and completion dates: _____
☒ Multi Year:

If Multi-Year indicate proposed schedule of on site activities
Start: March 1, 2010 Completion: May 31, 2012 (exp of lic.)

CAMP CLASSIFICATION

6. Type of Camp

☐ Mobile (self-propelled)
☐ Temporary
☒ Seasonally Occupied: from March 1 to December 1 annually.
☐ Permanent
☐ Other: _____

7. What is the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?

The planned population of the camp is 30 people, this may fluctuate as low as 20 and as high as 38 for short periods of time (several days).

8. Provide history of the site if it has been used in the past.

It does not appear that this site has been used as a camp in recent history, though some tent circles were observed adjacent to the proposed camp location.

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.

MMG's MolyMag Project is a mineral exploration project focused on base metal exploration. The MolyMag Project is located in the Kitikmeot region of Nunavut, approximately 550 km north-northeast of Yellowknife, NWT. The closest population center is Kugluktuk, located 175 km west-northwest of the property. The property is approximately 85 km south of the Coronation Gulf, and is transected by the James River.

The proposed camp site sits atop a flat-lying esker adjacent to the James River.

10. How was the location of the camp selected? Was the site previously used? Was assistance from the Regional Inuit Association Land Manager sought? Include maps and/or aerial photographs.

The camp location was selected as it was the best location within reasonable distance of the proposed drilling area. There are relatively few lakes in the area and those that are present are small and have very rocky shorelines. A camp site on the James River provides a flat area for tents, accessibility by float plane, and a possible tundra landing strip.

The Kitikmeot Inuit Association was contacted and an application was submitted to construct the camp on IOL Parcel BB-68. The site does not appear to have been used in recent history, but some tent circles were observed adjacent to the proposed camp location.

11. Is the camp or any aspect of the project located on:

☒ Crown Lands	Permit Number (s)/Expiry Date: N 20070009/ Mar 26, 2010
☐ Commissioners Land	Permit Number (s)/Expiry Date:
☒ Inuit Owned Lands	Permit Number (s)/Expiry Date: KTL 3080008/ August 17, 2010

12. Closest Communities (distance in km):

Kugluktuk, Nunavut is the closest community and is located approximately175 km. west-northwest of the property.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?

The local Inuit Administration in Kugluktuk is aware our work in the area and we actively employ several individuals from Kugluktuk, Cambridge Bay, and Bathurst Inlet.

14. Will the project have impacts on traditional water use areas used by the nearby communities? Will the project have impacts on local fish and wildlife habitats?

The proposed work will not in any way impact traditional water use areas of nearby communities. Direct impacts on local fish and wildlife habitats will be minimal. The surrounding area sees limited use by large mammals for migration due to the difficult nature of the terrain. Aside from localized noise around camp and drill sites there will be minimal impact.

PURPOSE OF THE CAMP

15.
- ☒ Mining
- ☐ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.) (Omit questions # 16 to 21)
- ☐ Other

16. Activities (Check all applicable)

- ☐ Preliminary site visit
- ☒ Prospecting
- ☒ Geological mapping
- ☒ Geophysical survey
- ☒ Diamond drilling
- ☐ Reverse circulation drilling
- ☐ Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
- ☐ Other: Engineering and Environmental Studies

17. Type of deposit:
- ☒ Lead Zinc
- ☐ Diamond
- ☐ Gold
- ☐ Uranium
- ☒ Other: Copper and Molybdenum

DRILLING INFORMATION

18. Drilling Activities
- ☒ Land Based drilling
- ☒ Drilling on ice

19. Describe what will be done with drill cuttings?

All drill cuttings from land-based and on-ice drilling are disposed of in a properly constructed sumps or an appropriate natural depression located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body. These areas are chosen where direct flow into a water body is not possible and where there is sufficient opportunity for filtration through local soils.

20. Describe what will be done with drill water?

Drill return water is collected at the casing head, where it returns from the rod string. From there it is pumped via hoseline to a natural depression or properly constructed sump located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body. The drill water percolates into the soils leaving the drill cuttings within the sump, and the water is naturally filtered before returning to local water courses as ground water. These areas are chosen where direct flow into a water body is not possible and where there is sufficient opportunity for filtration through local soils. In some cases, water return is lost due to natural fractures within the rock proximal to the drill string, which allow the drill water to return to groundwater where filtration of cuttings occurs.

21. List the brand names and constituents of the drill additives to be used? Includes MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.

