

January 24, 2023

Richard Dwyer  
Manager of Licensing  
Nunavut Water Board  
PO Box 119  
Gjoa Haven, NU  
X0B 1J0

**RE: Application for Renewal with Amendment of Water Licence 2BE-IZO1823**

Dear Richard,

MMG Resources Inc. (MMG) is requesting a renewal with amendment of water licence 2BE-IZO1823 (the Licence) for the Izok Project (the Project), which expires on February 6, 2023. The renewal request is for a further 5 years to allow continued camp use to support field activities, including surface surveying, mapping and sampling of rock and soil, geophysical surveys, drilling, engineering studies, as well as environmental monitoring and baseline data collection.

The Project has been in long-term care and maintenance since 2015 and Ham Lake Camp ("the camp") has been secured for long-term suspension of activities. All hazardous materials have been removed from Project site, including all salt, chemicals and fuel, and bulk fuel tanks have been cleaned and taken out of service. MMG conducts routine site inspections to confirm site stability and address maintenance issues. MMG last inspected the site in August of 2021 and 2022 to undertake site maintenance and restoration activities.

As indicated during the previous renewal of this Licence, and noted within the Licence, MMG intends to retain water licence 2BE- IZO1823.

MMG is requesting that the total water allotment for this licence (100 m<sup>3</sup>/day) remain the same, but not be partitioned into 'drilling' and 'domestic' uses. This requested amendment will allow flexibility in the allocation of water and ensure the ability to provide sufficient domestic water for the Izok Project.

At present, Part C, Item 1 of the Licence states that "*The Licensee shall obtain all water for domestic use from Ham Lake, not exceeding five (5) cubic meters per day. Water use for drilling and associated uses shall be obtained as required from sources proximal to the drilling targets and shall not exceed ninety-five (95) cubic metres per day. The total volume of water for all purposes under this Licence shall not exceed 100 cubic meters per day.*"

This application is requesting that Part C, Item 1 of the Licence be revised as follows: "*The Licensee shall obtain all water for domestic use from Ham Lake, ~~not exceeding five (5) cubic meters per day.~~ Water use for drilling and associated uses shall be obtained as required from sources proximal to the drilling targets ~~and shall not exceed ninety-five (95) cubic metres per day.~~ The total volume of water for all purposes under this Licence shall not exceed 100 cubic meters per day.*"

The reasons and support for this request are summarized below:

1. 5 m<sup>3</sup>/day is insufficient for domestic use supporting the approved Project activities (which include exploration as well as supporting baseline and monitoring programs and reclamation activities)
2. Total permitted water usage would remain at 100 cubic metres per day (m<sup>3</sup>/day) (no change total water use)
3. Water usage would be withdrawn from the same waterbody as originally assessed and currently permitted for domestic and drilling purposes (no change in water source)
4. Ham Lake has an approximate volume of 6.69 million m<sup>3</sup>; even if the full 100 m<sup>3</sup>/day allotment was withdrawn every day of the year solely from Ham Lake, cumulative annual withdrawal would be less than 1% of Ham Lake's volume
5. As type B water licence allotments are regulated on a daily basis (unlike Type A water licences) the ability to fully use this water is further constrained as these amounts cannot be averaged over any period of time
6. Project activities are seasonal and water is used for only a portion of each year even during active exploration
7. While the camp is open, water use will often be less than 100 m<sup>3</sup>/day

This application has been developed to address all Nunavut Water Board (NWB) requirements for a renewal with amendment. An overview of application information is provided below.

### **Application Form**

A completed application form is included as Attachment 1. A map showing the Project location is included as Attachment 2.

### **Scope of Activities Proposed Under the Water Licence Renewal and Amendment**

Activities and total water use will be consistent with current authorizations and water licence 2BE-IZO1823. This application does not represent a change in scope for the Project. It is only requested that that total water allocation not be subdivided between 'domestic' and 'drilling' purposes.

### **Previous Land Use Planning Conformity and NIRB Screenings**

As per the requirements of the *Nunavut Planning and Project Assessment Act*, this application has been submitted to the Nunavut Planning Commission (NPC) for a determination of whether a land use plan conformity review and a screening by Nunavut Impact Review Board (NIRB) is required. This Project was last reviewed by the NPC during the previous renewal of this Licence. An NPC determination concluding that the Project was outside the area of an applicable land use plan and that it was exempt from screening by the NIRB was issued on October 30, 2017 (Attachment 3; NPC File # 148636).

