



16 March 2026

Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0B 1J0

Dear Richard,

MMG Resources Inc., High Lake Project – Amendment and Renewal Application, Type B Water Licence No. 2BE-HIG2328 – DFO and CIRNAC Comments

MGM Resources Inc. (MMG) has reviewed the comments provided in response to the Amendment and Renewal Application for the High Lake project, Type B Water Licence No. 2BE-HIG2328. Responses were received from Jordan Beer, Water Management Coordinator, Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) received on March 3, 2026 and Sarah Pakozdi, Biologist, Fisheries and Oceans Canada (DFO) on March 3, 2026.

MGM appreciates the time and effort dedicated by these agencies and individuals in reviewing the proposed Project activities and providing their comments. Responses are provided below.

CIRNAC Comment Responses:

1. Photographic Records of Reclamation Work

Comment:

Part B-2h of Water License 2BE-HIG2328 requires the licensee to provide “a description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after the completion of operations” with its annual reports. Progressive reclamation work was described in both the 2023 and 2024 annual reports, but no photographic evidence was provided in either report. The concern is that CIRNAC cannot evaluate the state of the reclaimed site without photographic evidence.

Recommendation:

CIRNAC recommends that the applicant commit to providing photographic records of site conditions before, during and after the completion of operations in all future annual reports.

MMG Response:

MMG will provide photographic records of site conditions in future annual reports.

2. Secondary Containment for Batteries

Comment:

Section 7.5 of the document “260119 2BE-HIG2328 Att_7_Spill_Contingency_Plan_Revised_June_2025_20250630-IMLE” states that “All batteries will be (...) stored safely when not in use. (...) Batteries that no longer hold a charge will be flown out and disposed of in the appropriate facilities”. The applicant does not define what entails safe storage of batteries, or how spent batteries will be managed until they can be flown out. The concern is that hazardous materials will not be stored in appropriate secondary containment, potentially resulting in spills or leaching.

Recommendation:

CIRNAC recommends that the licensee update the Spill Contingency Plan to state that batteries will be stored in appropriate secondary containment at all times when not in use.

MMG Response:

MMG will update the Spill Contingency Plan before exploration operations begin in 2026 to state that batteries will be stored in appropriate secondary containment.

3. Sump Management Plan**Comment:**

Part F-2 of Water License 2BE-HIG2328 requires that “The Licensee shall dispose of all drill waste, including Water, chips, muds and salts (CaCl₂) in any quantity or concentration, from land-based and on-ice drilling, in a properly constructed Sump or an appropriate natural depression located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent water body, where direct flow into a water body is not possible and no additional impacts are created.”

Similarly, part D-8 of the license requires that “The Licensee shall contain all greywater in a Sump located at a distance of at least thirty-one (31) metres above the ordinary High Water Mark of any water body, at a site where direct flow into a water body is not possible and no additional impacts are created, unless otherwise approved by the Board in writing”.

Section 4.2 of the document “260119 2BE HIG2328Att_10_Izok_Corridor_Waste_Management_Plan_MMG_20250805-IMLE” states that “Drilling wastes, including drill water, chips, muds and salts will be deposited in sumps. Sumps will be located greater than 31 m from the ordinary high-water mark of waterbodies”, and section 4.4 states that “Greywater from domestic use at the camps will be directed into a sump located on site near kitchen/dry facilities. Greywater sumps will be located greater than 31 m from the ordinary high-water mark of waterbodies”. There is no other information provided on how the sumps will be constructed, how sump locations will be chosen, or how the licensee will ensure that no additional impacts are created. The concern is that drilling waste and greywater will be deposited in poorly located or poorly designed sumps, allowing contaminants to flow towards and pollute downstream freshwater sources.

Recommendation:

CIRNAC recommends that the licensee update its waste management plan to describe how it will ensure that direct flow from sumps into water bodies is not possible and that no additional impacts will be created by the sumps. For sumps that will be maintained for longer periods of time (e.g., the greywater sump at High Lake camp), CIRNAC recommends implementing a monitoring plan to ensure the sump continues to function as intended.