A list of the possible drill additives that may be required by Major Drilling are:

Brand Name	**Constituent**
Poly-Drill O.B.X.	Liquid Polymer
Poly-Drill 133-X	Liquid Anionic Polymer
Poly-Drill 1330	Liquid Anionic Polymer
Westcoast Drilling Supplies	Linseed Soap
Peladow	Calcium Chloride salt

MSDS Sheets are contained in the Spill Contingency Plan (attached to this application)

22. Will any core testing be done on site? Describe.

Core will be transported from the drill to the core shack where it is logged by geologists. Geologically significant intersections will be split with a core saw. One half of the core remains stored on site and the other half is bagged and sent off-site for laboratory assaying.

SPILL CONTINGENCY PLANNING

23. The proponent is required to have a site specific Spill Contingency Plan prepared and submitted with the application. This plan should be prepared in accordance with the NWT Environmental Protection Act, Spill Contingency Planning and Reporting Regulations, July 22, 1998 and A Guide for Spill Contingency Planning and Reporting Regulations, June 2002. Please include for review.

24. How many spill kits will be on site and where will they be located?

There will be 5 (five) emergency spill kits on site at this time. One will be located in the fuel cache area, one adjacent to the heli pad, one near the generator shack, and one at each of the 2 diamond drills.

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

All liquid fuels stored on site are contained in 45 Gal. (205 L) steel drums. A fuel cache area will be located approximately 100 m to the North of the camp location and approximately 150m from the lake shore. It is likely that 400-500 drums of fuel will be stored in this cache. Predominantly Jet-B helicopter fuel and Diesel although a small amount of Gasoline will be included as well. This cache will be monitored for leaks on a daily basis. Individual drums of diesel fuel are located behind each tent or building in the camp to provide fuel for the heaters, and there are commonly 2 or 3 drums located at the generator shack. The helicopter pad will normally have no more than 6 drums of fuel located at it for immediate use. All drums will be kept more than 30 m from the high water mark of any surrounding water bodies.

All lubricants and drill additives are contained in 5 Gal. (20 L) pails and will be stored in the fuel cache area. At any one time there is approximately 1000 L of various lubricants and drill additives on site.

Propane will be transported and stored in 100 lb. cylinders. These will be stored 100 m from camp in a specifically designed storage area where they are stored vertically and chained to prevent tipping. On average there will be approximately 20 cylinders onsite at any one time. Individual cylinders will be used at the kitchen and the dry to power hot water tanks, stoves, and laundry facilities. These cylinders will also be vertically standing and housed in small sheds to prevent accidental tipping.

In addition, small amounts of soaps and cleaning fluids are located in the kitchen and dry areas.

MSDS Sheets for the fuel and lubricant products used on site are provided in the Spill Contingency Plan, attached to this application.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

A variety of small water bodies will supply the water for the drilling. These are chosen for their proximity to the drill, minimizing the pumping distance and therefore the risk of freezing hose lines. Water supply for the camp will come directly from the James River.

27. Estimated demand (in L/day * person):

☒ Domestic Use: 100 L/day Water Source: James River
☒ Drilling Units: 180,000 L/day Water Source: Various small lakes and ponds
☐ Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:

Water will be pumped from the lake with a submersible Jacuzzi pump that has a mesh screen attached to the intake to prevent entrapment of fish. The water then passes through approximately 60 meters of hose-line before entering the holding tanks.

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?

Water quality will be tested several times per year for metals, Ph, and fecal colliform bacteria content.

30. Will drinking water be treated? How?

No, clean water will be used from the James River.

31. Will water be stored on site?

Water will be pumped from the lake daily into 2 holding tanks located within one structure onsite. Each of these tanks holds approximately $1m^3$ of water.

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

☒ Camp Sewage (black water)

An outhouse would be constructed adjacent to camp. The waste would be contained in a pit dug below the outhouse. At the end of use, the pit would be treated with lime and backfilled.

If possible, a small, portable, duel-chambered incinerator will be used to incinerate waste produced from a pacto toilet. The waste-filled pacto bags would be incinerated. The resulting ash would be collected and sealed in 45 Gal drums and then transported to Yellowknife for eventual disposal by the appropriate means.

☒ Camp Grey water

Grey water from the kitchen and showers will drain through a grease trap before being pumped to a natural depression (sump) behind camp that will provide further natural filtration through percolation before re-entering local water courses as ground water. The sump would later be treated with lime.