The first Type B Water Licence for the Izok Project was issued by the NWB in 2006. The Licence was last renewed without amendment in 2018. The most recent Screening Decision Report for NIRB for File No. 06EN066 (Izok, Hood Exploration) has been included here as Attachment 4. Additional NIRB file numbers related to the Izok Project include:

- 12MN043 (Izok Corridor)
- 12YA007 (Izok and High Lake Project 2012 Environmental Baseline Program)
- 07YN055 (Biophysical Baseline Study Program for the Izok to High Lake Road Project)
- 07YN056 (Biophysical Field Studies for the Izok Lake Mine Development Project)
- 06EN066 (Izok, Hood Exploration)
- 02EN039 (Izok Diamond Drilling and Research)

- 01YN077 (Baseline Study of a Proposed All-Weather Road from Izok to Bathurst Port)

Further information on these files and any related Screening Decision Reports can be found on the NIRB public registry.

MMG notes that the Izok Project remains located outside of a planning region with an approved regional land use plan. Additionally, both total water use and water sources will remain the same at those previously considered by the NIRB. As a result, it is anticipated that neither an NPC conformity review nor an additional NIRB screening will be required.

### **Updated Plans**

MMG's environmental management plans for the Izok Project Water Licence have recently been reviewed and an updated Spill Contingency Plan and Closure and Reclamation Plan have been included with submission of this application to the NWB in Attachment 5.

### **Updated Security Assessment**

MMG has updated the liability estimate for the Project and it is included within the Closure and Reclamation Plan in Attachment 5.

### **Updated Financial Statement**

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>. The 2021 annual financial results indicate that MMG 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](https://www.mmg.com/wp-content/uploads/2022/04/MMG_AR_2021.pdf)

### **Compliance Assessment / Status Reports**

The CIRNAC Water Resources Inspector inspection reports can be found on the NWB public registry, along with annual reports documenting all activities and monitoring related to water use and waste disposal. No CIRNAC inspections were conducted under this licence during the licence term, nor did any spills occur during this period of long-term care and maintenance. As requested by the NWB in their letter dated November 2, 2021<sup>1</sup>, MMG has updated the Izok Spill Contingency Plan and Closure and Reclamation Plan to address the requests from Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) and Environment and Climate Change Canada (ECCC). MMG is actively undertaking Project site maintenance and progressive reclamation activities during annual site visits. A plan for historic drill site inventory and reclamation has been discussed with CIRNAC and will be implemented over the next licence term.

### **English and Inuktitut Summaries of Renewal Application**

An English plain language summary has been provided in Attachment 6. An Inuktitut translation will be provided once completed.

### **Application Fee and Water Use Deposit**

The renewal application fee was paid to the NWB on June 3, 2022. Water use fees are up-to-date.

### **Supplemental Information Guideline Concordance Table**

A Supplemental Information Guideline Concordance Table focused on amendment request changes and impacts is provided in Attachment 10 of this application.

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<sup>1</sup> NWB 2021. RE: NWB Technical Review of 2019 and 2020 Annual Reports for Water Licences Nos: 2BE-HIG1722, High Lake Project; and 2BE-IZO1823, Izok Lake Project. Letter from NWB to MMG. November 2, 2021

Should you have any questions or concerns please contact Sarah Hasek, Tenement Officer, MMG Resources Inc. [sarah.hasek@mmg.com](mailto:sarah.hasek@mmg.com) Ph: 603-358-8155, who is the MMG representative regarding this renewal.

Regards,



Mario Car

Head of Projects, MMG Ltd.  
[mario.car@mmg.com](mailto:mario.car@mmg.com)

*Enclosed:*

- Attachment 1 – Application Form*
- Attachment 2 – Project Map*
- Attachment 3 – NPC Conformity Determination*
- Attachment 4 – Screening Decision Report for NIRB File No. 06EN066*
- Attachment 5 – Management Plans (SCP and C&R Plan)*
- Attachment 6 – Non-Technical Summaries*
- Attachment 7 – Authorization Letter*
- Attachment 8 – List of Leases, Permits and Authorizations*
- Attachment 9 – Certificate of Amalgamation*
- Attachment 10 – Advanced Exploration SIG Concordance Tables*