

ATTACHMENT 1 – APPLICATION FORM

ATTACHMENT 1



Application for Water Licence Amendment

Document Date: April 2013

Application Submission Date:
__September 14, 2022__
Month/Day/Year

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NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

NUNAVUT WATER BOARD
APPLICATION FOR WATER LICENCE AMENDMENT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo; request for background information; and change to Block 24	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-HIG1722

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB. **An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: MMG Resources Inc.

Address: PO Box 91460, West Vancouver, BC, V7V 3P1

Phone: 604-358-8155

Fax: _____

e-mail: AmericasTenements@mmg.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: Sarah Hasek, Tenement Officer – Americas, MMG Resources Inc.

Address:
PO Box 91460, West Vancouver, BC, V7V 3P1

Phone: 604-358-8155

Fax: _____

e-mail: sarah.hasek@mmg.com

(See Attachment 9 for Authorization Letter.)

3. NAME OF PROJECT

Has the name of the project changed?

Yes No

If Yes, indicate the name of the project including the name of the location: _____

4. LOCATION OF UNDERTAKING

Does the proposed amendment change the location of the amended undertaking?

Yes No

Provide the project extents and camp locations. Identify proposed changes.

Project Extents

NW: Latitude: (68° 00' 00" N)	Longitude: (111° 30' 00" W)
NE: Latitude: (68° 00' 00" N)	Longitude: (109° 30' 00" W)
SE: Latitude: (66° 45' 00" N)	Longitude: (109° 30' 00" W)
SW: Latitude: (66° 45' 00" N)	Longitude: (111° 30' 00" W)

Camp Location(s)

High Lake Camp Latitude: (67° 22' 45" N) Longitude: (110° 50' 37" W)

No proposed changes to Project extents or camp location.

Distance to nearest communities:

Kugluktuk – approximately 185 km NW of Project

Cambridge Bay – approximately 300 km NE of Project

Yellowknife – approximately 570 km SW of Project

5. MAP

Does the proposed amendment change the locations of any of the main components of the undertaking?

Yes No

Attach a topographical map, indicating the main components of the undertaking. Identify proposed changes.

See Figure 1 – Location of Project and Mineral Claims (Attachment 2)

NTS Map Sheet No.: 76M/76N Map Name: Hepburn Island Map Scale: 1:150,000

6. NATURE OF INTEREST IN THE LAND

Does the proposed amendment change the nature of the interest in the land?

Yes No

If Yes, indicate changes. _____

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: January 1, 2022 _____ Date of expiry: __December 31, 2041 _____

Mineral Lease from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

Surface

Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: _____ Date of expiry: _____

Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: _____ Date of expiry: _____

Commissioner's Land Use Authorization

Date (expected date) of issuance: _____ Date of expiry: _____

Other CIRNAC Surface Lease 76M/7-1-11 (0.947 hectares) Expiry December 31, 2047. See Attachment 10.

Date (expected date) of issuance: _____ Date of expiry: _____

A summary of sub-surface mineral leases and land use authorizations held by MMG and associated with this Water Licence is provided in Attachment 10.

NOTE: Land Use Authorization KTL308C008 previously held with the Kitikmeot Inuit Association for IOL has received approval for closure.

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: MMG Resources Inc.

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input checked="" type="checkbox"/> West Kitikmeot |

Does the proposed amendment change the land use planning area?

- Yes No

If yes, indicate the land use planning area in which the amended undertaking is located.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

- Yes No

If Yes, indicate date issued and attach copy. June 20, 2017; NPC File No. 148606 (Attachment 3)

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

- Yes No

If Yes, indicate date issued (or expected) and attach a copy. This application has been provided to the NPC for a conformity determination. A determination is anticipated in within 45 days of this submission. This Project Proposal lies outside of a planning region with an approved regional land use plan.

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

- Yes No

If Yes, indicate date issued and attach copy. See cover letter of this application for list of applicable NIRB file numbers and Attachment 4 and 5 for screening decision reports.

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

- Yes No

If Yes, indicate date issued (or expected) and attach a copy. _____
If No, provide written confirmation from NIRB confirming that a screening determination is not required. This application has been provided to the NPC who will make a determination on whether a screening is required by the NIRB. This determination is anticipated to occur within 45 days of submission. As there is no change in total water use or in water sources, no requirements for additional NIRB screening is anticipated.

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking?

Yes No

List and attach plans and drawings or project proposal. Identify proposed changes.

