



WATER USE INSPECTION REPORT

Date: July 30, 2010	Licensee Rep. (Name/Title): Jason Rickard
Licensee: MMG Resources Inc.	Licence No.: 2BE-HIG0712 (MolyMag/High Lake East camp)

WATER SUPPLY

Source(s): James River	Quantity used: 5m ³ /day camp use & 90m ³ /day drilling use allowable by licence (as per Amendment 3)
Owner:/Operator: MMG	

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Intake Facilities: NA	Storage Structure: A (two tanks @ 170L each)	Treatment Systems: NA	Chemical Storage: NA
Flow Meas. Device: NA	Conveyance Lines: A	Pumping Stations: A	Screen : A

Comments: Water is pumped (via single pump placed inside secondary containment) directly from the James River into storage tanks for use as potable water (untreated) and other camp uses. The Licensee is to keep records on site of water volume usage at the camp.

If raw water remains untreated for potable use, frequent testing (i.e.: whenever water is withdrawn) to ensure safety is required and signs (as well as test results) must be posted within camp in a highly visible area.

WASTE DISPOSAL

Sewage: Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Discharge Quality: NA	Decant Structure: NA	Erosion: NA
Discharge Meas. Device: NA	Dyke Inspection: NA	Seepages: NA
Dams, Dykes: NA	Freeboard: NA	Spills: A
Construction: NA	O&M Plan: NA	A&R Plan: NA
Discharge: NA	Effluent Discharge Rate: NA	

Comments: Pacto toilets are used; sewage waste is incinerated. Particulate water from the core shack is allowed to settle out into containers before water drains to the grey water sump.

Solid Waste:

Landfill: NA	Burn & Landfill: NA	Other: Batch Incineration
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Comments: Burnable wastes are incinerated; other wastes are backhauled to Yellowknife for disposal.

FUEL STORAGE:

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Berms & Liners: A	Water within Berms: A	Evidence of Leaks: A
Drainage Pipes: NA	Pump Station & Catchments Berm: NA	
Pipeline Condition: NA	Condition of Tanks: NA	

Comments: Main fuel cache (at esker airstrip) is stored within secondary containment berms; no rain drains were observed. Licensee is reminded that any water accumulating in berms is to be treated/sampled before discharge to the environment; covering fuel caches completely during seasonal closure is recommended to prevent this situation from occurring.

Berms were placed under most fuel drums in camp (mostly for heating shacks); licensee is reminded that the low point on fuel hoses should be placed inside berms to direct any leakage which may occur, into the berm/tray.

Spill kits were observed on site. A small fuel spill had occurred; contaminated substrate was being dug up and placed in containers for removal/treatment off site.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected	Owner /Operator: NA	
0	INAC:.NA	
Signs Posted	SNP:	Warning:

Records & Reporting: Some improvements required (records not being kept on site)
Geotechnical Inspection: NA

Issues/Non-Compliance of Act or Licence: Licensee is to provide follow-up on the spill that occurred.

Melissa Joy
Inspector's Name

Sent by E-mail
Inspector's Signature