

Attachment 12 – Inspections and Responses



WATER LICENCE INSPECTION FORM

Original
 Follow-Up Report

Licensee MMG Resources INC.	Licensee Representative Greg Martin
Licence No. / Expiry 2BE-HIG2328	Representative's Title
Land / Other Authorizations N2024C0021	Land / Other Authorizations
Date of Inspection 31/07/2024	Inspector Isaiah James Bolt
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Reclamation <input checked="" type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Other: Care & Maintenance	

Conditions: **A - Acceptable** **C - Concern** **U - Unacceptable** **NA – Not Applicable** **NI – Not Inspected**

Water Use	Condition	Comment	Site Conditions	Condition	Comment	Haz/Mat Management	Condition	Comment
Intake/Screen			Water Management Structures			Storage	C	3
Flow Measure. Device			Culverts / Bridges			Spills		
Source:			Drainage			Spill Plan		
Water Use:			Erosion / Sediment					
Recirculation (y /n)			Mitigation Measures			Administrative		
			Reclamation Activities	C	2,6,7,8	Records		
			Materials Storage			Reports	A	
Waste Disposal			Signage			Plans		
Waste Water						Notifications		
Solid Waste			Monitoring			Other		
Hazardous Waste			Sample Collection / Analysis			Quarry		

**The number in the comments field will correspond with specific comments provided below.*

Samples taken by Inspector:	Location(s):
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

SECTION 1 **Comments (s. __)** **Non-Compliance with Act or Licence (s. __)** **Action Required (s. __)**

On July 31, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), accompanied by Inspector Jonathan Mesher with CIRNAC, conducted an inspection of LUP#N2024C0021 to ensure compliance against their Permit.

1. Inspectors arrive at 5:00pm, Aerial photos of the Site were taken (Photo#1and #2)
2. A pile of scrap metal was observed beside a drill shack (Photo #3)
3. 3 drums of fuel inside the mechanic shop were observed out of secondary containment (Photo #4 and #5)
4. A door of the main building was observed open and bear disturbance and poop inside the building was observed. The bear may have entered or exited through the window near the kitchen as the ply wood covering the window was observed on the ground. (Photo #6, #7, #8, #9, #10)
5. A small shack that is connected to the main dry/kitchen building was observed to have broken plywood siding and an open window. A lot of Ptarmigan poop inside the shack and on the side of the shack show that wildlife is using the building for shelter. This small shack may be the generator shack. (Photo #11 and #12)
6. 3 52 litre plastic drums were observed on the hill beside a drill rod. 1 of the 3 drums were broken. (Photo #13) The drill rod and the drums should be removed form the hill and stored in camp for eventual removal from site.
7. A large metal satellite dish and another 52 litre plastic drum was observed just below the plastic drums and the drill rod mentioned above. (Photo #13) The dish should and drum should be brought back into camp and stored for removal from site or used in camp.
8. 4 drill rods were observed on the east side of camp at 67*22'39.12"N 110*50'36.58"W. All 4 drill rods were over 6 inches long and only 1 of them capped. All 4 need to be cut at grade and capped.

SECTION 2 **Comments** **Non-Compliance with Act or Licence** **Action Required**

-Scrap metal on site.
 -Fuel containers out of secondary containment



- Open door of main building, open window, bear disturbance
- Broken side wall and open window of a shack (sign of ptarmigan use)
- Plastic drums and dish on the hill
- Drill rods not cut and capped

3.0 Site Descriptions of the Spill Contingency Plan states: "A plastic spill container will be placed below each drum and absorbent matting will be fixed around each Bung/fuel supply assembly"

Part I Item 3 of the Issued water license states: "The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations."

Part I Item 10 of the issued water license states: "The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials. Where drill casing cannot be removed the Licensee shall cut off the casing at ground level and identify with signage."

SECTION 3 **Comments** **Non-Compliance with Act or Licence** **Action Required**

All scrap metal shall be removed form site including any garbage, discarded barrels or debris. All fuel must be stored in secondary containment. All building doors, windows and walls must be repaired and closed to prevent access from wildlife. All drill rods shall be cut to grade, capped and scrap metal rod removed from site. The metal dish should be stored in camp for removal from site or stored in camp for future use. A detailed plan and timeline to achieve the actions required shall be submitted to me at james.bolt@rcaanc-cirnac.gc.ca by December 20 2024. Actions required should be planned for completion prior to July 31 2025.

