HIGH LAKE
AND
HIGH LAKE EAST PROJECT
(MOLY MAG)
Permit # NWB BE – HIG0712

2012
ANNUAL WATER BOARD REPORT
Reporting on 2011 Activities

December, 2011

MINERALS AND METALS GROUP
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High Lake East Project

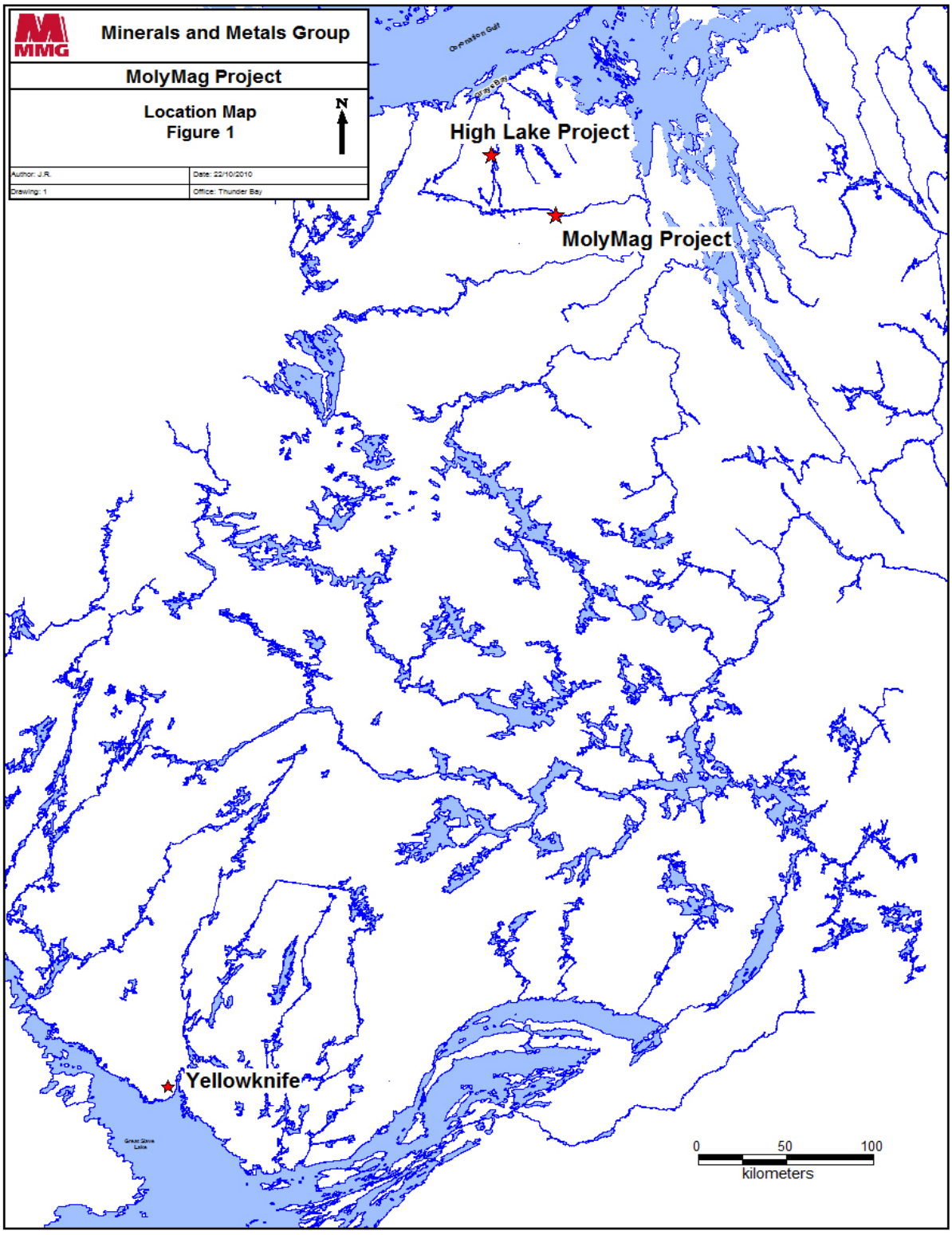
MMG Resources Inc. is an exploration and mining development company. The High Lake East (formerly known as MolyMag) Project is a mineral exploration project focused on base metal exploration in an area of volcanic rocks approximately 30km east of the High Lake Greenstone Belt. The Project is located in the Kitikmeot region of Nunavut, approximately 550km north-northeast of Yellowknife, NWT. The closest population center is Kugluktuk, located 175km west-northwest of the property. The property is approximately 75km south of the Coronation Gulf.

Very little historic work has gone on in the area and MMGs interest resulted from reconnaissance prospecting and mapping programs carried on in 2007/2008. Interest in the volcanic rocks mapped by Jackson et al (1986) led Zinifex to complete a MEGATEM survey (Fugro Airborne Surveys) over the area in 2007. Ground follow-up of EM responses led to the discovery of base metal-rich boulders and eventually drill targets were developed and an initial drilling program carried out in 2010.

The campsite at High Lake East is located in a flat area near an esker on the south shore of the James River and sits on Inuit Owned Land Parcel BB-68. (see Figure 1). The campsite was chosen due to its proximity to the expected drill sites, availability of water for the camp and accessibility.

Access is by air from Yellowknife in twin otter. Two short esker airstrips allow for ski access in the winter months and wheeled access in the summer with limited payloads. The camp itself provides accommodations for up to 20 people, in wood frame prospector style tents. Fuel is cached in drums within secondary containment berms onsite. Water for domestic use is drawn on a daily basis from the James River. Burnable waste is incinerated daily onsite in a forced air furnace and subsequently sealed in drums and air lifted to Yellowknife for proper disposal.

Figure I : High Lake Location Map Showing High Lake East (MolyMag) project site



EXPLORATION PROGRAM 2011:

The 2011 season saw drill testing of targets identified from regional surface prospecting, mapping and geophysics completed in preceding seasons. The James River camp was occupied starting in the beginning of May of 2011 and drilling commenced soon after. In total 19 holes were completed totaling 6900m of core drilling. These holes targeted several occurrences of mineralization and were located to confirm interest at depth (see drilling locations Figure 2 and Table I). All of the 2011 drilling was conducted on land. In addition to diamond drilling, surface mapping and further geophysical testing of the region lead to the development of several additional targets. A follow up program is contemplated for 2012.

PLANNED EXPLORATION PROGRAM 2012:

The proposed exploration program for the 2012 field season will include some diamond drilling at High Lake intended to confirm the resource there, as well as some geotechnical drilling. A total of 5000m is anticipated. In addition to the drilling program, ground geophysical surveys may be conducted as well as environmental baseline work in the region. Operations will be once again based out of the historic High Lake camp, and we are expecting camp population to rise to as many as 30 individuals. Exploration work at the High Lake East location will continue but there is no drilling currently planned for the 2012 season. The camp there may be opened for short periods of time in order to accommodate small field crews.

WATER USAGE:

Water Usage at High Lake East (MolyMag) has been permitted as an amendment under the original Water License #2BE-HIG0712 associated with the High Lake Project. The amendment (#3) was approved in March of 2010, and is valid until May 31, 2012. MMG plans on filing for a renewal of this permit under the same scope of exploration activity in conjunction with a renewal of associated land use permitting.

Water use on the High Lake project is resultant from two activities; diamond drilling and domestic use in camp operations. Diamond drilling began with one drill on May 10th, 2011 and concluded September 12th, 2011. Water at the drill enters a “re-circulating” system. Most of the water returns to surface from the bit face and is collected in tanks where rock flour is allowed to settle out before being re-used. Excess water is allowed to return to the environment. Visual screening is constant. Water pumped to the drill is calculated by average pumping rates of supply pumps and is about 25m3 per day. Of this, an estimated 30% is “consumed” by the drill for drilling operations. The remainder is allowed to flow back to the environment after passing through settling tanks to remove any fine rock cuttings and being visually ‘screened’. A summary of the water source and sump locations is provided in Tables I and II. A map indicating the locations of water sources and sumps are provided in Figure II.

Water used for the daily running of camp facilities was pumped from the James River (High Lake East) using electric submersible pumps or gas powered surface pumps. Water is stored in plastic 500L tanks located in the “dry” facilities at each site. A record is kept of daily usage volumes and these records are provided in Appendix II. Domestic water usage fluctuates with camp population over the course of the season.

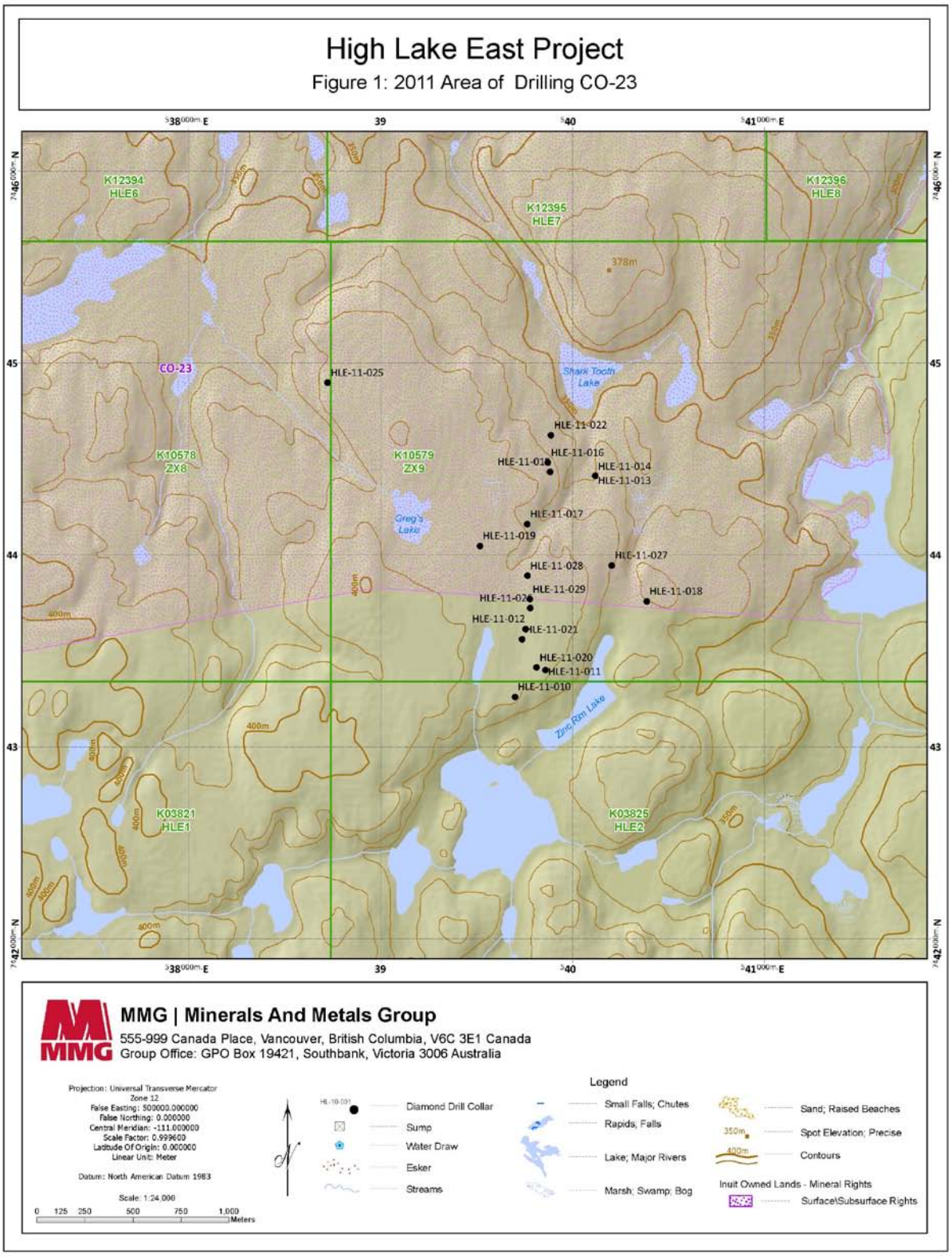
Table I : 2011 Drill Hole Summary High Lake East

