



P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
Tel: (867) 360-6338  
Fax: (867) 360-6369

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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

File: 2BE-HIG0712

March 31, 2010

Jason Rickard, Project Manager  
MMG Resources Inc.  
Suite 200/1159 Alloy Drive  
Thunder Bay, ON P7B 6M8  
Email: [Jason.rickard@mmgroupltd.com](mailto:Jason.rickard@mmgroupltd.com)

**RE: 2BE-HIG0712 Type “B” – Amendment No. 3**

Dear Mr. Rickard:

Please find attached, Amendment No.3 to Licence No. 2BE-HIG0712 Type “B” issued to MMG Resources Inc. by the Nunavut Water Board (NWB) (**Motion 2009-23-L07**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. The NWB notes that, among others, there is an Environment Canada comment that most batch waste incinerators should not be used for sewage disposal and a Technical Document for Batch Waste Incineration should be followed. This information is attached for your consideration.<sup>1</sup>

Sincerely,

Thomas Kabloona  
Nunavut Water Board,  
Chair

TK/dc/pb

Enclosure: Licence No. **2BE-HIG0712 - Amendment No. 3**  
NIRB  
Comments

Cc: Kitikmeot Distribution List

<sup>1</sup> Indian and Northern Affairs Canada, March 19, 2010; Environment Canada, March 1, 2010; Kitikmeot Inuit Association, March 3, 2010 and Government of Nunavut – Department of Community, Language, Elders and Youth, February 24, 2010.

**LICENCE AMENDMENT No.3**


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<b>Licensee:</b>	<b>MMG Resources Inc.</b>
<b>Licence No:</b>	<b>2BE-HIG0712      Type "B"</b>
<b>Licence Issued:</b>	<b>May 18, 2007</b>
<b>Effective Date:</b>	<b>March 31, 2010</b>

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Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated January 15, 2010, made by MMG Resources Inc., the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued May 18, 2007, amended December 4, 2008 and with an expiry date of May 31, 2012 shall be further amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow MMG Resources Inc. to use water and dispose of waste at the MolyMag Camp and expanded MolyMag claims drilling area at the MolyMag Project in the Kitikmeot Region, based at the camp located on the James River at latitude 67°8'38"N and longitude 109°52'2"W.

**The Licence, (Page 4), shall be amended to indicate the following:**

Location: HIGH LAKE AND MOLYMAG PROJECTS  
KITIKMEOT REGION

**PART A:      SCOPE, DEFINITIONS AND ENFORCEMENT**

Amend Item 1

**1.      Scope**

This Licence allows for the use of water and the disposal of waste for a Mining and Milling Undertaking as per Schedule II of the *Regulations* at the High Lake Project and MolyMag Project, located approximately 175 km east-southeast of Kugluktuk with mineral exploration in claims described in the application for amendment dated January 15, 2010 within the Kitikmeot Region, Nunavut. High Lake Camp is located at latitude 67°22'42"N and longitude 110°50'30"W and MolyMag Camp at latitude 67°8'38"N and longitude 109°52'2"W.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are

made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and

- b. Compliance with the terms and conditions of the Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

## **PART B: GENERAL CONDITIONS**

Amend Item 2 (iii)

- iii. Any revisions to the approved Spill Contingency Plans or Abandonment and Restoration Plans for the High Lake or MolyMag camps, as required by Part B, Item 9, submitted in the form of an addendum;

Insert Item 9

9. The Licensee shall review the Plans referred to in this Licence, as required by changes in operation and/or technology, and modify the Plan accordingly. Revisions to the Plans are to be submitted in the form of an Addendum to be included with the Annual Report.

## **PART C: CONDITIONS APPLYING TO WATER USE**

Amend Item 1

1. The Licensee shall obtain all water for High Lake Camp from High Lake and shall not exceed five (5) cubic metres per day. All water for MolyMag Camp shall be obtained from James River and shall not exceed five (5) cubic metres per day. Water for drilling purposes shall be obtained from lakes and ponds proximal to drilling targets and shall not exceed ninety (90) cubic metres per day. Total water use for all purposes shall not exceed one hundred (100) cubic metres per day.

## **PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING**

Remove Item 3 and Insert

3. The Board has approved the Plan entitled “Spill Contingency Plan, Exploration Operation, MolyMag Property, Nunavut, Canada” dated December, 2009. To address minor deficiencies in the original Plan, the Licensee shall submit within thirty (30) days following issuance of the amendment, an addendum to the Plan that addresses the following:

- a. Include an effective period for the Plan
- b. Reference to High Lake Camp in section 2.0 should be removed;
- c. A more detail list of what products/quantities of fuels, POLs and chemicals are onsite should be included;
- d. For Section 5.0, please note that all spills into water shall be reported regardless of quantity;
- e. Include prevention measures to minimize the risk of spills, particularly with respect to refueling at the float dock;
- f. The 24 Hour Spill Report line in Section 4.0 should be consistent with Section 8.0;
- g. The NT/NU spill report form shall be included in the Plan and reference to the NWT Spill Report Form should be removed (available on ftp site);
- h. INAC's Manager of Field Operations should be contacted in the event of a spill at 867-975-4295; and
- i. The contact info in Section 4.0 for Environment Canada should be updated to 867-975-4644.

**PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION PLANNING OR TEMPORARY CLOSING**

Remove Item 3 and Insert

3. The Board has approved the Plan entitled "MolyMag Project, Abandonment and Restoration Plan, MMG Resources Inc." that was submitted with amendment application. To address minor deficiencies in the original Plan, the Licensee shall submit within thirty (30) days following issuance of the amendment, an addendum to the Plan that addresses the following:
  - a. Include a date prepared/revised on the title page;
  - b. A table of contents should be included;
  - c. The schedule does not cover final abandonment and restoration;
  - d. Include the tundra airstrip and float dock in the Plan; and
  - e. Only paper products, paperboard packing and untreated wood wastes shall be designated for open burning during final abandonment and restoration in accordance with the Department of Environment policy, Municipal Solid Wastes Suitable for Open Burning. Open burning should be conducted on a surface intended to minimize scorching of the tundra.

**All remaining terms and conditions of the Licence 2BE-HIG0712 Type 'B' dated May 18, 2007 still apply.**

This Licence Amendment issued and recorded at Gjoa Haven, NU on March 31, 2010.

Approved by,

A handwritten signature in black ink, appearing to read 'T. Kabloona', written in a cursive style.

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Thomas Kabloona  
Nunavut Water Board  
Chair