



Water Resources  
Nunavut Regional Office  
P.O. Box 100  
Iqaluit, NU, X0A 0H0

December 11, 2017

INAC reference  
CIDM# 1189949

NWB reference  
#2BE-IZO1217

Karén Kharatyan  
A/Manager of Licencing  
Nunavut Water Board  
Gjoa Haven, NU, X0E 1J0

**Re: Indigenous and Northern Affairs Technical Review of MMG Resources Inc.  
Izok Lake Project Type 'B' Water Licence Renewal Application 2BE-IZO1217**

Dear Mr. Kharatyan,

Thank you for the email received on November 9, 2017 from the Nunavut Water Board concerning the above mentioned water licence renewal application process. A technical memorandum is provided for the Nunavut Water Board's consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4568 or email at [Lisa.Bachellier@aandc-aadnc.gc.ca](mailto:Lisa.Bachellier@aandc-aadnc.gc.ca) for further comments or any questions.

Sincerely,

Lisa Bachellier  
Water Resource Technician

c.c.: Ian Parsons, A/Manager Water Resources, INAC  
Spencer Dewar, Director Resource Management, INAC  
Erik Allain, Director Lands, INAC



## Technical Memorandum

**Re: Indigenous and Northern Affairs Technical Review of MMG Resources Inc.  
Izok Lake Project Type 'B' Water Licence Renewal Application 2BE-IZO1217**

Applicant: MMG Resources Inc.  
Project: Izok Lake Project  
Region: Kitikmeot Region

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### A. BACKGROUND

On November 9, 2017 the Nunavut Water Board provided notification to interested parties that MMG Resources Inc. (Licensee) had submitted a Type 'B' water licence renewal application for its Izok Lake Project

The Izok property which also includes Ham Lake and Hood Lake drilling areas is an exploration, prospecting, geophysical and drilling project. It is located approximately 265 km south of Kugluktuk within the Kitikmeot Region, Nunavut, with the Camp location at Latitude: 65° 43' 22" N Longitude: 112° 49' 16" W (Ham Lake Camp).

The Project has been inactive since 2015 according to the last INAC inspection report dated July 12, 2017 and the licence will expire on December 31, 2017. The Licensee is requesting a renewed water licence until January 2022.

All interested parties were asked to review the Water Licence renewal application and provide technical comments by December 11, 2017.

### A. RESULTS OF REVIEW

INAC Water Resource Division submits the following comments to the Nunavut Water Board for consideration:

#### 1. Spill Contingency Plan

**Source:**

MMG Spill Contingency Plan Exploration Operations Izok, Hood and Gondor  
Projects Nunavut, Canada Dated March 2013



Table 3.0 Contacts

Nunavut Water Board – Phyllis Beaulieu  
Aboriginal and Northern Affairs- Andrew Keim

**Comment:** This plan is 5 years old and some information is out of date.

**Recommendation:**

INAC recommends the Licensee update the Spill Contingency plan to include current activities as well as updating the contact list as it is out dated.

## 2. Abandonment and Restoration Plan

**Source:**

Abandonment and Restoration Plan Explorations Izok, Hood and Gondor Projects  
Nunavut Canada Dated November 15, 2013

**Comment:** The plan is 5 years old and should be revised and/or updated

**Recommendation:**

INAC recommends the Licensee update the A&R Plan to current and relevant activities.

**Recommendation:**

Issued Nunavut Water Board Licence Dated December 20, 2012- Under issues:  
“The Board agrees with the AANDC July 3, 2012 Inspection that removal of drill casing is a component of progressive reclamation, and requires that this component be clearly described and stated within the Drilling Area Restoration. The Plan shall be revised and submitted within the 2012 Annual Report to include the Ham Lake Camp’s “historic fuel farm” within the Site Infrastructure and to exclude burning of structures from the Plan as it is not authorized by Licence”.

## 3. Water Licence Inspection Form

**Source:**

Water Licence Inspection Form Dated: July 7 2017

**Comment:** Listed below are requirements for the licensee to undertake as per inspection report dated July 7, 2017

Section 1 Item #2



Drill stems are seen within Izok Lake and around the island. A plan for removal of these drill stems is required.

Section 2 Item 1

1-10: The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials and if having encountered artesian flow, the capping of holes with a permanent seal.

Section 3 Item B

Please submit to the inspector a plan (with timelines) for the removal of drill collars/anchors etc. from Izok Lake by March 31, 2018, to be carried out in 2018.

**Recommendation:**

INAC recommends the Licensee comply with the Water Resource Inspector's inspection report dated July 7, 2017.

INAC recommends that the Licensee, state in their annual reports if any or no activity took place throughout the year as well as during their annual visit to site clean-up any debris to prevent any debris being scattered.

Prepared by Lisa Bachellier