



Honourable John Duncan,
Minister of Indian and Northern Affairs Canada
c/o Jeff Mercer, Manager Land Administration
Indian and Northern Affairs Canada
Box 100, Iqaluit, NU, X0A 0H0

Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA: MMG Resources Inc.'s "Canoe Lake Exploration" & "MolyMag Campsite" project

On February 28, 2011 the Nunavut Impact Review Board (NIRB or Board) received an application from Indian and Northern Affairs Canada (INAC) for an extension to INAC Land Use Permit N2007C0009 for MMG Resources Inc.'s "Canoe Lake Exploration" & "MolyMag Campsite" project proposals.

On January 13, 2010 the NIRB received an application from KIA for an amendment to land use licence KTL308C008 for this project. After a thorough assessment of the amendment request, the NIRB determined that the application was exempt from further screening as per Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report on February 15, 2010.

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2008/08EN067-Zinifex%20Canada%20Inc%-20%20Canoe%20Lake/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08EN067), the “Canoe Lake” & “MolyMag Campsite” projects were located within the Kitikmeot region, approximately 180 kilometres (km) southeast from Kugluktuk.

The Proponent indicated that for the “Canoe Lake” project it intended to conduct drilling for potential base metal showings in Canoe Lake and surrounding areas, and the project activities were to occur from August 2008 to October 2008, with a second phase to occur during the spring of 2009.

The activities/components associated with the Canoe Lake project included:

- Diamond drilling of potential base metal showings in Canoe Lake and surrounding areas;
- Helicopter use to transport crew and equipment;
- Potential movement of equipment and crew by snowmachine during the spring months;
- Installation of temporary survival and equipment shacks;
- Staking and prospecting;
- Geophysical surveys;
- Water use for drilling activities;
- Temporary fuel storage at drill sites (1or 2 diesel fuel drums,1or 2 20 pound propane bottles at each drill site); and
- Use of High Lake Camp site.

The Proponent indicated that for the “MolyMag Campsite” project it intended to construct a campsite approximately 175 km east-southeast of Kugluktuk and approximately 40 km southeast of the High Lake deposits and the existing High Lake Camp. The MolyMag Campsite was to be located on the south shore of the James River atop an esker and on Inuit Owned Land Parcel BB-68. The camp served as an accommodation base to conduct an exploration programs that included diamond drilling, geophysical surveys and geological mapping. Operation of the MolyMag Campsite was to take place from March 2010 to March 2012 with seasonal shutdown occurring from November to February each year.

The activities/components associated with the MolyMag proposal included:

- Installation of temporary campsite consisting of the following:
 - 10-12 canvas tents designed to accommodate up to 30 people for a total of 3000 person days;
 - Kitchen facilities;
 - Dry facilities;
 - Outhouses;
 - Grey water sump; and,
 - Fuel cache areas.
- Water use for drilling activities and camp;
- Helicopter use to transport crew and equipment;
- Airplane use to transport personnel and supplies to camp via proposed tundra airstrip (only if possible to land on esker); and

- Temporary fuel storage.

CURRENT APPLICATION:

MMG Resources Inc. is currently requesting an extension to its INAC Land Use Permit N2007C0009 for one additional year to March 2012, in order to continue mineral exploration activities.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed extension does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original September 9, 2008 Screening Decision Report (enclosed).

If you have any questions or concerns, please contact Sophia Granchinho, Technical Advisor, at (867) 793-4633 or sgranchinho@nirb.ca.

Sincerely,



Stephanie Autut
Executive Director

cc: Ted Muraro, MMG Resources Inc.
Stanley Anablak, Kitikmeot Inuit Association
Phyllis Beaulieu, Nunavut Water Board

Enclosed: NIRB Screening Decision Report, File No.: 08EN067 (September 9, 2008)