Licensee or Representative	Inspector's Name
	Isaiah James Bolt
Signature	Signature
	<i>James Bolt</i>
Date	Date
	05/11/2024

Office Use Only: Follow-up report to be issued by Inspector Yes No

cc. CIRNAC, Manager Field Operations, Iqaluit, Jeremy.fraser@rcaanc.cirnac.gc.ca

Nunavut Water Board, Manager of Licensing, Gjoa Haven, licensing@nwb-oen.ca

Date	Camera	Inspector
July 31 2024	Olympus Tough TG-6	Isaiah James Bolt

Photo Log # 1

Photo 1



High Lake camp Aerial Looking south.



Photo Log

Photo 2



High Lake Looking North

Photo Log

Photo 3



Scrap metal and parts



Photo Log

Photo 4



2 fuel containers out of secondary containment inside the mechanic shop.

Photo Log

Photo 5



1 fuel drum outside of containment inside the mechanic shop



Photo Log

Photo 6



Main building with door open.

Photo Log

Photo 7



Roofing material outside main building, image shows box in door way. Bear sign is apparent in the building.



Photo Log

Photo 8



Inside the main building entrance, bear scat is observed on the bench and floor.

Photo Log

Photo 9



Inside the main building entrance, mess caused by a bear



Photo Log

Photo 10



Main building kitchen window open, the plywood was observed on the ground.

Photo Log

Photo 11



Small shack beside main building shown with an open side wall and ptarmigan droppings inside.



Photo Log

Photo 12



Another view of the shack beside the main building, Plywood from the wall is missing, an open window and a hole in the back wall is shown.

Photo Log

Photo 13



On the hill above camp. 3 drums are shown in the image and 1 broken drum, a long drill rod post and a satellite dish.



Photo Log

Photo 14



Drill rods at 67°22'39.12"N 110°50'36.58"W



Original
 Follow-Up Report

CROWN LAND USE INSPECTION FORM

Permittee	Representative
MMG Resources INC.	Greg Martin
Permit No. / Expiry	Representative's Title
N2024C0021	
Other Authorizations	Land / Other Authorizations
2BE-HIG2328	
Date of Inspection	Inspector
July 31 2024	Isaiah James Bolt
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/hauling <input type="checkbox"/> Other: <input type="checkbox"/> Other:	

Conditions:	A- Acceptable	U-Unacceptable	C-Concern	NI-Not Inspected	NA- Not applicable
Land Use Permit <u>N2024C0021</u> :					
			Condition		Observation No.
31 (1)(a) Location and Area			C		2
31 (1)(b) Time			A		
31 (1)(c) Equipment			A		
31 (1)(d) Methods and Techniques			C		8
31 (1)(e) Type location, capacity and operation of facility			C		6,7
31 (1)(f) Control or prevent of flooding, erosion, and subsidence of Land			A		
31 (1)(g) Use, storage, handling and disposal of chemical or toxic materials			A		
31 (1)(h) Wildlife and fisheries habitat			A		
31 (1)(i) Objects and places of recreation, scenic and ecological value			A		
31 (1)(k) Petroleum fuel storage			C		3
31 (1)(m) Matters not inconsistent with the regulations			A		

*refers to specific terms and conditions found in the permit/lease in question.

SECTION 1 **Comments (s.1)** Non-Compliance with Permit, Act or Regs (s.2) Action Required (s.3)

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- 3 52 litre plastic drums were observed on the hill beside a drill rod. 1 of the 3 drums were broken. (Photo #13) The drill rod and the drums should be removed form the hill and stored in camp for eventual removal from site.
- A large metal satellite dish and another 52 litre plastic drum was observed just below the plastic drums and the drill rod mentioned above. (Photo #13) The dish should and drum should be brought back into camp and stored for removal from site or used in camp.
- 4 drill rods were observed on the east side of camp at 67*22'39.12"N 110*50'36.58"W. All 4 drill rods were over 6 inches long and only 1 of them capped. All 4 need to be cut at grade and capped.