HOLE ID #	EASTING	NORTHING	DATUM	UTM ZONE	DEPTH
HLE-11-010	539700	7443260	NAD83	12N	372
HLE-11-011	539858.2	7443399	NAD83	12N	174
HLE-11-012	539756.3	7443614	NAD83	12N	297
HLE-11-013	540118.5	7444411	NAD83	12N	223
HLE-11-014	540118.4	7444411	NAD83	12N	81
HLE-11-015	539884	7444432	NAD83	12N	266
HLE-11-016	539871	7444480	NAD83	12N	455
HLE-11-017	539764	7444160	NAD83	12N	341
HLE-11-018	540386.8	7443758	NAD83	12N	713
HLE-11-019	539516.7	7444046	NAD83	12N	290
HLE-11-020	539812.7	7443413	NAD83	12N	332
HLE-11-021	539737.8	7443560	NAD83	12N	512
HLE-11-022	539887.5	7444623	NAD83	12N	500
HLE-11-023	536131.7	7444610	NAD83	12N	161
HLE-11-024	536277	7444934	NAD83	12N	170
HLE-11-025	538723.8	7444897	NAD83	12N	215
HLE-11-026	539779.5	7443722	NAD83	12N	515
HLE-11-027	540205	7443945	NAD83	12N	279
HLE-11-028	539765	7443891	NAD83	12N	350
HLE-11-029	539777	7443769	NAD83	12N	740

Table II : Sump / Water Source Locations for 2011 Drilling

HOLE ID#	SUMP EAST	SUMP NORTH	DESCRIPTION	SOURCE
HLE-11-010	539704	7443259	Rocks	Zinc Lake
HLE-11-011	539861	7443399	Rocks	Zinc Lake
HLE-11-012	539759	7443613	Rocks	Zinc Lake
HLE-11-013 / 014	540156	7444474	Rocks	Shark Tooth Lk.
HLE-11-015	539858	7444329	Rocks	Shark Tooth
HLE-11-016	539892	7444480	Rocks	Shark Tooth
HLE-11-017	539765	7444160	Rocks	Fault Lake
HLE-11-018	540396	7443758	Rocks	Zinc Lake
HLE-11-019	539514	7444048	Rocks	Gregs Pond
HLE-11-020	539816	7443414	Rocks	Zinc Lake
HLE-11-021	539735	7443552	Rocks	Zinc Lake
HLE-11-022	539889	7444621	Depression	Shark Tooth
HLE-11-023	536130	7444605	Depression	Landing Lake
HLE-11-024	536273	7444932	Depression	Landing Lake
HLE-11-025	538722	7444893	Depression	Lake
HLE-11-026	539778	7443722	Rocks	Zinc Lake
HLE-11-027	540201	7443941	Depression	Zinc Lake
HLE-11-028	539791	7443882	Depression	Fault Lake
HLE-11-029	539772	7443775	Depression	Zinc Lake

Figure 2: 2011 Drilling High Lake East



Unauthorized Discharges

There were no unauthorized discharges representing “reportable” amounts of greater than 5 L at the High Lake East site in the 2011 field season.

Spill Contingency Plan / Abandonment and Restoration Plan

The High Lake Spill Contingency Plan was updated at the beginning of the reporting period, with minor changes to personnel listed and contact numbers provided. A copy of the updated Spill Contingency plan is provided in Appendix IV.

Reclamation Work

Reclamation work occurs at each diamond drilling site on an ongoing basis during the exploration program. Each site is returned to its natural state with as little disturbance as possible at the conclusion of each drill hole.

Empty fuel drums are removed from site on a constant basis utilizing “backhaul” flights to Yellowknife.

The removal of 4 plywood “drill” and “pump” shacks was carried out at the High Lake Camp during the reporting period, along with the dismantling and storage of 4 tent frames. In addition, some 850 accumulated empty drums and 75,000lbs. of accumulated scrap metal, drill steel and old drill equipment were also removed from site. All of this material was airlifted back to Yellowknife during 2011 Hercules operations off of the frozen lake surface for proper disposal and/or return to drilling contractors (Major Drilling). Photos are provided in the appendices.

Waste Disposal

Solid burnable waste generated on site was incinerated in a forced air, diesel powered incinerator. The resulting ash was routinely collected, sealed in 45 Gal drums and then transported to Yellowknife for disposal. The incinerator was also used to dispose of waste produced from pacto toilets. The waste-filled pacto bags were incinerated and the resulting ash was collected, sealed in 45 Gal drums and then transported to Yellowknife for disposal. Batteries, used lubricants, and other waste products that require special attention are handled by KBL environmental who have access to a treatment facility in Edmonton.

Appendix I : Water Sampling

MMG RESOURCES INC
ATTN: TRISH TOOLE
555-999 CANADA PLACE
VANCOUVER BC V6C 3E1

Date Received: 04-MAY-11
Report Date: 13-MAY-11 15:59 (MT)
Version: FINAL

Client Phone: 778-372-2680

Certificate of Analysis

Lab Work Order #:	**L1000868**
Project P.O. #:	4500896125
Job Reference:	
Legal Site Desc:	MOLYMAG
C of C Numbers:	C048892

Susan Clark
Account Manager

ALS ENVIRONMENTAL ANALYTICAL REPORT

Sample Details/Parameters	Result	Qualifier*	D.L.	Units	Extracted	Analyzed	Batch
L1000868-1 MM2011							
Sampled By: N/A on 03-MAY-11 @ 12:30							
Matrix: WATER							
Miscellaneous Parameters							
Fecal Coliforms	<1		1	CFU/100mL		04-MAY-11	R2185601
MF - Heterotrophic Plate Count	See Attached					06-MAY-11	
Total Coliform and E.coli							
Total Coliforms	1		1	MPN/100mL		04-MAY-11	R2185590
Escherichia Coli	<1		1	MPN/100mL		04-MAY-11	R2185590
Routine Potable Water plus Metals							
Chloride by IC							
Chloride (Cl)	1.25		0.50	mg/L		05-MAY-11	R2184676
Fluoride by IC							
Fluoride (F)	<0.050		0.050	mg/L		05-MAY-11	R2184676
Ion Balance Calculation							
Ion Balance	Low EC			%		09-MAY-11	
TDS (Calculated)	15.4			mg/L		09-MAY-11	
Hardness (as CaCO3)	12.8			mg/L		09-MAY-11	
Mercury (Hg) - Total							
Mercury (Hg)-Total	<0.00010		0.00010	mg/L		06-MAY-11	R2185652
Nitrate as N by IC							
Nitrate (as N)	<0.050		0.050	mg/L		05-MAY-11	R2184676
Nitrate+Nitrite							
Nitrate and Nitrite (as N)	<0.071		0.071	mg/L		09-MAY-11	
Nitrite as N by IC							
Nitrite (as N)	<0.050		0.050	mg/L		05-MAY-11	R2184676
Sulfate by IC							
Sulfate (SO4)	4.41		0.50	mg/L		05-MAY-11	R2184676
Total Metals in Water by ICPMS (Low)							
Aluminum (Al)-Total	0.115		0.020	mg/L		06-MAY-11	R2186574
Antimony (Sb)-Total	<0.00040		0.00040	mg/L		06-MAY-11	R2186574
Arsenic (As)-Total	<0.00040		0.00040	mg/L		06-MAY-11	R2186574
Barium (Ba)-Total	0.00305		0.00020	mg/L		06-MAY-11	R2186574
Beryllium (Be)-Total	<0.0010		0.0010	mg/L		06-MAY-11	R2186574
Bismuth (Bi)-Total	<0.00020		0.00020	mg/L		06-MAY-11	R2186574
Boron (B)-Total	<0.020		0.020	mg/L		06-MAY-11	R2186574
Cadmium (Cd)-Total	<0.00020		0.00020	mg/L		06-MAY-11	R2186574
Chromium (Cr)-Total	<0.00080		0.00080	mg/L		06-MAY-11	R2186574
Cobalt (Co)-Total	<0.00020		0.00020	mg/L		06-MAY-11	R2186574
Copper (Cu)-Total	0.0236		0.0010	mg/L		06-MAY-11	R2186574
Lead (Pb)-Total	0.00189		0.00010	mg/L		06-MAY-11	R2186574
Molybdenum (Mo)-Total	<0.00010		0.00010	mg/L		06-MAY-11	R2186574
Nickel (Ni)-Total	0.00093		0.00020	mg/L		06-MAY-11	R2186574
Selenium (Se)-Total	<0.00040		0.00040	mg/L		06-MAY-11	R2186574
Silver (Ag)-Total	<0.00040		0.00040	mg/L		06-MAY-11	R2186574
Strontium (Sr)-Total	0.00758		0.00020	mg/L		06-MAY-11	R2186574
Thallium (Tl)-Total	<0.00010		0.00010	mg/L		06-MAY-11	R2186574
Tin (Sn)-Total	<0.00040		0.00040	mg/L		06-MAY-11	R2186574
Titanium (Ti)-Total	<0.0050		0.0050	mg/L		06-MAY-11	R2186574
Uranium (U)-Total	<0.00010		0.00010	mg/L		06-MAY-11	R2186574
Vanadium (V)-Total	<0.00050		0.00050	mg/L		06-MAY-11	R2186574
Zinc (Zn)-Total	0.0350		0.0040	mg/L		06-MAY-11	R2186574
Total Metals in Water by ICPOES (Low)							
Calcium (Ca)-Total	3.00		0.50	mg/L		06-MAY-11	R2186328
Iron (Fe)-Total	0.031		0.010	mg/L		06-MAY-11	R2186328
Magnesium (Mg)-Total	1.30		0.10	mg/L		06-MAY-11	R2186328

* Refer to Referenced Information for Qualifiers (if any) and Methodology.

