

Attachment 12 – Inspections and Responses



Original
 Follow-Up Report

CROWN LAND USE INSPECTION FORM

Permittee: MMG Resources, Representative: Greg Martin
Permit No. / Expiry: N2024C0022, Representative's Title:
Other Authorizations: 2BE-IZO2328, Land / Other Authorizations:
Date of Inspection: August 1, 2024, Inspector: Isaiah James Bolt
Activities Inspected: Camp, Drilling, Mining, Construction, Reclamation, Fuel Storage, Roads/hauling, Other:

Table with 3 columns: Land Use Permit (N2024C0022), Condition, and Observation No. Rows include items like Location and Area (Condition C, Observation 3), Time (Condition A), Equipment (Condition C, Observation 4), etc.

*refers to specific terms and conditions found in the permit/lease in question.

SECTION 1 [X] Comments (s.1) [] Non-Compliance with Permit, Act or Regs (s.2) [] Action Required (s.3)

On August 1, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), accompanied by Inspector Jonathan Mesher with CIRNAC, conducted an inspection of LUP#N2024C0022 to ensure compliance against their Permit.
1. Inspectors arrive on site at 5:40pm on August 1, 2024. Aerial photos were taken (Photo #1, #2, #3)
2. During the inspection the Inspectors noted several buildings with their doors open. 1 weather haven had its door open, the core shack had an open door, the building that houses the bobcat/skidoos and the garage beside it that houses the loader had their doors open. (Photo #4 shows the shop with a door open, this building stores skidoos and the bobcat inside, Photo #1 shows the garage door open) (Photo # 12 and #13 show the open door of the core shack and the inside of the core shack.)
3. Various types of scrap metal and old parts were observed on site. All metal and parts were well sorted but anything not required for the project shall be removed from site. (Photo #5 and #6)
4. The old accommodations buildings (trailers) shall be removed from site at the earlier possible opportunity. A bottle of Nitric Acid was observed on a bed in one of the rooms along with garbage throughout the buildings. A lot of the windows were broken and some doors open, signs of bear activity were apparent throughout the trailers. Plants were observed growing on the floors and the old beds. It seems like the trailers are being used as a type of storage facility as it was observed that helicopter rigging gear, water pumps and various hoses and connections, Styrofoam, reflective insulation, absorbents (Can-Dry supreme all purpose absorbent), tools/chains, and other types of equipment were present inside the trailers. (Photo #7,#8,#9,#10,#11) All this equipment and garbage needs to be removed, stored properly and the trailers need to be seal shut and closed off until they can be removed from site.
5. A secondary containment berm was observed with failed side walls. (Photo #14) inside the secondary containment are 2 large fuel tanks labelled as empty. Inside the berm was some water under tanks and moss has started to grow in the berm.
6. 6 drums of fuel were observed near the air strip/helicopter pad that were stored in secondary containment but not covered.

SECTION 2 [] Comments [X] Non-Compliance with Permit, Act or Regs [] Action Required

-Open doors on buildings
-broken windows/open doors on old trailers.
-Hazardous/Corrosive material not stored properly.
-Scrap metals on site.
-failed secondary containment/no cover on secondary containment that is holding fuel.

31(1)(a) Item 2 of the issued Land use Permit states: *“The Permittee shall remove from Territorial lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings, and building material.”*
 31(1)(g) Item 60 of the issued Land Use Permit states: *“The permittee shall store all hazardous chemicals in such a manner as to prevent access by wildlife”*
 31(1)(k) item 88 of the issued Land Use Permit states: *“The Permittee shall ensure that all fuel storage containers are flagged and are contained in a covered secondary containment during the winter months or when daily monitoring is not possible.”*
 31(1)(c) item 21 of the issued Land Use Permit states: *“The Permittee shall keep all garbage and debris in a covered container until disposed of at an approved facility, garbage must be stored in such a way to prevent access by wildlife.”*

SECTION 3 Comments Non-Compliance with Permit, Act or Regs **Action Required**

All the equipment and garbage/chemicals in the old accommodations trailers needs to be removed, stored properly and the trailers need to be sealed shut and closed off to prevent access by wildlife until they can be removed from site.

All scrap metal discarded machine parts and unused equipment shall be removed from site.

All buildings windows and doors shall be repaired and covered to prevent the entry of wildlife.

All secondary containment utilized shall be flagged have a cover on them when regular inspection is not possible. Failed secondary containments shall be changed for a new ones. Unused fuel tanks shall be removed from site.

Please provide a detailed plan and timelines to achieve actions required to James.bolt@rcaanc-cirnac.gc.ca by December 20, 2024. Please ensure the actions required are planned to be completed prior to July 31 2025.