SECTION 2 Comments **Non-Compliance with Permit, Act or Regs** Action Required

- Scrap metal on site.
- Fuel containers out of secondary containment
- Open door of main building, open window, bear disturbance
- Broken side wall and open window of a shack (sign of ptarmigan use)
- Plastic drums and dish on the hill
- Drill rods not cut and capped

31(1)(a) item 2 of the issued permit states: "The Permittee shall remove from Territorial Lands, all scrap metal, discarded machinery



parts, barrels and kegs, buildings and building material.”

31(1)(d) item 23 of the issued permit states: “The Permittee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the activity. Reclamation of drill holes must include the removal of drill casing or cutting at grade and capping of the hole.”

31(1)(e) item 35 of the issued permit states: “The Permittee shall ensure that the land use area is kept clean and tidy at all times.”

31(1)(k) item 78 of the issued permit states: “The Permittee shall provide approved covered secondary containment for all fuels stored associated with this Land Use Permit.”

SECTION 3 Comments Non-Compliance with Permit, Act or Regs **Action Required**

All scrap metal shall be removed form site including any garbage, discarded barrels or debris. All fuel must be stored in secondary containment. All building doors, windows and walls must be repaired and closed to prevent access from wildlife. All drill rods shall be cut to grade, capped and scrap metal rod removed from site. The metal dish should be stored in camp for removal from site or stored in camp for future use. A detailed plan and timeline to achieve the actions required shall be submitted to me at james.bolt@rcaanc-cirnac.gc.ca by December 20 2024. Actions required should be planned for completion prior to July 31 2025.

Licensee or Representative	Inspector's Name
	Isaiah Bolt
Signature	Signature
	<i>James Bolt</i>
Date	Date
	31/10/2024

Date	Camera	Inspector
July 31, 2024	Olympus Tough TG-6	Isaiah James Bolt

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Photo 1



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Photo 2



High Lake Looking North

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December 19, 2024

Isaiah James Bolt

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

Dear James

Reference: High Lake Camp Inspection

On November 6, 2024, MMG Resources Inc. (MMG) received inspection reports from Isaiah James Bolt, Resource Management Officer with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) regarding MMG's High Lake Camp. The inspection took place on July 31, 2024 and consisted of a Water Licence Inspection Report (2BE-HIG2328) and a Crown Land Use Inspection Form (Permit No. N2024C0021). I provided acknowledgement of receipt of the inspection reports on November 24, 2024.

The Water Licence Inspection Report and Crown Land Use Inspection Form included concerns regarding site conditions (reclamation activities), and hazardous materials management (storage). Specific concerns included presence of stockpiled scrap metal, drill rods > 6" in length, and various items to be removed from site, including a satellite dish and several plastic drums. Fuel drums and containers were noted to not have been placed in secondary containment. Other concerns included wildlife disturbance within buildings.

The associated water licence and land use permit were renewed in 2023 and 2024, to allow continued camp use to support field activities, including core drilling and sampling from surface, prospecting and geological mapping, ground and airborne geophysics, as well as environmental baseline and engineering studies. High Lake Camp and High Lake East Camp are planned to support these activities in 2026. The water licence renewal included an updated Closure and Reclamation Plan (CRP) and associated Reclamation Estimate. The CRP outlines three site closure scenarios – long term care and maintenance, seasonal closure and final closure. The High Lake camp is currently in long term care and maintenance state and is anticipated to remain in this state until 2026 when exploration activities are expected to recommence.

To verify that the High Lake site remains safe, secure and is not adversely impacting the environment, MMG completes annual care and maintenance site visits to address any changes to the site condition and return the site to compliance with the water licence and land use permit conditions. MMG commits to rectifying all disturbances to the camp that occurred in the period between site visits. The High Lake camp site was visited by MMG on August 25, 2024 following the CIRNAC inspection. During this visit, equipment was tidied and moved to appropriate storage locations, and doors were closed and secured to the extent possible. A site visit to complete more substantial maintenance is planned for Q2 2025, where concerns identified in the inspection reports will be addressed as outlined below.



CIRNAC Concern:

Scrap metal on site.

CIRNAC Action Required:

All scrap metal shall be removed from site including any garbage, discarded barrels or debris.

