Environment Canada Prairie and Northern Region #5019-52nd Street Yellowknife, NT X1A 2P7

March 1st, 2010

Your File: 2BE-HG0712 Our File: 4704 004 019

Phyllis Beaulieu Manager of Licencing Nunavut Water Board Gjoa Haven NU X0B 1J0

Re: Application for amendment to water licence 2BE-HIG0712 – MMG Resources Inc.'s High Lake - MolyMag Property

On behalf of Environment Canada (EC), I have reviewed the information submitted with the above-mentioned application. The following specialist advice has been provided pursuant to Environment Canada's mandated responsibilities under the Canadian Environmental Protection Act, Section 36(3) of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

MMG Resources Inc. is applying for an amendment to their current water licence allowing for operation of a new temporary camp site to conduct diamond drilling on the company's MolyMag property located 55km north of Yellowknife. This will be the third amendment to the licence since renewal in 2007. This application includes water supply for 2 diamond drills, general water use in the camp and disposal of wastes.

Comments and recommendations submitted for the original application and amendments still apply and are attached. In addition, comments submitted to the Nunavut Impact Review Board on January 28th, 2010 are also attached.

Please do not hesitate to contact me at (867) 669-4772 or savanna.levenson@ec.gc.ca with any questions or comments with regards to the foregoing.

Yours truly,

Savanna Levenson
Environmental Assessment Specialist
Environmental Protection Operations

c.c: Carey Ogilvie, Head EAMP, Environment Canada
Anne Wilson, Water Pollution Specialist, EA North, Environment Canada