MMG Response:

MMG operates within the conditions outlined in our Land Use Permit (LUP; N2024C0021), which includes management of sumps (drilling sumps and sewage sumps). As stated in section 4.4 of the MMG Waste Management Plan:

*Greywater from domestic use at the camps will be directed into a sump located on site near kitchen/dry facilities. Greywater sumps will be located greater than **31 m from the ordinary high-water mark of waterbodies**, as per current LUP conditions.*

The LUP conditions and manner in which MMG currently operates will be updated in the Waste Management Plan to more explicitly include the conditions such as where sumps can be located, how the sumps will be managed, both short and longer term, how backfilling and reclamation is managed, and how monitoring of the longer term sumps are managed. Currently, camp greywater sumps are emptied annually and covered, as described in the Closure and Reclamation Plan. No long-term effects are anticipated at the greywater sump location.

The Waste Management Plan will be updated and provided to the NWB and NIRB to include these details prior to the start of the 2026 exploration and drilling work.

4. Waste Storage Location**Comment:**

CIRNAC was unable to locate information describing where waste will be stored at High Lake camp. The concern is that waste may be stored within 31 m of the high water mark.

Recommendation:

CIRNAC recommends updating the Waste Management Plan to clarify the location of its waste storage and fuel storage areas, and confirm that they are not within 31 m of the ordinary high water mark.

MMG Response:

As per the LUP (N2024C0021), MMG is required to provide in the annual report to CIRNAC on the following:

The annual report must contain, but not limited to, the following:

b. a table and map showing the following items, if applicable, with exact coordinates in degree/min/sec format, in NAD 83:

- i. All camp locations
- ii. Air strip and landing location
- iii. All drilling locations
- iv. All fuel caches
- v. Any other locations where activities were conducted
- vi. All active and backfilled sumps

The camp at High Lake has been in care and maintenance since 2015 and was inspected by CIRNAC in July 2024. No waste is currently stored onsite. Upon reopening High Lake camp, MMG will update the Waste Management Plan to reflect onsite operating conditions. These updates will be recorded to document and meet the LUP conditions, including the requirement that waste will be stored at least 31 m above the high water mark, and outline the planned operation of waste management.

5. Fuel Storage Location**Comment:**

Section 7.3 of the document "260119 2BE-HIG2328 Att_7_Spill_Contingency_Plan_Revised_June_2025_20250630-IMLE" states that "Liquid fuel in steel drums will be stored at least 30 m back from the lakeshore on hard ground". However, part H-2 of Water License 2BE-HIG2328 requires all fuel to be stored at least 31 m from the high water mark of any water body. The concern is that fuel may be stored too close to the ordinary high water mark and increase the risk of spills.

Recommendation:

CIRNAC recommends amending the Spill Contingency Plan to state that fuel will be stored at least 31 m away from the high water mark of any water body.

MMG Response:

The High Lake camp has been in care and maintenance since 2015. No fuel is currently stored on site. As per the LUP (N2024C0021), MMG:

- Shall not place any petroleum fuel storage containers within 31 m of the normal high water mark of any water body
- Shall locate mobile fuel storage facilities on land when stationary for any period of time exceeding 12 hours. The Spill Contingency Plan will be updated prior to the reopening of the camp to clarify that fuel will be stored at least 31 m away from the high water mark of any water body and will include locations of fuel storage at the camp.

6. Quality Assurance / Quality Control Plan**Comment:**

Parts J-4 Water License HBE-2328 require the licensee to obtain water samples from the Water column below the ice when "on-ice" drilling operations are conducted. However, the applicant has not provided any explanation for how it will ensure these samples are taken, transported, and analyzed appropriately. The

concern is that water samples could be contaminated or improperly managed, leading to incorrect conclusions on the effects of drilling activities.

Recommendation:

CIRNAC recommends that the applicant provide a QA/QC plan that meets the standards of the “Quality Assurance (QA) and Quality Control (QC) Guidelines For Use By Class “B” Licensees In Collecting Representative Water Samples in the Field” (Department of Indian and Northern Affairs Canada Water Resources Division, 1996) and the “Standard Methods for the Examination of Water and Wastewater” (Jenkins, 1982).

MMG Response:

No drilling through ice is currently planned. Management plans and standard operating procedures are reviewed annually, and updated to reflect planned activities, including drilling on ice. A procedure will be developed to address this sampling if required.

7. Incineration Plan

Comment:

Section 4.1.1 of the document “260119 2BE-HIG2328 Att_10_Izok_Corridor_Waste_Management_Plan_MMG_20250805 -IMLE” states that “Combustible wastes will be collected for incineration. (...) Following steps outlined in the Technical Document for Batch Waste Incineration (Environment Canada, 2010), and guidance provided in the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste (Government of Nunavut, 2012), the wastes will be incinerated”. CIRNAC appreciates the licensee’s commitment to following established incineration guidelines, but would like to see a more specific plan for how they will achieve these standards. The waste management plan does not provide any information on what the licensee considers combustible waste, what type of incinerator will be used, where the incinerator will be stationed, how the incinerator will be operated, or how the licensee will maintain accurate records. The concern is that without a specific plan for compliance, the licensee will miss important steps for preventing incineration-related pollution.