ALS ENVIRONMENTAL ANALYTICAL REPORT

Sample Details/Parameters	Result	Qualifier*	D.L.	Units	Extracted	Analyzed	Batch
L1000868-1 MM2011							
Sampled By: N/A on 03-MAY-11 @ 12:30							
Matrix: WATER							
Total Metals in Water by ICPOES (Low)							
Manganese (Mn)-Total	<0.0020		0.0020	mg/L		06-MAY-11	R2186328
Potassium (K)-Total	0.53		0.50	mg/L		06-MAY-11	R2186328
Sodium (Na)-Total	<1.0		1.0	mg/L		06-MAY-11	R2186328
Turbidity							
Turbidity	2.14		0.10	NTU		05-MAY-11	R2185401
pH, Conductivity and Total Alkalinity							
pH	7.10		0.10	pH		05-MAY-11	R2185129
Conductivity (EC)	29.2		0.20	uS/cm		05-MAY-11	R2185129
Bicarbonate (HCO3)	9.9		5.0	mg/L		05-MAY-11	R2185129
Carbonate (CO3)	<5.0		5.0	mg/L		05-MAY-11	R2185129
Hydroxide (OH)	<5.0		5.0	mg/L		05-MAY-11	R2185129
Alkalinity, Total (as CaCO3)	8.1		5.0	mg/L		05-MAY-11	R2185129

* Refer to Referenced Information for Qualifiers (if any) and Methodology.

Reference Information

Test Method References:

ALS Test Code	Matrix	Test Description	Method Reference**
CL-IC-ED	Water	Chloride by IC	APHA 4110 B-ION CHROMATOGRAPHY
F-IC-ED	Water	Fluoride by IC	APHA 4110 B-ION CHROMATOGRAPHY
FC-MF-YL	Water	Fecal Coliform	APHA 9222D
HG-T-CVAA-ED	Water	Mercury (Hg) - Total	EPA 245.7 / EPA 245.1
HPC-MF-PB	Water	Heterotrophic Plate Count-MF	APHA 9215D MF
IONBALANCE-ED	Water	Ion Balance Calculation	APHA 1030E
MET-T-L-ICP-ED	Water	Total Metals in Water by ICPOES (Low)	APHA 3120 B-ICP-OES
MET-T-L-MS-ED	Water	Total Metals in Water by ICPMS (Low)	SW 846 - 6020-ICPMS
NO2+NO3-CALC-ED	Water	Nitrate+Nitrite	CALCULATION
NO2-IC-ED	Water	Nitrite as N by IC	APHA 4110 B-ION CHROMATOGRAPHY
NO3-IC-ED	Water	Nitrate as N by IC	APHA 4110 B-ION CHROMATOGRAPHY
PH/EC/ALK-ED	Water	pH, Conductivity and Total Alkalinity	APHA 4500-H, 2510, 2320
SO4-IC-ED	Water	Sulfate by IC	APHA 4110 B-ION CHROMATOGRAPHY
TC,EC-QT97-YL	Water	Total Coliform and E.coli	APHA 9223
The analysis of Total Coliform (TC) & Escherichia coli (EC) is processed by Quanti-tray (QT): Two substrates, ONPG for TC detection and MUG for EC detection are used. The substrates are added to the 100 ml sample dispensed into the 51 well tray. The tray is incubated at 35 Celcius for 24 hours. A colour reaction develops to indicate a positve reaction (presence of TC, EC). The number of positive wells are counted and converted to Most Probable Number Units (MPNU) per 100 ml. This test is also called 'rapid MPN method', therefore, the MPN results are derived from a statistical table with a 95% confidence and report as MPN units. The QT detection limit for a negative result is reported as zero.			
TURBIDITY-ED	Water	Turbidity	APHA 2130 B-Nephelometer

** ALS test methods may incorporate modifications from specified reference methods to improve performance.

The last two letters of the above test code(s) indicate the laboratory that performed analytical analysis for that test. Refer to the list below:

Laboratory Definition Code	Laboratory Location
PB	PBR LABORATORIES
ED	ALS ENVIRONMENTAL - EDMONTON, ALBERTA, CANADA
YL	ALS ENVIRONMENTAL - YELLOWKNIFE, NW, CANADA

Chain of Custody Numbers:

C048892

GLOSSARY OF REPORT TERMS

Surrogates are compounds that are similar in behaviour to target analyte(s), but that do not normally occur in environmental samples. For applicable tests, surrogates are added to samples prior to analysis as a check on recovery. In reports that display the D.L. column, laboratory objectives for surrogates are listed there.
mg/kg - milligrams per kilogram based on dry weight of sample
mg/kg wwt - milligrams per kilogram based on wet weight of sample
mg/kg lwt - milligrams per kilogram based on lipid-adjusted weight
mg/L - unit of concentration based on volume, parts per million.
< - Less than.
D.L. - The reporting limit.
N/A - Result not available. Refer to qualifier code and definition for explanation.

Test results reported relate only to the samples as received by the laboratory.
UNLESS OTHERWISE STATED, ALL SAMPLES WERE RECEIVED IN ACCEPTABLE CONDITION.
Analytical results in unsigned test reports with the DRAFT watermark are subject to change, pending final QC review.

Appendix II : Water Usage

MAY 2011

DATE	TIME	MORNING (litres)	INITALS
May 2 /11	6:00am	2000 L	PC
May 3 /11	6:00am	0	PC
May 4 /11	6:00am	1000 L	PC
May 5 /11	7:00am	1000 L	PC
May 6 /11	6:30am	2000 L	PC
May 7 /11	6:00am	0	PC
May 8 /11	6:00am	0	PC
May 9 /11	6:00am	1200 L	PC
May 10 /11	6:00am	0	PC
May 11 /11	6:00am	2500 L	PC
May 12 /11	7:00am	1500 L	PC
May 13 /11	4:00pm	1000 L	PC
May 14/11	9:00pm	900 L	PC
May 15 /11	11:00am	500 L	PC
May 16 /11	8:30am	600L	PC
May 17 /11	8:00am	900 L	PC
May 18 /11	10:35am	1200 L	CK
May 19 /11	10:00am	1000 L	PJ
May 20 /11	8:30am	1600 L	CK
May 21 /11	5:30pm	2200 L	PJ
May 22 /11	7:55am	1000 L	CK
May23 /11	1:00pm	1200 L	PJ
May 24 /11	3:30pm	1000 L	PJ
May 25 /11	4:00pm	1500 L	PJ
May 26 /11	7:30am	750 L	PJ
May 27 /11	8:30am	1000 L	PJ
May 28 /11	1:00pm	1250 L	CK
May 29 /11	8:00am	700 L	RL
May 30 /11	7:30am	1800 L	PJ
May 31 /11	5:00pm	1200 L	PJ
	TOTAL =	33300 L	

JUNE 2011

DATE	TIME	MORNING (litres)	INITALS
June 1 /11	10:30am	700 L	PJ
June 2 /11	5:30pm	1600 L	PJ
June 3 /11	3:00pm	600 L	PC
June 4 /11	4:30pm	1400 L	PC
June 5 /11	4:15pm	1300 L	PJ
June 6 /11	11:00am	1700 L	PJ
June 7 /11	8:40am	1000 L	RL
June 8 /11	11:50am	1500 L	RL
June 9 /11	4:30pm	1000 L	CK
June 10 /11	5:10pm	800 L	CK
June 11 /11	8:30am	700 L	PC
June 12 /11	7:20am	500 L	PC
June 13 /11	4:00pm	1000 L	PC
June 14 /11	7:40am	1700 L	PC
June 15 /11	9:00pm	700 L	PC
June 16 / 11	9:00pm	1500 L	PC
June 17 /11	7:00pm	1000 L	PC
June 18 /11	6:00pm	1000 L	RL
June 19 /11	7:00pm	1000 L	PC
June 20 /11	8:30am	1500 L	WB
June 21 /11	4:30pm	1700 L	RL
June 22 /11	1:30pm	1200 L	LA
June 23 /11	9:30am	800 L	PJ
June 24 /11	5:00pm	1800 L	LA
June 25 /11	9:00am	800 L	PJ
June 26 /11	2:00pm	800 L	PJ
June 27 /11	5:00pm	1100 L	PJ
June 28 /11	2:40pm	900 L	LA
June 29 /11	10:00am	1300 L	PJ
June 30 /11	10:30am	1000 L	LA
	TOTAL =	32600 L	

JULY 2011

DATE	TIME	MORNING (litres)	INITALS
July 1 /11	3:40pm	700 L	CK
July 2 /11	8:55am	650 L	LA
July 3 /11	8:35am	1050 L	LA
July 4 /11	2:20pm	1300 L	LA
July 5 /11	7:45am	1300 L	LA
July 6 /11	11:30am	800 L	PJ
July 7 /11	7:40am	900 L	LA
July 8 /11	3:00pm	600 L	PJ
July 9 /11	7:45am	1600 L	LA
July 10 /11	9:15am	1800 L	RL
Juky 11/ 11	8:00am	800 L	PJ
July 12 /11	8:00am	700 L	RL
July 13 /11	10:00am	800 L	PC
July 14 /11	8:30am	1600 L	PJ
July 15 /11	4:00pm	1500 L	CK
July 16 /11	4:30pm	800 L	CK
july 17 /11	10:00am	700 L	CK
July 18 /11	7:50am	1000L	CK
July 19 /11	6:00am	2000L	PJ
July 20 /11	8:00am	1000L	PC
July 21 /11	11:00am	1400L	PC
July 22 /11	1:25pm	1000L	CK
July 23 /11	7:50am	700L	CK
July 24 /11	5:00pm	600L	CK
July 25 /11	8:15am	1500L	CK
July 26 /11	10:30am	600L	CK
July 27 /11	5:40pm	500L	CK
July 28 /11	8:10am	900L	CK
July 29 / 11	7:50am	1200L	CK
July 30 /11	7:45am	1300L	CK
July 31 /11	10:30am	1700L	RL
	TOTAL =	32200L	

