

INAC Nunavut Regional Office Field Operations P.O. Box 100, Iqaluit, Nunavut, X0A 0H0

February 9, 2011

Jason Rickard, Project Manager Andrew Mitchell, Development Manager MMG Resources Inc. Suite 200, 1159 Alloy Drive, Thunder Bay, ON, P7B 6M8

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Re: Inspection of Water Licence 2BE-HIG0712 (Moly Mag Camp/High Lake East)

Mr. Rickard,

Please find enclosed the water licence inspection report for the above referenced site, conducted on July 30, 2010. A copy of this document is to be kept on site (i.e.: main base of camp operations) for future reference and provided to the Water Resource Officer or Inspector upon request.

Submitted via Email

CIDM #: 440148

Our File: 2BE-HIG0712

Please read the entire inspection report; in particular, all comments and observations with respect to any identified areas of concern and non-compliance with the water licence and the Nunavut Water and Nunavut Surface Rights Tribunal Act (herein referred to as "the Act").

Subject to the Act, you will be required to submit a response, satisfactory to the Inspector, which addresses any concerns and/or non-compliance issues identified within this report.

Any work the company undertakes to correct deficiencies noted in this report (or outstanding from previous inspections) are to documented and provided to the Inspector, as well as included in the Annual Report submitted to the Nunavut Water Board.

The water licence and inspection reports should be made available to all camp staff on site, where the licence is to be reviewed on an ongoing basis or at a minimum at the opening of your camp each year. This will ensure everyone is familiar with the requirements of the licence terms and conditions.

Should you have any concerns with respect to this report or the conditions of your water licence and require more information or clarification please contact the undersigned. Please feel free to contact our office with any questions you may have.

Sincerely,

Original signed by:

Peter Kusugak Manager of Field Operations, Nunavut Regional Office Indian & Northern Affairs Canada P.O. Box 100, Iqaluit, Nunavut, X0A 0H0 Ph: (867) 975-4295, Fx: (867) 979-6445

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