

SUMMARY OF EXPLORATION ACTIVITIES:

MMG has been actively exploring in the High Lake area for several years under the active Land Use Permit #N2007C0009 and Water License 2BE-HIG0712. The “scope” of exploration in terms of infrastructure, equipment, methodology and area under investigation remains unchanged. The existing camps at the historic High Lake site and the newer High Lake East site (formerly MOLYMAG) continue to be used as operational bases for exploration activities and there is no current plan to expand either location.

The attached general location map shows the two camp locations relative to Yellowknife. Also included is a more detailed map showing the areas of interest (claims) presently permitted under LUP#2007C0009.

Anticipated exploration activities include core drilling and sampling from surface, prospecting and geological mapping, ground and airborne geophysics, as well as environmental baseline and engineering studies. Drill programs are target dependent for the most part, and diamond drills will operate from land or from lake ice in the Winter and early Spring. Some geotechnical drilling for engineering studies is anticipated, and up to 3 drills may be involved in the anticipated programs. The High Lake project remains of economic interest to MMG and it is anticipated that exploration work will be ongoing for the foreseeable future. The purpose of these activities is to identify additional mineral resources in the High Lake region and continue to advance the feasibility of the High Lake deposit.

HIGH LAKE CAMP

The historic High Lake Camp provides accommodations for up to 40 people in a combination of temporary plywood clad buildings, and wood framed canvass tents, although occupancy in recent years has never exceeded 20. Diesel fired stoves supply heat to the accommodations. Access is by air only, and limited to floats in summer months as the site doesn’t have a gravel airstrip. A helicopter is normally stationed on site during occupancy. The camp’s location however, continues to make it convenient as a logistical staging area, and it is opened seasonally (March/April) by a small crew in order to facilitate an airlift re-supply using the First Air C130 Hercules aircraft. A D6 cat onsite is utilized to construct the provisional landing strip on the frozen lake surface. Portable secondary containment berms onsite allow for the temporary storage of up to 800 drums of fuel. A generator provides electricity to the camp. Water is drawn from High Lake with a submersible pump and used to fill plastic storage tanks located in the “dry” for domestic use. Toilets are “Pacto” style, with human waste contained in plastic bags for incineration. Greywater from domestic use runs through a

grease trap before draining into a settling tank. It is pumped from here to a sump location in a rocky depression some 80m from the lake shore. Burnable waste is incinerated on site. All other waste products are sealed in empty fuel drums and transported to Yellowknife where they are turned over to KBL Waste Management for proper disposal. There is very little vegetation in the operational environment, and overburden is not normally disturbed in the course of exploration work. Minimizing foot traffic over tundra is policy on site. See attached photos of the High Lake camp as well as a layout of facilities.

HIGH LAKE EAST CAMP

The High Lake East Camp was constructed in 2010 in order to facilitate drilling programs designed to test new mineral occurrences identified to the South East of High Lake. The site on the south side of the James River has accommodations for up to 30 people in wood framed canvass tents. Diesel fired stoves supply heat to the accommodations. Access is by air only and the esker air strip limits aircraft to Twin Otter on skis or tundra tires. A helicopter is normally stationed on site during occupancy. Portable secondary containment berms allow for the temporary storage of up to 400 drums of fuel. A generator provides electricity to the camp. Water is drawn from the James River with a submersible pump and used to fill plastic storage tanks in the camp for domestic use. Toilets are “Pacto” style, with human waste contained in plastic bags for incineration. Greywater from domestic use passes through a grease trap before entering a sump located in a natural depression behind camp. Burnable waste is incinerated on site. All other waste products are sealed in empty fuel drums and transported to Yellowknife where they are turned over to KBL Waste Management for proper disposal. See attached photos of the High Lake East camp as well as a layout of facilities. There is very little vegetation in the operational environment, and overburden is not normally disturbed in the course of exploration work. Minimizing foot traffic over tundra is policy on site. See attached photos of the High Lake East site and camp layout.

FUEL HANDLING

Fuel is airlifted seasonally into the High Lake site using First Air’s C-130 Hercules aircraft onto the frozen lake surface. The fuel is transported in standard 205L steel drums. Once unloaded, it is slung with the helicopter to adequate cache sites where secondary containment berms are positioned. Fuel types are separated into different caches. Fuel drums are slung with helicopter or transported by skidoo from the cache sites as required to various locations around camp, and out to the drill rig site. A Twin Otter is used to shuttle fuel from the High Lake site to other permitted locations if needed (High Lake East).

Fuel is transferred from drums by manual or electric fuel pumps with flexible hoses, by designated personnel. Secondary containment and absorbent matting is employed at all fuel transfer locations, and spill kits are close at hand. Staff are trained in spill response protocols and an annual review is conducted during field operations.

DRILLING

Drilling has traditionally been contracted to Major Drilling, based in Moncton New Brunswick. Drilling operations are helicopter supported; the drill is dismantled and flown piece by piece to the next pad location where it is re-assembled. The drill is positioned on a temporary plank floor constructed over wooden timbers (12”X12”). Secondary containment and spill kits are employed at fuel transfer points. Water used for diamond drilling is pumped a source proximal to the pad location. Water source locations are reported annually. Approximately 25% of the water supplied to the drill is actually “consumed” in the drilling process. The remainder returns to surface where it is re-circulated in a closed system and any rock cuttings allowed to settle before being returned to the bit face. At the completion of drilling, water contained in the settling tanks is filtered and inspected before being returned to the environment. Cuttings from the tanks are collected and deposited in sump locations. These locations are normally natural depressions or open fractures in rock that allow for suitable natural containment. If lake-bottom targets are identified, drilling from the frozen lake surface is carried out in the winter months. Lake water is tested prior to and after completion of drill holes in order to ensure that there are no contaminants escaping the closed system. Water samples and photos documenting ice drill platforms are sent to ALS laboratories for analysis and the results are provided annually to the Nunavut Water Board in our annual report. Cuttings are carefully collected and deposited on land in chosen sump locations. Sump locations are reported annually with the completion of drilling. Any disturbed ground is re-seeded.

IMPACTS:

Potential Impacts and Planned Mitigations remain as originally permitted.