AUGUST 2011

DATE	TIME	MORNING (litres)	INITALS
Aug.1/ 11	7:30am	1200L	CK
Aug.2/ 11	7:10am	1900L	CK
Aug.3/ 11	6:00am	1100L	PJ
Aug.4/ 11	6:00am	2000L	PJ
Aug.5/ 11	7:00am	900L	PJ
Aug.6/ 11	7:00am	1600L	PJ
Aug.7/ 11	7:30am	800L	PJ
Aug.8/ 11	7:00am	1400L	PJ
Aug.9/ 11	1:00pm	1300L	LA
Aug10/ 11	7:30am	1000L	PJ
Aug11/ 11	7:30am	1600L	PJ
Aug12/ 11	7:30am	1200L	PJ
Aug13/ 11	8:00am	2000L	PJ
Aug14/ 11	7:00am	1000L	PJ
Aug15/ 11	7:00am	700L	PJ
Aug16/ 11	1:55pm	1300L	CK
Aug17/ 11	7:55am	1100L	LA
Aug18/ 11	7:00am	1400L	CK
Aug19/ 11	9:30am	1300L	CK
Aug20/ 11	7:15am	1400L	PJ
Aug21/ 11	8:10am	1300L	CK
Aug22/ 11	6:00am	1800L	PJ
Aug23/ 11	7:00am	1200L	CK
Aug24/ 11	7:30am	1200L	CK
Aug25/ 11	7:45am	1000L	CK
Aug26/ 11	7:20am	1000L	PJ
Aug27/ 11	7:30am	1800L	PJ
Aug28/ 11	7:45am	1500L	CK
Aug29/ 11	8:00am	1300L	CK
Aug30/ 11	7:50am	1600L	CK
Aug31/ 11	8:30am	1000L	CK
	TOTAL =	40900L	

SEPTEMBER 2011

DATE	TIME	MORNING (litres)	INITALS
Sept 1/ 11	8:00am	1500L	CK
Sept 2/ 11	5:00pm	1000L	CK
Sept 3/ 11	10:45am	1300L	CK
Sept 4/ 11	7:35am	1400L	RL
Sept 5/ 11	7:50am	1700L	CK
Sept 6/ 11	7:35am	900L	CK
Sept 7/ 11	7:40am	1300L	CK
	TOTAL	**9100L**	

Appendix III : Spill Contingency Plan

SPILL CONTINGENCY PLAN
EXPLORATION OPERATIONS
HIGH LAKE AND HIGH LK. EAST PROPERTIES
NUNAVUT, CANADA

Prepared: December 15th, 2009
Latest Revision: December 15th, 2011

MMG Resources Inc.
555 – 999 Canada Place, Vancouver, BC V6C 3E1 • Tel: 778 373 5600

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PREAMBLE

This Spill Contingency Plan has been compiled with respect to the requirements within the Spill Contingency Planning and Reporting Regulations in Northwest Territories as adopted by the Government of Nunavut. The plan is effective from December 15th 2009 through until September 30th 2012. The plan may be revised at any time during operations and the revision date with be noted on the title page of the plan.

INTRODUCTION

This Spill Contingency Plan is to provides a plan of action for reasonably foreseeable spill events at the High Lake East camp considering the nature of the fuels and other hazardous materials that will be handled during the Company's operations The plan defines the responsibilities of key response personnel and outlines the procedures for responding to spill in a way that will act to minimize potential health and safety hazards, environmental damage and remediation costs. The plan has been prepared to provide ready access to all the information needed in dealing with a spill.
The objectives of the Plan are to:

- Define the reporting procedures and communication network to be used in the event of a system failure or material spill.

- Define procedures for the safe and effective containment and cleanup/disposal of a system failure or material spill.

- Define specific individuals and their responsibilities with respect to responding to a spill.

It is MMG Resources Inc. policy to comply with all existing laws and regulations to help ensure the protection of the environment, to provide such protection of the environment as is technically feasible, to cooperate with other groups working on protection of the environment and to keep employees, government officials and the public informed.

Personnel will be instructed on the plan upon arrival in camp. Instruction will also be given on how to properly manipulate and store fuel and other hazardous substances and on the location of emergency equipment. A more graphical representation of this plan will be posted in common camp areas.

Environmental Policy

Our aim is to achieve a high standard of care for the natural environment in all of the activities in which we engage.

We undertake to minimize our impact on the environment

We will:

- conduct our operations in compliance with all relevant environmental regulations, licenses and legislation as a minimum condition
- identify, monitor and manage environmental risks arising from our operations
- seek continuous improvement in environmental performance, production processes, waste management and the use of resources
- provide appropriate training and awareness for all employees on environmental issues
- communicate regularly with employees about our aim and about individual responsibilities
- inform our customers and suppliers of our aim and of their responsibilities in relation to our business
- communicate with stakeholders, the community and governments about our environmental performance, and contribute to the development of laws and regulations which may affect our business.

SITE DESCRIPTIONs

HIGH LAKE

The camp is located on the sloping southwest shore of High Lake and consists of a mix of plywood clad and canvass covered wooden frame structures offering accommodations for up to 40 people. See Camp layout provided.

Fuel is transported to site seasonally using the frozen lake surface to allow Hercules operations and is then shuttled with a helicopter into the two (North and South) fuel caches on the high ground behind the camp.

Fuel on site is stored in 205L drums that are stacked no more than 3 high in secondary containment berms. Bungs are positioned to allow inspection of the drums and to avoid leakage. The fuel caches allow for the storage of up to 800 drums on site.

Propane is to be stored in 100lb cylinders within a designated area away from camp. These will be secured to prevent accidental tipping of propane cylinders. Propane is brought to site continually on re-supply flights, with a total number of cylinders stored on site not exceeding 30.s

Each of the tents will have a drum of fuel supported on wooden crib. A plastic spill container will be placed below each drum and absorbent matting will be fixed around each bung/fuel supply assembly.

Other chemicals will be securely stored in the camp area, primarily within the drill foreman's work area.

HIGH LK. EAST

The camp will is located on the south shore of the James River (Figure 1). The camp consists of 12 to 14 wood framed (with plywood floor) canvas walled tents that will include a kitchen and dry. See attached map for the camp layout (Figure 2).

Fuel will be transported to the site by Twin Otter into the esker strip on tundra tires or on skis, and then immediately be moved by helicopter to the fuel cache behind camp.

Fuel will be stored in 205L drums and stacked not more than 3 high. All fuel except for that currently in use will be stacked within a containment berm. Bungs will be positioned at 3 / 9 o'clock for easy inspection of leaks. The total number of fuel drums may be up to 600 in total.

Propane is to be stored in 100lb cylinders within a designated area away from camp. These will be secured to prevent accidental tipping of propane cylinders. Propane is brought to site continually on re-supply flights, with a total number of cylinders stored on site not exceeding 30.

Each of the tents will have a drum of fuel supported on wooden crib. A plastic spill container will be placed below each drum and absorbent matting will be fixed around each bung/fuel supply assembly.

Other chemicals will be securely stored in the camp area, primarily within the drill foreman's work area.

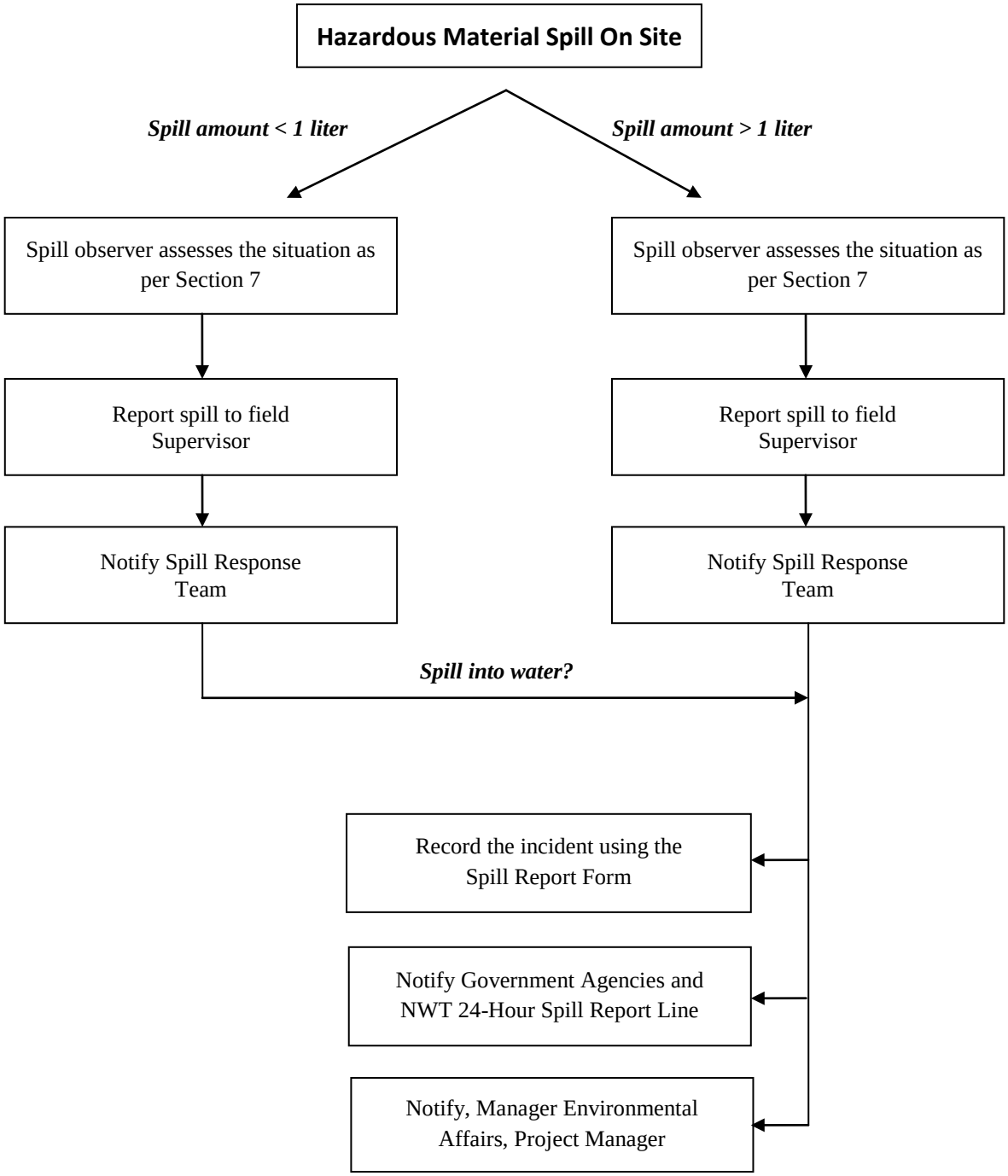
CONTACTS

People and organizations that can be contacted in the event of a spill:

Project Manager	Trish Toole	778-373-5581
Operations Manager	Ted Muraro	778-373-5589
Development Manager	Sahba Safavi	778 373 5600
Exploration Manager	Ian Neill	778-373-5603
Kitikmeot Inuit Association	Stanley Anablak	(867)-982-3310
Nunavut Water Board	Phyllis Beaulieu	(867)-360-6338 (867)-360-6369 (fax)
Spill Report Line (24 hr)	(867)-920-8130 (phone) (867)-873-6924 (fax) spills@gov.nt.ca (email)	
Environment Canada		(867)-975-4644
INAC Manager of Field Operations		(867)-975-4295
WCB 24 Hour Accidents		(867)-873-7468
WCB/WSCC Chief Inspector		Peter Bengts (867)-920-3888
Kugluktuk Health Center	Janet Carstairs	(867)-982-4531
Kugluktuk RCMP	Franco Radescho	(867)-982-1111 (867)-920-8130 (fax)

RESPONSE ORGANIZATION

The following is a flow chart to illustrate the sequence of events if a hazardous material spill occurs at either the High Lake or High Lake East Project sites.



SPILL RESPONSE TEAM

All personnel will be informed of the contents of the Spill Contingency Plan and trained in the safe use of relevant spill prevention and clean up equipment. The Field Supervisor will appoint and train two persons to be the Spill Response Team. They will also be responsible to carry out the daily inspections of the fuel storage areas and equipment. Personnel on site will be limited, so for any large spill more people will be brought in to help, from surrounding exploration operations primarily from the IZOK Lake Camp located 200km South-West of the High Lake Camp and secondly from Yellowknife.

Spill Response Team Responsibilities

- Perform daily inspections at the Camp fuel and chemical storage areas and fuel hoses.
- Report any spill to Project Manager or designate.
- Containment of the spill and site remediation.

Field Supervisor Responsibilities

- Assume complete authority over the spill scene and coordinate all personnel involved.
- Evaluate spill situation and develop overall plan of action.
- Activate the spill contingency plan
- Immediately report the spill to the NWT 24-Hour Spill Report Line and regulatory agencies. (For spill greater than 10 litres)
- Fill out the Spill Report Form (for spill greater than 10 litres)
- Report the spill to the Project Manager. (For spill greater than 1 litre)
- If required, obtain additional manpower, equipment, and material if not available on site for spill response.

Manager, Environmental Affairs Responsibilities

- Provide regulatory agencies and MMG Resources Inc. management with information regarding the status of the clean up activities.
- Prepare and submit a report on the spill incident to regulatory agencies within 30 days of the event.

SPILL PREVENTION

The first line of defense against spills is spill prevention. All efforts to avoid spills will be made by prioritizing preventative measures in the following manner.

Spill Of Fuel on Land

Steel drums will be stored in such a manner that they will not be susceptible to tipping over, rolling or otherwise being unstable. Care will be exercised so that nothing can cause damage to steel fuel drums by

falling or rolling onto or into them. When unloading steel fuel drums from aircraft, the use of a ramp or a cushion (automotive tire) will ensure that the drums are not damaged.

Leak of Fuel From Reservoir and Distribution Lines

Stability of all reservoir and distribution assemblies is of utmost importance to ensure that the risk of damage is minimized. All stands for reservoirs will be constructed to strength standards beyond those required. Distribution lines from reservoirs to appliances will be fitted with an appropriate shut-off valve immediately downstream from the reservoir. The line will be installed in such a way to prevent being chafed in the wind, chewed on by animals or tripped on by humans. This will be done by securing it to rigid structures, encasing it in armor or any other effective manner. These measures apply broadly to heating oil, gasoline and propane set-ups.

Spill of Fuel On Water

Liquid fuel in steel drums will be stored at least 30m back from the lakeshore on hard ground. All care shall be taken when refueling float planes at the float dock. Fuel will only be brought down to the dock when fuelling is imminent. Partially used drums will be removed from the dock immediately upon completion of fueling. Absorbent pads will be used both around the rim of the fuel drum and the rim of the aircraft's fuel tank to ensure that any overflow does not enter the body of water.

Release of Propane

Propane will be stored in appropriate, certified containers. Propane containers will be inspected and monitored on a regular basis for any signs of deterioration or corrosion. Containers will be secured and fastened in an upright position to ensure there is no danger of tipping and eliminating the risk of damage to the regulator in the event of a fall.

Spill of Battery Acid

All batteries will be protected from damage by fastening them into the space designed for them when in use, and stored safely when not in use. Batteries will be transported in appropriate containers as stipulated under the dangerous goods requirements. Batteries that no longer hold a charge will be flown out and disposed of in the appropriate facilities.

INITIAL ACTION

These instructions are to be followed by the first person on the spill scene.

1. Always be alert and consider your safety first.
2. Wear personal protective equipment
3. Do not smoke and eliminate all source of ignition
4. Assess the hazard to people in the vicinity of the spill.
5. If possible control danger to human life
6. Do not touch, smell, taste or get close to unknown substance.
7. If substance has been identified and if possible and safe to do so, try to stop the flow of material.
    - If filling is in progress, stop at once
    - If seeping through a small hole, use a patch kit if practical to do so.
    - If necessary and practical, pump the fuel from the leaking container into a refuge container
8. Immediately report the spill to the Field Supervisor and Spill Response Team by radio, satellite phone or in person.
9. Resume any effective action to contain, mitigate, or terminate the flow of the spilled material.
10. If in doubt about cleaning procedures or for a very large spill, regulatory agencies can help.

REPORTING

The person who notices the spill must immediately notify the Field Supervisor. As soon as possible the Field Supervisor will report the spill to:

- The 24-Hour Spill Report Line Phone (867) 920-8130, Fax (867) 873-6924
- Fill out the NWT Spill Report Form NWT1752/0202 – See Appendix I
- Notify the Manager, Environmental Affairs for a spill greater than 10 litres.
- Notify permitting authorities (Nunavut Water Board, Kitikmeot Inuit Association)

RESOURCE INVENTORY

A spill kit with a capacity of 240 litres will be located at the fuel tank area and will contain:

1 – 360 litre/79 gallon polyethylene drum
4 – oil absorbent booms (5” X 10’)
100 – oil absorbent sheets (16.5” X 20” X 3/8”)
1 – drain cover (36” X 36” X 1/16”)
1 – Caution tape (3” X 500’)
1 – 1 lb plugging compound
2 – pair Nitrile gloves

2 – pair Safety goggles
2 – pair Tyvek coveralls
1 – instruction booklet
10 – printed disposable bags (24" X 48")
1- shovel (in remote spill kit only)
1- plastic tarp

Shovels, water pump, plastic pails, garbage bags, extra absorbent pad, drip pans will be placed on the side of the wall at the main office and the kitchen. Fire extinguishers are available throughout the camp facility.

Drill Spill Kits with a capacity of 25 L will contain the following:

10-	Pads (17"x19"x2/8")
3 -	Socks (3"x4')
1 -	Pair of Gloves
1 -	Disposal Bags
1 -	Warning Sign
1 -	Literature (Inventory List, MSDS, Instructions)

HAZARDOUS MATERIAL INVENTORY

This following section lists for each hazardous substance present on the project area, health hazards, spill procedure and disposal procedures. For more detailed information, refer to the MSDS sheets.

Diesel Fuel, Jet-B, Gasoline

DIESEL, JET-B AND GASOLINE ARE HIGHLY FLAMMABLE

General Precautions

- Do not smoke
- Will be easily ignited by heat, sparks or flames
- Gasoline and Jet-B are more volatile than diesel
- Explosion hazard indoors, in confined spaces and outdoors
- Vapors may form explosive mixtures with air
- Vapors may travel to source of ignition and flash back
- Most vapors are heavier than air. They will spread along ground and collect in low or confined areas.
- Keep pump or electrical equipment far away, be very careful with metallic tools that could sparks on rocks, wait for vapors to dissipate
- Inhalation may cause central nervous effects
- Aspiration into lungs may cause pneumonitis which can be fatal
- Eye and skin irritation
- Prolonged exposure has caused cancers in laboratory animals

Spill on Land

- Build a containment berm, downslope, using, peat, moss, and soil material, bags filled with sand or rocks and place a plastic tarp at the foot of the berm to pool the spill. Spill can be pumped if in a large amount
- Soak up spilled substance by using absorbent pads
- Excavate the surface soil if necessary. If large excavation is needed, first contact regulatory agencies for approval.
- Remove spill substance splashed on vegetation by applying a thin dusting of Spag-zorb or other ultra-dry absorbent.
- Dispose hydrocarbons, absorbent pad, contaminated soil and cleaning material in an empty drum, seal it and label it.
- On marshy zones, don't destroy vegetal cover, limit personnel and equipment. Remove pooled oil with absorbent pads and/or skimmer.

Spill on Water

- Contain spill as close to release point as possible
- On small spill, deploy hydrophobic absorbent pads

- On larger spill and weather conditions permitting, use containment boom to limit fuel dispersion. Use a skimmer, pump or hydrophobic absorbent pads to remove fuel inside the boom.
- Dispose hydrocarbons, absorbent pad, contaminated soil and cleaning material in an empty drum, seal it and label it.

Spill on Rivers and Streams

- Prevent entry into water, if possible, by building a berm or trench.
- Intercept moving slicks in quiet areas using (absorbent) booms.
- Do not use absorbent booms/pads in fast currents and turbulent water.