☒ Solid Waste

Solid waste will be collected and transported back to Yellowknife in 45 Gal drums for disposal in Yellowknife.

If possible, burnable solid waste will be incinerated in a small, portable, duel-chambered, diesel powered incinerator. The resulting ash would be collected and sealed in 45 Gal drums and then transported to Yellowknife for eventual disposal by the appropriate means.

☒ Bulky Items/Scrap Metal

Scrap metal and any other non-combustible refuse is collected and sealed in 45 Gal drums and then transported to Yellowknife for eventual disposal by the appropriate means.

☒ Waste Oil/Hazardous Waste

Waste oil is collected and sealed in 45 Gal drums clearly marked for this purpose and then transported to Yellowknife for eventual disposal by the appropriate means. Lead-Acid batteries are also contained in appropriate sealed containers, clearly marked, and returned to Yellowknife for disposal.

☒ Empty Barrels/Fuel Drums

Empty drums are collected and transported back to Yellowknife either for disposal or for re-filling.

☐ Other:

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33. Please describe incineration system if used on site. What types of wastes will be incinerated?

If possible, all burnable solid and semi-solid wastes will be incinerated. This will include sewage, kitchen refuse, plastics, cardboard and paper, and any fuel soaked material (ie. Rags, absorbent mats etc.)

34. Where and how will non-combustible waste be disposed of? If in a municipality in Nunavut, has authorization been granted?

As stated above, non-combustible waste is sealed into 45 Gal drums and flown back to Yellowknife for appropriate disposal.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).

The sump which handles the grey water discharged on a daily basis from camp will be set up approximately 100m from the kitchen and dry. It will be approximately 100m from the closest water course.

36. Will leachate monitoring be done? What parameters will be sampled and analyzed, and at what frequency?

No leachate is expected to be developed at the site at this time.

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? What known O&M problems may occur? What contingency plans are in place?

All of these water supply, waste treatment and disposal measures have been used in previous years and have proven to be effective even during the coldest of temperature extremes. Possible problems which may arise are freezing hose-lines. Fresh water is circulated through the water

intake lines to prevent freezing. Grey water disposal hose-lines are self draining and need not be heat traced. Water moves through them fast enough when being pumped that no freezing can occur. In the event that grey water lines were to freeze, sufficient hose line is on hand to run a new line until the original can be dismantled and thawed.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.

After each drill hole is completed any trash and litter is gathered up and transported back to camp for either burning or flying out to Yellowknife. Capped casing pipes are used to mark hole locations were significant mineralization was intersected. Natural re-vegetation is expected to eventually reclaim drill sites. At the close of the field season, rented equipment will be removed and flown back to Yellowknife for storage. The camp is left in a clean and tidy state and the remaining camp structures will be secured for the winter.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.

- ☐ Physical Environment (Landscape and Terrain, Air, Water, etc.)
- ☐ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.)
- ☐ Socio-Economic Environment (Archaeology, Land and Resources Use, Demographics, Social and Culture Patterns, etc.)
- ☐ Other:

No baseline data has been collected for this specific area.

However, this area is approximately 40km to the south-east of MMG's High Lake Project. A document titled – High Lake Project Proposal was submitted to the Nunavut Impact Review Board and other involved parties, including the Nunavut Water Board in support of applications for permits for a future mine development at High Lake in November of 2006. This document provides a complete description of the Physical Environment, Biological environment and Socio-Economic Environment for the High Lake Project. The Project Proposal presents the results of field data collection studies, impact assessments and mitigation and monitoring plans in all these areas for the project. An electronic copy of this document is provided with this application on CD ROM. A full paper copy was provided to the Nunavut Water Board in November of 2006.

REGULATORY INFORMATION

40. Do you have a copy of:

- √ Article 13 - Nunavut Land Claims Agreement
- √ NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
- √ NWB - Interim Rules of Practice and Procedure for Public Hearings
- √ NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the

NWT

- ✓ NWTWB - Guidelines for Contingency Planning
- ✓ DFO - Freshwater Intake End of Pipe Fish Screen Guideline
- ✓ Fisheries Act - s.35
- ✓ RWED - Environment Protection- Spill Contingency Regulations
- ✓ Canadian Drinking Water Quality Guidelines
- ✓ Public Health Act Camp Sanitation Regulations
- ✓ Public Health Act Water Supply Regulations
- ✓ Territorial Land Use Act and Regulations

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.