Recommendation:

CIRNAC recommends that the applicant update the Waste Management Plan to explain how it will meet the standards of the “Technical Document for Batch Waste Incineration” (Environment Canada, 2010) and the “Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste” (Government of Nunavut, 2012), as well as the other missing information listed above.

MMG Response:

There is an incinerator on site at the High Lake camp (Ketek Cyclonator - CY-14-CA). The Waste Management Plan will be updated prior to the reopening of the camp to include an Incineration Management Plan for the equipment on-site, including:

Incinerator Operation Procedures:

- Sort waste - remove wastes containing chlorinated compounds, wastes containing mercury and other heavy metals, and hydrocarbons;
- Mix waste according to incinerator specifications to achieve good combustion;
- Supervise burn cycle to monitor operation;
- Once complete and cool, ash will be removed;
- Ash management

Additional details to be included in the Incineration Management Plan:

- Regulatory Requirements;
- Pollutants of concern;
- Record keeping and monitoring;

- Acceptable/unacceptable waste for incineration;
- Ash management

The Incinerator Management Plan will include a summary table of applicable regulations, including the Technical Document for Batch Waste Incineration (Environment Canada, 2010), and guidance provided in the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste (Government of Nunavut, 2010a). The table will identify the applicable document and summarize actionable items.

DFO Comment Response:

Comment:

The MMG Resources Inc., High Lake Amendment and Renewal to Water Licence, 2BEHIG2328, discusses water withdrawal activities from Morris and Bert Lake for the duration of the project, which has the potential to impact fish and fish habitat.

Direct fish mortality can occur during water withdrawal activities through entrainment/impingement. Entrainment occurs when a fish is drawn into a water intake and cannot escape. Impingement occurs when a fish is held in contact with the intake screen and is unable to free itself.

Recommendation:

In order to comply with the Fisheries Act, it is recommended that the Proponent follow DFO's protective measures for fish and fish habitat and standard codes of practice which can be found on DFO's website (<https://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures-eng.html> and <https://www.dfo-mpo.gc.ca/pnw-ppe/practice-practique-eng.html>).

Proponents are also asked to respect the NU in-water works restricted activity timing windows (Projects Near Water - Nunavut Restricted Activity Timing Windows for the Protection of Fish and Fish Habitat (dfo-mpo.gc.ca) to protect fish during spawning and incubation periods when spawning fish, eggs and fry are vulnerable to disturbance or sediment.

The proponent should refer to DFO's Interim code of practice: End-of-pipe fish protection screens for small water intakes in freshwater available at <https://www.dfo-mpo.gc.ca/pnw-ppe/codes/screen-ecran-eng.html> when using fish screens and if the water intake flow is up to 0.150 m³/s, or 150 liters per second (L/s).

For water withdrawal from watercourses, DFO recommends the proponent follow the Framework for Assessing the Ecological Flow Requirements to Support Fisheries In Canada (<https://waves-vagues.dfo-mpo.gc.ca/Library/348881.pdf>) and demonstrates that water withdrawal rate remains <10% of actual (instantaneous) flow and does not result in flows <30% of mean annual discharge (MAD).

In addition, the proponent should follow the DFO Protocol for Winter Water Withdrawal in the NWT (2010) and not withdraw more than 10% of under-ice water volumes (Attachment 1: DFO Winter Water Withdrawal Protocol, 2010).

If the proposal meets the criteria for a site specific review, as described on DFO's website (<https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-003-eng.html>), they should complete and submit the request for review form available on the website (<https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-d-examen-004-eng.html>).

It is also the proponent's Duty to Notify DFO if they have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption, or the destruction of fish habitat. Such notification should be directed to DFO.ARCENTriage-TriageGEARC.MPO@dfo-mpo.gc.ca.

MMG Response:

The reminder is appreciated, DFO requirements have been incorporated into MMG's management plans and procedures. MMG will continue to operate within these requirements.

Closure

We believe this additional information and clarification provided therein will meet CIRNAC and DFO expectations. Please contact the undersigned if additional information is required.

Yours sincerely,

A handwritten signature in black ink that reads "CKnight". The signature is written in a cursive, flowing style.

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