



Water Resources Division
Resource Management Directorate
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
2BE-HIG1722
Our file - Notre référence
GCDOCS# 108473946

January 12, 2023

Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0
E-mail: licensing@nwb-oen.ca

**Re: Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC)
review of application of MMG Resources Inc., High Lake Project for renewal with
amendment of Water Licence 2BE-HIG1722**

Dear Mr. Dwyer,

Thank you for the December 2, 2022 invitation to review the renewal and amendment application, submitted by MMG Resources Inc., for Type B Water Licence No. 2BE-HIG1722.

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) examined the application pursuant to its mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Crown-Indigenous Relations and Northern Affairs Act*. Please find CIRNAC comments and recommendations in the attached Technical Memorandum.

If there are any questions or concerns, please contact me at (867) 975-3876 or lauren.perrin@rcaanc-cirnac.gc.ca or Andrew Keim at (867) 975-4550 or andrew.keim@rcaanc-cirnac.gc.ca.

Sincerely,

Lauren Perrin,
Water Management Specialist



Technical Review Memorandum

Date: January 12, 2023

To: Richard Dwyer – Manager of Licensing, Nunavut Water Board

From: Lauren Perrin – Water Management Specialist, CIRNAC

Subject: Crown-Indigenous Relations and Northern Affairs Canada's Review of the Licence Renewal with Amendment Application for MMG Resources Inc. High Lake Project, Type B Water Licence No. 2BE-HIG1722

Region: ☒ Kitikmeot ☐ Kivalliq ☐ Qikiqtani

A. BACKGROUND

The High Lake Project (Project) is an exploration camp located in the West Kitikmeot region of Nunavut. The Project is located approximately 550 km north of Yellowknife, and 175 km southeast of Kugluktuk. The site is 45 km from the Coronation Gulf area of the Arctic coast.

The Project is owned and operated by MMG Resources Inc., a subsidiary of MMG Ltd. The Project includes a small seasonal camp (High Lake Camp) that has been in long-term care and maintenance since 2015. In the future, the High Lake Camp may be used to support engineering and scientific field studies and mining exploration activities related to potential future mine development. The facilities may also be used to support studies for nearby projects, such as the Izok Corridor Project and Grays Bay Road and Port Project.

Exploration activities would be similar as those previously undertaken. During the long-term care and maintenance phase MMG will continue to monitor and maintain the Project site. As the current Project exploration water licence 2BE- HIG1722 expired on August 3, 2022, MMG is applying for a five year renewal.

There are no changes proposed to the existing water licence regarding the total water allowed to be taken under the licence (100 cubic metres per day). However, MMG has requested that this total volume be available for both domestic (camp) and drilling purposes as necessary to allow for flexibility in camp use and permitted Project activities and priorities. CIRNAC provides the following comments and recommendations pertaining to the application package. A summary of the subjects of recommendations can be found in Table 1. Documents reviewed as part of this submission can be found in Table 2 of Section B. Detailed technical review comments can be found in Section C.



Table 1: Summary of Recommendations

Recommendation Number	Subject
R-01	Partitioned Daily Water Allotment
R-02	Compliance with Water Licence

B. DOCUMENTS REVIEWED AND REFERENCED

The following table (Table 2) provides a list of the documents reviewed under the submission and reference during the review.

Table 2: Documents Reviewed and Referenced

Document Title	Author, File No., Rev., Date
Application Form	MMG Resources Inc., September 14, 2022
Nunavut Planning Commission Conformity Determination	NPC, June 20, 2017
Nunavut Impact Review Board Screening Decision Report for NIRB File No. 06EN048 (High Lake Licence Renewal)	NIRB, August 11, 2006
Screening Decision Report for NIRB File No. 12YA007 (Baseline)	NIRB, March 29, 2012
Exploration Spill Contingency Plan	MMG Resources Inc., August 2021
Closure and Reclamation Plan, Exploration Operations High Lake Property	MMG Resources Inc., November 2022
Non-Technical Summary English	MMG Resources Inc., September 19, 2022
Water Licence 2BE-HIG1722	NWB, 2017



C. RESULTS OF REVIEW

1. Partitioned Daily Water Allotment

Comment:

MMG Resources Inc., have requested an amendment to their water licence that would allow flexibility in the allocation of water and the provision of sufficient water for the High Lake Camp. While the total water allotment for this licence (100 m³/day) is not to be exceeded, MMG is requesting the water allotment not be partitioned into 'drilling' and 'domestic' uses.

Recommendation:

(R-01) After reviewing the documents provided by MMG Resources Inc., CIRNAC has not identified any issues with the proponent asking for a different partition of water use while still maintaining the daily allotment of 100m³.

2. Compliance with Water Licence

Comment:

CIRNAC notes from a 2017 Inspection report completed by CIRNAC that there were non compliance items identified in sections 1 and 2 as well as items requiring action under section 3.

Recommendation:

(R-02) CIRNAC recommends MMG Resources Inc. provide a response to the non compliance items identified in the 2017 inspection report to the Board. This response should include a timetable as to how and when these items have or will be resolved.