Spill on Ice and Snow

- Build a containment berm of compacted snow around spill.
- If hydrocarbons are pooling on ice, pump large amount or use hydrophobic absorbent pads.
- Don't delay removing the spill as hydrocarbons could seep through cracks into the water.
- Scrape ice, shovel all contaminated snow in plastic buckets with lids or in drums. Dispose absorbent pads and other contaminated equipment in separated containers. Label and seal the containers.

Spill Disposal

- Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

Propane

EXTREMELY FLAMMABLE

General Precautions

- Do not smoke
- Cylinders may explode when heated
- Cylinders may rocket if ruptured
- Will be easily ignited by heat, sparks or flames
- Explosion hazard indoors, in confined spaces and outdoors
- Vapors may form explosive mixtures with air
- Vapors may travel to source of ignition and flash back
- Vapors from liquefied gas are initially heavier than air and spread along ground.
- Contact with gas or liquefied gas may cause burns, severe injuries and/or frostbite
- Keep pump or electrical equipment far away, be very careful with metallic tools that could sparks on rocks, wait for vapors to dissipate
- Liquid may cause frostbites and blisters
- Blurred vision if goes in the eyes
- Narcotic asphyxiate
- Dizziness, disorientation, excitation, headache, vomiting, unconsciousness if inhaled

Spill on Land, Water, Ice and Snow

- Eliminate all source of ignition
- Do not attempt to contain the propane release if not absolutely sure on what to do.
- Do not touch or walk through spilled material
- Stop leak if can be done without risk
- If possible, turn container so that gas escapes rather than liquid.
- Water spray can be used to knock down vapors but don't direct water at spill or source of leak
- Prevent spreading of vapors in confined areas
- If or when possible, confine spill with confinement berm. Throw absorbent pads into spill, retrieved them with gaffs or pitchforks.
- Small fire can be extinguished with dry chemical or CO_2.
- Dispose contaminated materials in a labeled drum.

Spill Disposal

- Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods for detective equipment that resulted in the release.

Motor Oil, Hydraulic Oil, Transmission Fluid

General Precautions

- Avoid breathing mists, may cause lung irritation
- On skin may cause mild irritation

Spill Action

Soak up with absorbent material

- Disposed contaminated soil and material in sealed and labeled container
- Small amount can be incinerated
- Large amount to be disposed as hazardous waste.

Antifreeze

General Precautions

- Respiratory irritation with prolonged exposure.
- Kidney, liver and bladder problems reported in animals

Spill on Land

- Soak up by using absorbent pads
- Dispose antifreeze, absorbent pad, contaminated soil and cleaning material in an empty drum, seal it and label it.
- On marshy zones, don't destroy vegetal cover, limit personnel and equipment. If possible remove pooled antifreeze with absorbent pads.

Spill on Rivers and Streams

- Prevent entry into water, if possible, by building a berm or trench.

Spill on Ice and Snow

- Build a containment berm of compacted snow around spill.
- If pooling on ice, pump large amount or use absorbent pads.
- Don't delay removing the spill as it can seep through cracks into the water.
- Scrape ice, shovel all contaminated snow into plastic buckets with lids or in drums.
- Dispose absorbent pads and other contaminated equipment in separated containers. Label and seal the containers.

Spill Disposal

- Contact Federal and Territorial regulatory agencies to identify appropriate disposal methods before disposing of contaminated material.

Battery Acid

General Precautions

- Fire and explosion hazard
- Can be extinguished with dry chemical fire extinguisher.
- Ventilate area
- Remove combustible materials
- Mist inhalation hazard when being charged or spilled
- Acid burns to skin and eyes irritation

Spill Action

- Neutralize with soda or lime
- Dispose battery and neutralized contaminated material in a sealed and labeled container
- Dispose as an hazardous waste

Poly-Drill DR-133

General Precautions

- May cause skin and eye irritation

Spill Action

- Soak up with absorbent pad
- Dispose residue, contaminated soil and material in labeled containers. Solidify with sand.
- Small amount can be incinerated, otherwise dispose as hazardous waste.

550-X Polymer

General Precautions

- Prolonged skin contact may cause irritation

- Possible eye irritation
- Ingestion may cause nausea, vomiting, cramps, diarrhea

Spill Action

- Clean up spill with gloves. Scrape soil or surface and disposed in labeled containers
- Dispose as hazardous waste

12. APPENDIX – SPILL REPORT FORM

Northwest Territories Nunavut Canada

NT-NU SPILL REPORT

OIL, GASOLINE, CHEMICALS AND OTHER HAZARDOUS MATERIALS

NT-NU 24-HOUR SPILL REPORT LINE
TEL: (867) 920-8130
FAX: (867) 873-6924
EMAIL: spills@gov.nt.ca

REPORT LINE USE ONLY

A	REPORT DATE: MONTH – DAY – YEAR	REPORT TIME	☐ ORIGINAL SPILL REPORT, OR	REPORT NUMBER
B	OCCURRENCE DATE: MONTH – DAY – YEAR	OCCURRENCE TIME	☐ UPDATE # _____ TO THE ORIGINAL SPILL REPORT	____-____
C	LAND USE PERMIT NUMBER (IF APPLICABLE)	WATER LICENCE NUMBER (IF APPLICABLE)		
D	GEOGRAPHIC PLACE NAME OR DISTANCE AND DIRECTION FROM NAMED LOCATION	REGION ☐ NWT ☐ NUNAVUT ☐ ADJACENT JURISDICTION OR OCEAN		
E	LATITUDE DEGREES MINUTES SECONDS	LONGITUDE DEGREES MINUTES SECONDS		
F	RESPONSIBLE PARTY OR VESSEL NAME	RESPONSIBLE PARTY ADDRESS OR OFFICE LOCATION		
G	ANY CONTRACTOR INVOLVED	CONTRACTOR ADDRESS OR OFFICE LOCATION		
H	PRODUCT SPILLED	QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES	U.N. NUMBER	
	SECOND PRODUCT SPILLED (IF APPLICABLE)	QUANTITY IN LITRES, KILOGRAMS OR CUBIC METRES	U.N. NUMBER	
I	SPILL SOURCE	SPILL CAUSE	AREA OF CONTAMINATION IN SQUARE METRES	
J	FACTORS AFFECTING SPILL OR RECOVERY	DESCRIBE ANY ASSISTANCE REQUIRED	HAZARDS TO PERSONS, PROPERTY OR ENVIRONMENT	
K	ADDITIONAL INFORMATION, COMMENTS, ACTIONS PROPOSED OR TAKEN TO CONTAIN, RECOVER OR DISPOSE OF SPILLED PRODUCT AND CONTAMINATED MATERIALS			

L	REPORTED TO SPILL LINE BY	POSITION	EMPLOYER	LOCATION CALLING FROM	TELEPHONE
M	ANY ALTERNATE CONTACT	POSITION	EMPLOYER	ALTERNATE CONTACT LOCATION	ALTERNATE TELEPHONE

REPORT LINE USE ONLY

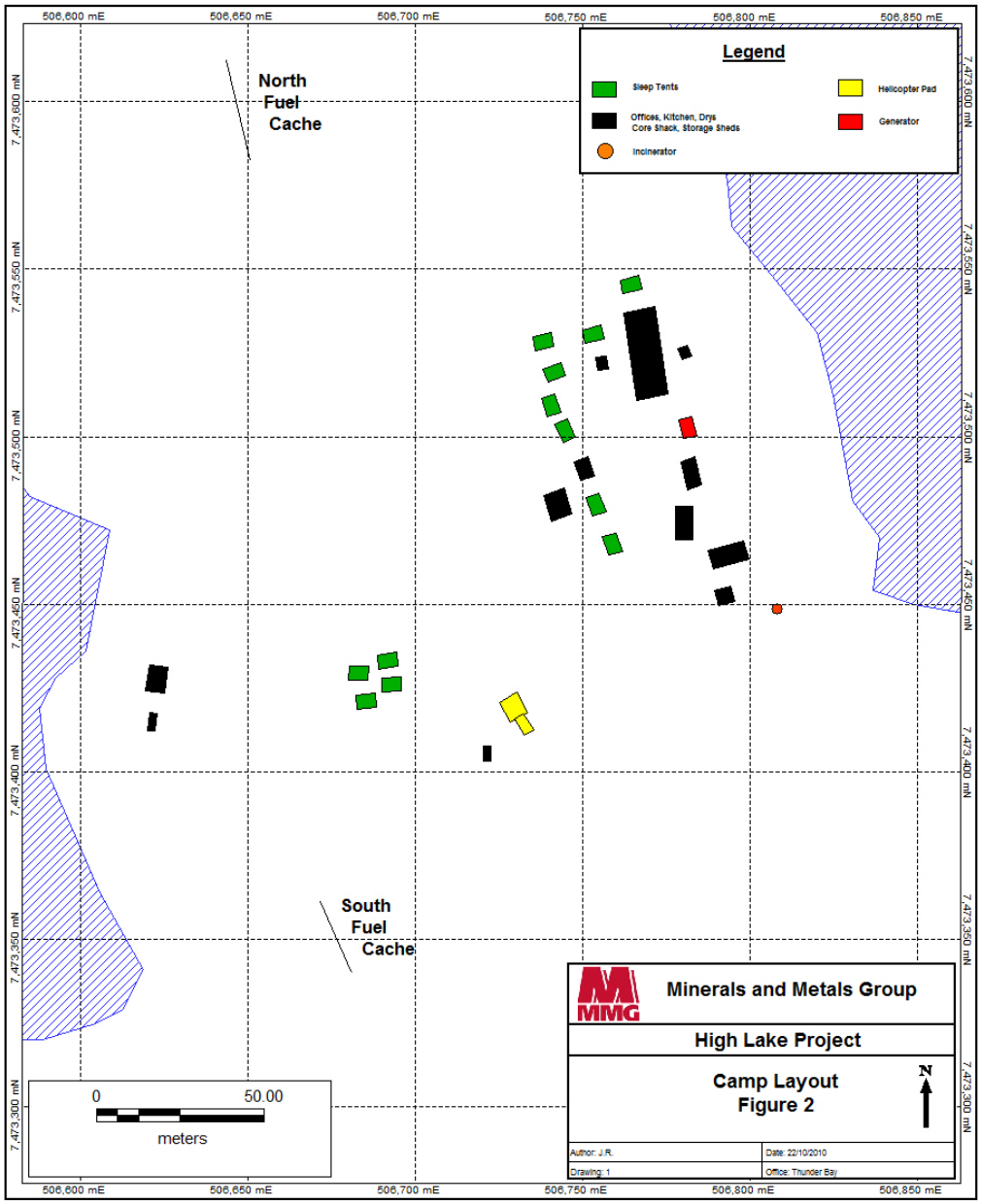
N	RECEIVED AT SPILL LINE BY	POSITION STATION OPERATOR	EMPLOYER	LOCATION CALLED YELLOWKNIFE, NT	REPORT LINE NUMBER (867) 920-8130