MMG Response:

MMG remains committed to the removal of scrap metal from site and removal of scrap metal is included in the timeframe before the closure of the permit. The High Lake camp site is currently in long term care and maintenance without occupancy and is anticipated to remain in this state until 2026. The intent of long-term care and maintenance is to provide annual visits to verify that the site remains safe, secure and is not adversely impacting the environment.

MMG commits to continuing annual maintenance visits to High Lake to ensure compliance with all permits and licences however there is limited opportunity for the removal of scrap metal through these annual visits. MMG plans to re-establish this camp in 2026 and if this occurs, removal of scrap metal can be done in parallel with resupply operations.

MMG has included the costs for this activity in the Closure and Reclamation Plan for 2BE-HIG2328 and the costs were included in the High Lake Reclamation Estimate, which was submitted with the application for renewal of the water licence.

Timeline for Actions:

During camp operations in 2026, as possible. Closure of land use permit and water licence for remaining scrap metal.

CIRNAC Concern:

Fuel containers out of secondary containment.

CIRNAC Action Required:

All fuel must be stored in secondary containment.

MMG Response:

MMG commits to placement of all fuels within in secondary containment including instaberm, movable rigid spill trays, or similar impermeable containment. Secondary containment will be sized to 110 % of the volume of the largest tank it is to contain, or 100% of the largest tank plus 10% of the aggregate capacity of the stored tanks, whichever is greater. MMG also commits to covering all outdoor spill trays to prevent the containment from filling with precipitation. This will be completed during the next annual care and maintenance site visit.

Timeline for Actions:

Annual care and maintenance site visit – 2025.

CIRNAC Concern:

Open door of main building, open window, bear disturbance. Broken side wall and open window of a shack (sign of ptarmigan use).

CIRNAC Action Required:

All building doors, windows and walls must be repaired and closed to prevent access from wildlife.

MMG Response:

MMG completes annual care and maintenance site visits to address any changes to the site condition and return the site to compliance with the water licence and land use permit. MMG commits to clearing buildings of wildlife detritus and fortifying buildings to prevent usage by wildlife. This will be completed during the next care and maintenance site visit.

Timeline for Actions:

Annual care and maintenance site visit - 2025

CIRNAC Concern:

Plastic drums and dish on hill.

CIRNAC Action Required:

The metal dish should be stored in camp for removal from site or stored in camp for future use.

MMG Response:

MMG commits to gathering the plastic drums and satellite dish and storing appropriately during the next care and maintenance site visit. Prior to resumption of activity at High Lake, MMG will review ECCO's publication "Solid Waste Management for Northern and Remote Communities" prior to a change in project phase to ensure High Lake waste management practices are aligned with this guidance.

Timeline for Actions:

Annual care and maintenance site visit – 2025.

CIRNAC Concern:

Drill rods not cut and capped.

CIRNAC Action Required:

All drill rods shall be cut to grade, capped and scrap metal rod removed from site.

MMG Response:

MMG commits to the closure and restoration of all drill holes and disturbed areas upon final closure of exploration tenements at the High Lake Project. At that time, drill casings will be cut at or below ground level and covered with soil. At present, High Lake camp is in a period of extended care and maintenance, with only annual site inspections and necessary site maintenance activities being conducted.

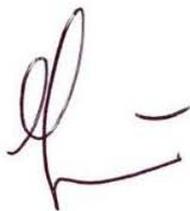
Upon the resumption of drilling activity, MMG may utilize the drill rods stockpiled on site. MMG will close drill sites following removal of each drill rig as per conditions in the water licence 2BE-HIG2328, and any historical drill sites will be closed during or prior to Project closure as per the Closure and Reclamation plan. MMG has included the costs for this activity in the Closure and Reclamation Plan for 2BE-HIG2328 High Lake Reclamation Estimate, which was submitted with the application for renewal of the water licence.

Timeline for Actions:

Closure of land use permit and water licence.

We trust the above addresses the concerns raised in both the Land Use and Water Licence inspection forms.

Regards,

A handwritten signature in black ink, appearing to read 'G. Martin', with a stylized flourish at the end.

Greg Martin,
Group Manager, Group Project Services
MMG Resources Inc.