See the non-technical summary (Attachment 8), as well as the environmental management plans which will be provided in Attachments 6 and 7. The only change requested is that there be flexibility in water allocation between 'camp' and 'drilling'. No additional water is requested (total allocated water would remain 100 m³/day) and water source would remain the same.

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

Yes No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes.

At this time, no further no changes to this already-established Project have been identified as necessary or beneficial.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

- | | |
|--|---|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below):
_____ |

Does the proposed amendment change the classification of primary undertaking?

- Yes No

If Yes, indicate the primary undertaking of the amendment: _____

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- Hydrostatic Testing
- Tannery
- Tourist / Remote Camp
- Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- Onshore Oil and Gas Exploration Drilling
- Mineral Exploration / Remote Camp
- Advanced Exploration
- Mine Development
- Municipal
- General Water Works
- Power

Does the proposed amendment change the quantity of water to be used from each source?

Yes No

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes:

Water Licence 2BE-HIG1722 permits the withdrawal of water from High Lake for camp use and from "sources proximal to drilling targets" for "drilling and associated uses", which may include High Lake. No significant changes to quantities of water to be used from each source are anticipated and total water usage under this licence would remain limited to a maximum of 100 m³/day.

Does the proposed amendment change the quantity of water to be used for each purpose?

Yes No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes.:

This amendment requests that there be flexibility in how much of this total 100 m³/day allocated is used for camp use vs drilling use. The cumulative water allocation (100 m³/day) remain the same as currently permitted.

The constraint that camp use only be 5 m³/day of this total 100m³/day is prohibitively restrictive. When only exploration activities are underway it is possible that average camp water usage can remain under 5m³/day and the remaining 95 m³/day be used for drilling. However, when baseline and/or reclamation programs occur in parallel with exploration (as is routinely the case), camp water usage may increase to as much as 15 m³/day and drill usage be reduced as required accordingly. During periods of only scientific research and/or reclamation activities no water would be used for drilling. During care and maintenance frequently no camp or drill water is used at all.

Due to the requirement that Type B Water Licences adhere to a daily allotment (as opposed to an annual allotment for Type A Water Licences), annual Type B water usage is typically lower than the full allocated amount; water usage is at or below the daily allowance and only used seasonally.

Does the proposed amendment change the method(s) of extraction?

Yes No

Describe the method(s) of extraction. Identify proposed changes:

No changes are anticipated. Submersible electric pumps with screened intakes are employed for domestic water usage in camp applications, and a diesel or gas-powered pump is normally used for extraction of water from adequate local sources proximal to areas of activity during drilling. Combustion motor operated pumps are used in conjunction with spill trays and spill containment equipment, and are set back from the water bodies they are drawing from. Sources are evaluated to check that their volumes will be sufficient to support drilling activities without impacting the local water balance. Intakes are equipped with fish screens meeting the DFO water intake guidelines.

Does the proposed amendment change the quantity(s) of water returned to source(s)?

Yes No

Estimated quantity(s) of water returned to source(s). Identify proposed changes: 0 m³/day

No water is directly returned to sources.

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

- | | |
|---|--|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input checked="" type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input checked="" type="checkbox"/> Other (food) | |

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

Yes No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved? Yes No

Does the proposed amendment change the composition(s) of the types of wastes involved? Yes No

Does the proposed amendment change the method(s) of treatment for the types of waste involved? Yes No

Does the proposed amendment change the method(s) of disposal for the types of waste involved? Yes No

If Yes to any of the above, describe the proposed changes: Not Applicable

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Human waste	1 m ³ /day	Deposit in Pacto® toilet then incineration, or use of latrine pit	Incinerator Ash Backhauled for approved disposal at approved facility
Burnable Solid Waste	Paper, plastic, wood, burlap, absorbent material, food wastes	20 bags a day	Incineration and/or Open burning (excluding materials listed in Licence Part D Item 1)	Ash Backhauled for disposal
Drill cuttings/waste	Rock dust and water/brine	1 m ³ /day when drilling	Consolidated in sump	Per Licence, Part F, Item 2
Other Solid wastes	Plastic packaging or bottling, scrap metal, treated wood products Empty drums, building materials	Variable	Separation, removal of liquids, crushed and strapped or shipped whole	Backhauled for disposal
Hazardous	Batteries, contaminated materials, used filters, aerosol spray cans	Variable	Backhauled to Yellowknife	Backhauled for disposal
Bulk Items/ Scrap Metal	Empty drums, building materials	Variable	Drained, crushed and strapped or shipped whole	Backhauled for disposal
Waste Oil	Waste Oil	Variable	Backhauled to Yellowknife/burned in on site waste oil furnaces	Backhauled for disposal
Greywater	Kitchen, bathing, sinks and laundry water	5 m ³ /d	Kitchen grease trap, natural attenuation via sumps	Collection sump >31 m from high water mark which allows natural filtration through sand/ gravel

16. OTHER AUTHORIZATIONS

Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?