LEAD AGENCY ☐ EC ☐ CCG ☐ GNWT ☐ GN ☐ ILA ☐ INAC ☐ NEB ☐ TC | SIGNIFICANCE ☐ MINOR ☐ MAJOR ☐ UNKNOWN | FILE STATUS ☐ OPEN ☐ CLOSED

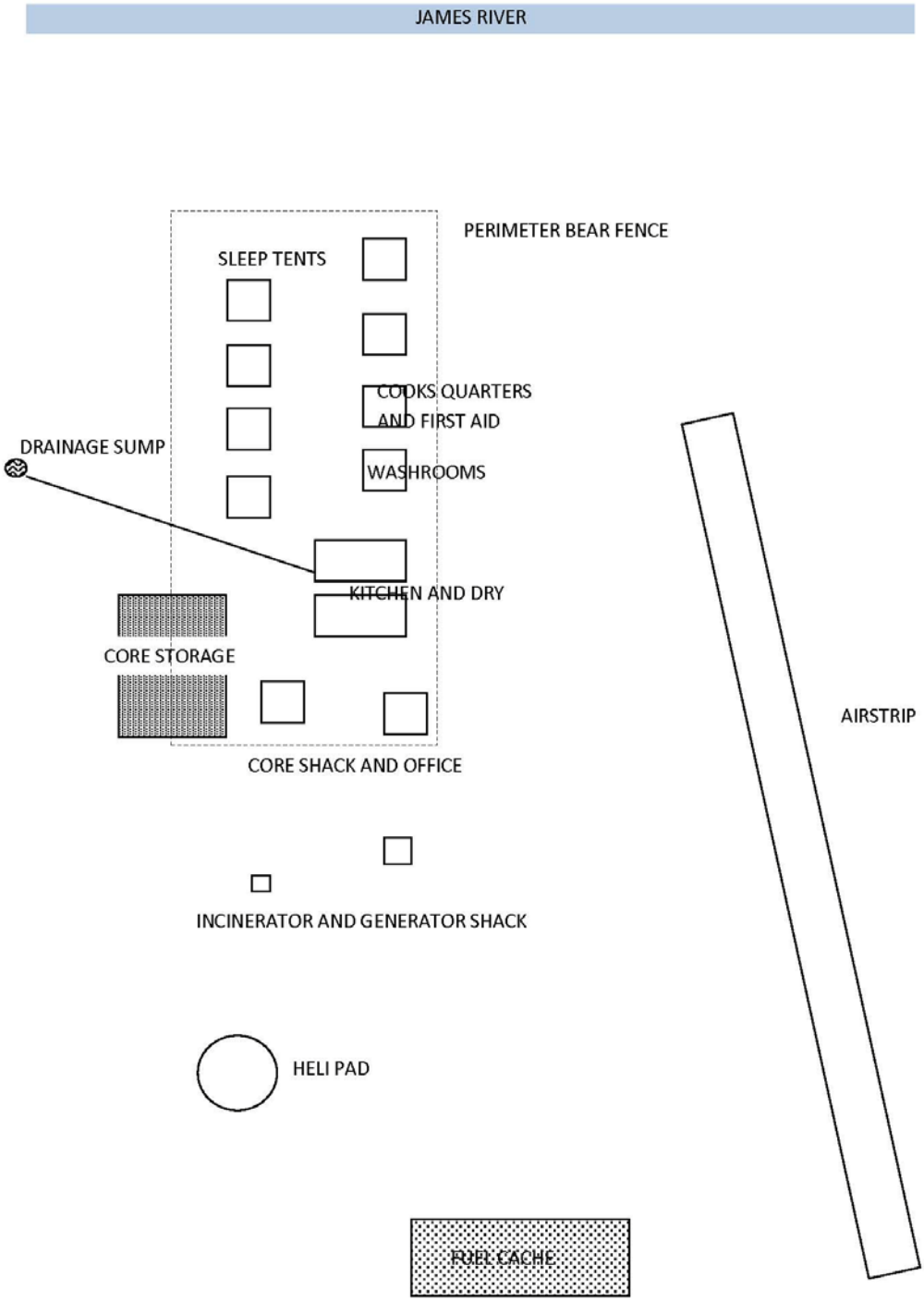
AGENCY	CONTACT NAME	CONTACT TIME	REMARKS
LEAD AGENCY			
FIRST SUPPORT AGENCY			
SECOND SUPPORT AGENCY			
THIRD SUPPORT AGENCY			

PAGE 1 OF _____

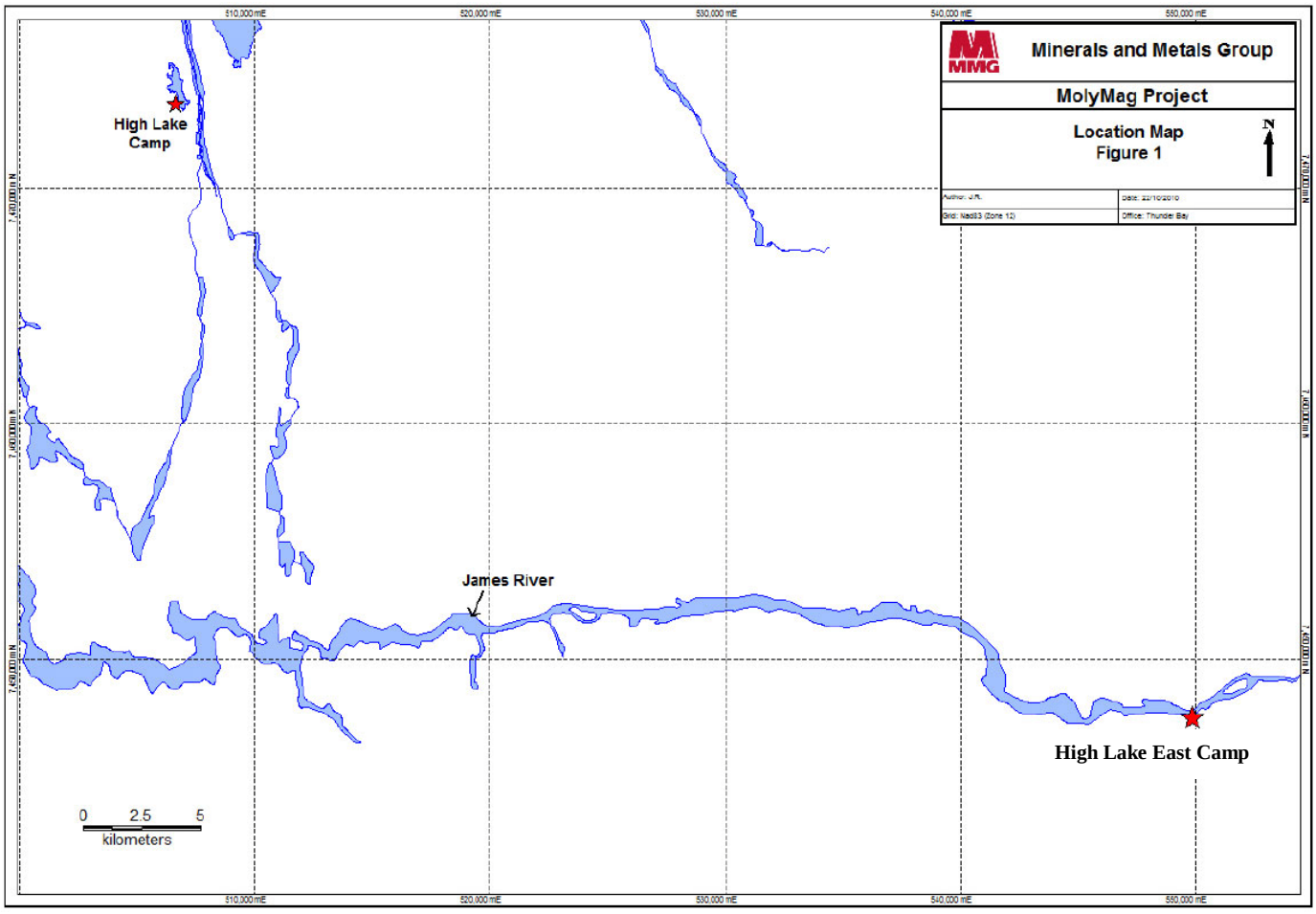
13. High Lake Camp Layout



High Lake East Camp Layout



15. APPENDIX – FIGURES : LOCATION MAP



16. APPENDIX – MSDS SHEETS

2 Cycle Motor Oil
Antifreeze
Aviation Gas
Barimol Grease
Dexron
Diesel Fuel
Drill Rod Grease
Duratran
Engine Oil
Fuel Oil
Gasoline
Jet B
Kerosene
Linseed Soap
Pellets CaCl
Poly Drill 1330
Poly Drill 133-x
Poly Drill OBX
Propane
Stove Oil
Transmission Fluid
Unleaded Gasoline

- A complete set of MSDS information is kept in hardcopy on site. This can be provided upon request.

ABANDONMENT AND RESTORATION PLAN
EXPLORATION OPERATION
HIGH LAKE / HIGH LK. EAST CAMPS
NUNAVUT, CANADA

Prepared: December 15th, 2009
Latest Revision: December 20th, 2011

MMG Resources Inc.
555-999 Canada Place, Vancouver, BC V6C 3E1 – Tel. 778 373 5600

PREAMBLE

The Abandonment and Restoration Plan is effective from December 15th, 2009 to September 31st, 2012 and applies to the High Lake and High Lake East Projects operated by MMG Resources Inc. in the Kitikmeot District of Nunavut. (see location map). High Lake East is a satellite camp to the Southeast of the historic High Lake site along the James River with coordinates north latitude 67° 8' 38" and west longitude 109° 52' 2". Land Use permit applications have been reviewed and accepted by the Kitikmeot Inuit Association (KIA) and Nunavut Impact Review Board (NIRB), and the two camps are currently permitted under the single valid LUP#2007C0009.

