



26 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 – CIRNAC Comments

MMG 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) on March 24, 2026.

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

3. Sump Management Plan

CIRNAC Comment (March 3, 2026)

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 (March 12, 2026):

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.

CIRNAC Response (March 24, 2026)

CIRNAC appreciated MMG's commitment to provide further clarity on its sump management. However, CIRNAC continues to recommend that MMG provide further details on its sumps management prior to the receiving a license renewal.

Specifically, CIRNAC recommends that MMG provide the following information for review:

- Conditions placed regarding where sumps can be located
- Details pertaining to how sumps will be managed
- Details on how sumps will be designed/constructed
- Details on how backfilling and reclamation will be managed
- How longer term sumps will be monitored

MMG Response (March 26, 2026)

The sumps currently operated under the NWB Water Licence (2BE-HIG2328) are natural sumps, comprising of natural depressions, crevasses, or surface boulders, for the purpose of the exploration program. No constructed sumps are anticipated to be used for the exploration programs. The information requested is provided below.

Sump Locations

Sump locations and number of sumps are determined based on the yearly exploration program needs. Sumps are selected based on their proximity to the drill sites and meeting the conditions of the Water Licence Part F(2), which state a sump consisting of a natural depression must be a minimum of 31 m from a waterbody, where flow into a waterbody is not possible, and no additional impacts are created. Sumps for the program consist of natural depressions, crevasses, or surface boulders.

Sump Management

Drilling fluid is pumped into settling tanks located near the drilling sites and then directed into natural depressions which act as a sump. Prior to leaving the drilling site, the sump is inspected to identify potential spills or concerns. If concerns are identified, they are addressed prior to leaving the area. The sumps are not monitored long-term and are left to naturally remediate, with no backfilling or grading required.

At High Lake Camp, the previous sump was decommissioned in 2015 and remains inactive as the camp is in long-term care and maintenance. Once High Lake camp resumes operation, a new natural sump will be re-instated, which will consist of a natural depression, crevasse, or surface boulder.

Sump Construction

As previously stated, the sumps for the program currently are natural depressions, crevasses, or surface boulders. No sumps have been constructed for the program. Areas selected for a natural sump are located at a minimum of 31 m from the nearest watercourse, where direct flow into a waterbody is not possible.

If a new sump is re-instated for operation at High Lake camp, it will be fitted with a secured steel lid for wildlife control.

Sump Reclamation

Prior to leaving the drilling site, the sump is inspected to identify potential spills or concerns. Sumps are left to naturally remediate and are not monitored long-term, no backfilling or grading is required.

If a sump is re-instated at the High Lake camp, it will undergo final reclamation which will consist of rinsing, backfilling, and grading of the sump area. The High Lake camp sump may undergo progressive reclamation and remediation during camp operation, depending on the performance of the sump. Reclamation activities will follow the seasonal and final closure procedures provided in the Closure and Reclamation Plan.

Sump Monitoring

Drill waste sumps for the exploration program are not monitored long term and are left to naturally remediate once work has been completed in the area. If a new sump is re-instated at the High Lake camp for operation, it will be inspected weekly to assess for spills, capacity, or performance issues. If concerns are identified, action will be taken to address the concern.

Closure

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

Yours sincerely,



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