Yes No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

A full list of authorizations associated with the High Lake Project is provided in Attachment 10.

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures? Yes No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

The Project is in long-term Care and Maintenance. However, should activity resume, potential environmental impacts related to the use of water and the disposal of waste from camp operation and drilling and mitigation measures would remain the same as previously approved, and include:

- *Water for the camp water supply is derived from High Lake, which has sufficient capacity for permitted use*
- *Camp waste is incinerated and/or removed from site*
- *Greywater is discharged to a sump located more than 31 m from the nearest high water mark*
- *Drills and drilling supplies are positioned using helicopters to minimize ground disturbance when the ground is unfrozen*
- *When drilling in permafrost, salt (calcium chloride) is added to drill water to keep the drill rods from freezing in the hole and water may be heated. This water is recirculated.*
- *Water from drilling operations is recirculated to minimize the quantity of both water and salt used and to minimize runoff near the drill site.*
- *Drill cuttings are collected and subsequently deposited in a sump*
- *Drilling in lake bottom areas occurs within a casing to minimize sedimentation.*

Cumulative impacts of drilling are reduced because of the above mitigation measures, as well as progressive reclamation of drill holes.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

Yes No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

Yes No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

Yes No

If Yes, which DIO(s) _____

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

Yes No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

No substantial effects to the quality, quantity, or flow of waters through IOL is expected to occur from water use and waste disposal contemplated in this licence renewal.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Prior to Care and Maintenance engagement was carried out with nearby communities and relevant regulators regarding the High Lake Project and the related Izok Corridor project. A summary can be found on the NIRB public registry, File No. 12MN043, Project Proposal – Volume 1 – Section 3.

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

Yes No

Does the proposed amendment change the estimate of the total financial security for final reclamation?

Yes No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

An up-to-date security estimate will be provided with this application in the Abandonment and Restoration Plan provided in Attachment 7.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

Yes No

Provide an updated statement of financial security.

MMG Resources Inc. is a subsidiary of MMG Ltd. MMG Ltd.'s most recent financial statements can be found on its website at <https://www.mmg.com/annual-report>. 2021 annual financial results indicate that MMG Ltd. had cash and cash equivalents of \$1.255 million USD as of December 31, 2021. More information is available at: https://www.mmg.com/wp-content/uploads/2022/04/MMG_AR_2021.pdf

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

Yes No

Provide a list of the officers of the company.

MMG Resources Officers:
Alvaro Javier Ossio - Director
Ross Carroll - Director

Is the Certificate of Incorporation or evidence of registration of the company name the same

Yes No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

See Attachment 11.

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

Prior to the Care and Maintenance phase, extensive studies were conducted in relation to the High Lake Project and the associated Izok Corridor Project. A summary of these studies can be found in the Izok Corridor Project Proposal, found on the NIRB public registry under file number 12MN043. A summary of environmental studies conducted can be found in the Project Proposal – Volume 1 – Section 5.

No Water Resources Inspector inspections have been conducted over the term of this Licence. However, MMG and the Inspector have been in contact regarding reclamation of historic drill sites and conducting routine site visits and ongoing care and maintenance activities. MMG retained the services of Discovery Mining Services in 2021 to conduct a site inspection and address site repairs in 2021 (as reported in the 2021 Annual Report) and 2022 (which will be reported in the 2022 Annual Report).

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? August 3, 2022

Is the Licensee applying for a combined renewal and amendment of the existing licence?

Yes No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): 5 years

Requested date of renewal issuance: September 2022 Requested Expiry Date: September 2027
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

Yes No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

x Yes No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)

x Yes No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

x Yes No If no, date expected _____

Indication of Renewal Requirement (see Block 26)

x Yes No If no, date expected _____

English Summary of Amendment Application.

x Yes No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Amendment Application.

Yes x No If no, date expected October 2022

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

x Yes No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

28. SIGNATURE

Mario Car Head of Projects *Mario Car* 19 Sep 2022
Name (Print) Title (Print) Signature Date