INTRODUCTION

This abandonment and restoration plan has been prepared as a new document for the High Lake and High Lake East Camps. Both continue to be used as a base of operations for drilling programs to be carried within the High Lake Project area. The camps are located some 550 km north of Yellowknife, and access is restricted to fixed wing aircraft of limited capacity year round, with larger aircraft capacity at High Lake seasonally operating off of the frozen lake surface. The Historic High Lake camp supports a population of up to 40 people, while High Lake East has accommodations for only 30. The camps open on a seasonal basis between March 1st and September 31st.

SCHEDULE

The seasonal shutdown of the camp site should take 5 days to complete and will take place after the drilling activities have ceased. It should be conducted at the end of September. The plan will be applied by Project personnel under the supervision of the field supervisor and Project Manager.

SITE INFRASTRUCTURE

HIGH LAKE

1 Kitchen / Dry facility that is wood framed and plywood clad
1 Accommodations / Recreation facility that is wood framed and plywood clad
1 Shop and Storage facility that is wood framed and plywood clad
1 Office building that is wood framed and plywood clad
2 storage facilities that are wood framed and plywood clad
2 accommodation tents that are wood framed and plywood clad
1 core shack that is wood framed and plywood clad
8 sleep tents that are wood framed and canvas covered

1 generator shack that is wood framed and plywood clad
1 bathroom facility that is wood framed and plywood clad

HIGH LAKE EAST
1 kitchen tent with wood floor, hot and cold running water, stove, and refrigerator.
1 dry tent with wood floor, hot and cold running water, hot water tank, washing machine
1 driller's dry tent, with wood floor, hot and cold running water
1 core-logging tent, wood floor
1 office tent, wood floor
8 sleep tents, wood floors
1 foreman shop, wood floor
2 wood frame outhouses
1 wood framed and plywood clad generator shack

Seasonal Shutdown And restoration plan

Buildings And Content

All equipment will be stored inside the wooden buildings to ensure they will withstand the winter season. Canvas tents will be secured and braced internally to ensure they will withstand snow and wind loads. Tarps over tents are inspected and replaced on a seasonal basis.

Water System

Pump, tanks and hoses will be drained and dismantled. Rented equipment will be flown out to owner. Hoses will be rolled and stored in the tents over the winter.

Electrical System

The generator shed will be inspected for remaining hazardous waste (oil, grease) and will be drained of its fuel. Remaining waste fuel and oil will be collected in the containers labeled for that usage and used through the summer. These containers will be sealed and removed from site for proper handling and disposal in Yellowknife. The generator will be winterized and prepared for startup in spring. The soil surrounding the generator shed will be inspected for contamination. Any contaminated soil will be collected as outlined in site spill plan and removed from site for proper disposal. Electrical wires, plugs and sockets will be stored in the kitchen.

Fuel And Chemical Storage Facilities

An inventory of remaining fuel will be made and full drums will be inspected and secured for the winter. Empty drums will be flown out to source. Empty propane cylinders will be flown out to source. Chemical stored on site will consists of drill additives, oil, grease and household cleaners. All drill additives will be stored in or by the drill foreman shed and secured for the winter. Empty containers will be disposed of with regular garbage if deemed safe for on site incineration. The soil of the areas will be inspected for contamination.

Waste Facility And Incinerator

Both sites have forced air, diesel fired incinerators that are used on a daily basis to dispose of burnable domestic and industrial waste products. Once the camp dismantled and remaining buildings secured, all remaining combustible waste stored at this site will either be burned or flown out to Yellowknife for disposal depending on the type of waste. The incinerator will be cleaned and winterized. The soil surrounding will be inspected for contamination.

Greywater Sump

The greywater sump will be cleaned out and wood cover will be secured for winter.

Blackwater Sump

“pacto” style toilets will be used where waste is collected in a plastic bag lined container and content burned on a daily basis in the forced air incinerator located onsite. Pactos will be cleaned and the buildings sealed for winter.

Helicopter Pad

The helicopter pad consists of a wooden platform built of a 2x4 base with plywood cover. Soil around the helicopter pad will be inspected for contamination.

Camp Site

Areas showing evidence of impact from foot traffic will be covered with a layer of peat moss and lightly fertilized to promote natural growth. Soil contaminated by hydrocarbons and unnoticed before abandonment will be treated as per the spill contingency plan. Drill core to be left on site will be properly stored and secured in cross stacked piles or wooden cores racks.

Float Dock And Tundra Airstrip

The float dock will be pulled from the river location and stored above the high water mark for use in subsequent field seasons. No materials will be left in the river or below high water mark in periods of

inactivity. The tundra airstrip will be marked by anchored cones to designate safe taxiway for off-strip aircraft. This will be left in place for safe operation of mobilization flights in subsequent field seasons.

Drilling Areas Restoration

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be left on solid ground until next season. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp to be burned and/or flown out to an approved municipal discharge. Sumps will be filled and leveled. As much as possible, drill sites will be restored immediately after the drill has been moved to the next site and sumps have drained enough to be leveled.

Documentation

Equipment and buildings left on site will be inventoried. Photos of camp and drill sites prior to building or drilling will be taken. Monitoring will be done during occupancy and photos taken. Once the site secured for the winter, it will again be documented with photos.

FINAL ABANDONMENT AND RESTORATION PLAN

Buildings and Content

All the reusable equipment like tents, tent metal frames, stoves, kitchen stove, refrigerator, other kitchen appliances and equipment, showers, hot water tank, etc. will be packaged and flown out from project site to Yellowknife. Wood structures such as outhouses, pump shack, generator shed and tent wooden floors, beds and tables will be dismantled and burned or flown out to Yellowknife for disposal. Nails, screws, anchors and other non combustible parts will be recovered, packaged and flow out to an approved municipal disposal facility. Only paper products, paperboard packing and untreated wood wastes shall be designated for open burning in accordance with the Department of Environment policy, “Municipal Solid Wastes Suitable for Open Burning”. It has been communicated by ANAC authorities that in general “open burning” is discouraged. Open burning will be conducted if possible on a bedrock or other surface intended to minimize scorching of the tundra.

Water System

Pump, tanks and hoses will be drained, dismantled, packaged and flown out to Yellowknife. The wooden pump shack built to protect the pump will be burned or flown out to Yellowknife for disposal. Only paper products, paperboard packing and untreated wood wastes shall be designated for open

burning during in accordance with the Department of Environment policy, Municipal Solid Wastes Suitable for Open Burning. Open burning will be conducted on a surface intended to minimize scorching of the tundra.

Electrical System

The generator shed will be inspected for remaining hazardous waste (oil, grease) and will be drained of its fuel. Remaining waste fuel and oil will be collected, sealed in containers and flown out to Yellowknife for disposal by the appropriate means. The shed will be dismantled and burned or flown out to Yellowknife for disposal. The soil will be inspected for contamination. Electrical wires, sockets, etc. will be taken down and either returned with camp material to Yellowknife, or flown out to an approved municipal disposal facility. Only paper products, paperboard packing and untreated wood wastes shall be designated for open burning during in accordance with the Department of Environment policy, Municipal Solid Wastes Suitable for Open Burning. Open burning will be conducted on a surface intended to minimize scorching of the tundra.

Fuel and Chemical Storage Facilities

The fuel storage area consists of segregated groups of drums with empties apart from full drums. At the end of the field season, an inventory of remaining fuel will be made and full drums will be inspected. Full and empty drums will be flow out back to source or to an interested buyer. Propane cylinders will be flown out as well to source. Remaining waste fuel, stored in properly labeled drums will be flown out to a fuel outlet or discharge that accepts this type of fuel. Chemical stored on site will consists of drill additives, oil, grease and household cleaners. All drill additives will be stored in or by the drill foreman shed. Household cleaners will mainly be stored in the kitchen. Upon camp closure, any unused drilling additive, oil or grease will be returned to the drilling company warehouse. Half empty containers will be taken off site to be properly disposed in an approved discharge. Empty containers will be disposed with regular garbage.

Waste Facility and Incinerator

Once the camp is entirely dismantled, all remaining combustible waste stored at this site will be burned or flown out to Yellowknife for disposal. The incinerator (if present) will be dismantled, reusable parts will be returned to Yellowknife and the waste discarded in an approved municipal discharge. Only paper products, paperboard packing and untreated wood wastes shall be designated for open burning during in accordance with the Department of Environment policy, Municipal Solid Wastes Suitable for Open Burning. Open burning will be conducted on a surface intended to minimize scorching of the tundra.

Greywater Sump

The kitchen-dry greywater sump will be back filled and leveled.

Blackwater Sump

Not Applicable. Human waste is collected and incinerated in a forced air diesel fired incinerator. If an outhouse was in use it would be limed and backfilled. Although not presently employed, a blackwater sump would be limed and backfilled.

HELICOPTER PAD

The helicopter pad consists of a wooden platform built of a 2x4 base with plywood cover. Soil around the helicopter pad will be inspected for contamination. The wood will be burned or flown out to Yellowknife for disposal. Only paper products, paperboard packing and untreated wood wastes shall be designated for open burning in accordance with the Department of Environment policy, Municipal Solid Wastes Suitable for Open Burning. Open burning will be conducted in designated burn barrels in order to avoid scorching of the tundra.

Camp Site

The camp site will have a final inspection. Areas showing too much wearing evidences will be covered with a layer of peat moss and lightly fertilized to promote natural growth. Drill core to be left on site will be properly stored and secured.

Float Dock And Tundra Airstrip

The float dock will be pulled from the river location and all anchors to shore will be removed. The floatation chambers will be recovered from the structure and flown south to Yellowknife. Any wooden frame materials will be dismantled. All markers designating the Tundra airstrip will be removed and all effects of aircraft landings will be removed, restoring the area to its natural state.

Drilling Areas restoration

The drill will be dismantled into its main components as per the drilling contractor procedure, packaged and secured along with its ancillary equipment and rods. The drill will be flown out to another project or to a storage site designated by the drilling contractor. All drill sites will be inspected for soil contamination. Any remaining waste will be taken to camp to be burned if possible or to be flown out to an approved municipal discharge. Greywater and sludge sumps will be filled and leveled. As much as possible, drill sites will be restored immediately after the drill has been moved to the next site and sumps have drained enough to be leveled.

Documentation And Inspection

Photos of camp and drill sites prior to building or drilling will be taken. Monitoring will be done during occupancy and photos taken. Once the site restored, it will again be documented with photos. Soil contaminated by hydrocarbons and unnoticed before abandonment will be treated as per the spill contingency plan. A final site inspection visit with community representatives, Land Use Inspector and in collaboration with NWB staff will be organized by the permit holder.