Licensee or Representative	Inspector's Name
Signature	Signature
Date	Date
	Isaiah Bolt
	<i>James Bolt</i>
	07/11/2024

Date	Camera	Inspector
August 1, 2024	Olympus Tough TG-6	Isaiah James Bolt

Photo Log # 1
Photo 1



Aerial view of Izok camp on Ham lake. The airstrip, accommodations, equipment and fuel tanks are shown.



Photo Log

Photo 2



01/08/2024 17:36

Aerial View of Izok camp on ham lake showing the rest of the airstrip, equipment, and fuel tanks stored on site.

Photo Log

Photo 3



01/08/2024 17:37

Aerial of Izok camp. Looking west.



Photo Log

Photo 4



Open door of a storage shed, inside are skidoos, equipment and a bobcat.

Photo Log

Photo 5



And old truck, old parts and equipment outside the old trailer accommodations.



Photo Log

Photo 6



Scrap metals stored beside fuel tanks close to the airstrip.

Photo Log

Photo 7



View inside the old trailer accommodations. The door at the back was open, a lot of windows were open.



Photo Log

Photo 8



Nitric Acid on the bed. Garbage all over the room.

Photo Log

Photo 9



Chains, various hoses, water pumps, and other equipment stored in the old accommodation trailers.



Photo Log

Photo 10



Bear scat and building material shown on the floor of the old accommodation trailers.

Photo Log

Photo 11



Helicopter slinging gear and Styrofoam/fiberglass insulation stored in the old accommodations trailers.



Photo Log

Photo 12



Core shack door open

Photo Log

Photo 13



Inside core shack that had its door open.



Photo Log

Photo 14



Failed secondary containment. Moss and some water present inside the berm.

Photo Log

Photo 15



2 trucks, a Fire extinguisher, 6 fuel drums in an uncovered secondary containment and a heli pad near the airstrip.



WATER LICENCE INSPECTION FORM

Original
 Follow-Up Report

Licensee MMG Resources INC.	Licensee Representative Greg Martin
Licence No. / Expiry 2BE-IZO2328	Representative's Title
Land / Other Authorizations N2024C0022	Land / Other Authorizations
Date of Inspection 01/08/2024	Inspector Isaiah James Bolt
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Reclamation <input checked="" type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Other: <input checked="" type="checkbox"/> Other: Care & Maintenance	

Conditions: **A - Acceptable** **C - Concern** **U - Unacceptable** **NA – Not Applicable** **NI – Not Inspected**

Water Use	Condition	Comment	Site Conditions	Condition	Comment	Haz/Mat Management	Condition	Comment
Intake/Screen			Water Management Structures			Storage	C	4,5,6
Flow Measure. Device			Culverts / Bridges			Spills		
Source:			Drainage			Spill Plan		
Water Use:			Erosion / Sediment					
Recirculation (y /n)			Mitigation Measures			Administrative		
			Reclamation Activities			Records		
			Materials Storage			Reports		
Waste Disposal			Signage			Plans		
Waste Water						Notifications		
Solid Waste	C	3	Monitoring			Other		
Hazardous Waste			Sample Collection / Analysis			Quarry		

**The number in the comments field will correspond with specific comments provided below.*

Samples taken by Inspector:	Location(s):
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

SECTION 1 **Comments (s. __)** **Non-Compliance with Act or Licence (s. __)** **Action Required (s. __)**

On August 1, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), accompanied by Inspector Jonathan Mesher with CIRNAC, conducted an inspection of 2BE-IZO2328 to ensure compliance against their License.

1. Inspectors arrive on site at 5:40pm on August 1, 2024. Camp Location 65*41'06.30"N 112*52'53.93"W. Aerial photos where taken (Photo #1, #2, #3)
2. During the inspection the Inspectors noted several buildings with their doors open. 1 weather haven had its door open, the core shack had an open door, the building that houses the bobcat/skidoos and the garage beside it that houses the loader had their doors open. (Photo #4 shows the shop with a door open, this building stores skidoos and the bobcat inside, Photo #1 shows the garage door open) (Photo # 12 and #13 show the open door of the core shack and the inside of the core shack.)
3. Various types of scrap metal and old parts were observed on site. All metal and parts were well sorted but anything not required for the project shall be removed from site. (Photo #5 and #6)
4. The old accommodations buildings (trailers) shall be removed from site at the earlier possible opportunity. A bottle of Nitric Acid was observed on a bed in one of the rooms along with garbage throughout the buildings. A lot of the windows were broken and some doors open, signs of bear activity were apparent throughout the trailers. Plants were observed growing on the floors and the old beds. It seems like the trailers are being used as a type of storage facility as it was observed that helicopter rigging gear, water pumps and various hoses and connections, Styrofoam, reflective insulation, absorbents (Can-Dry supreme all purpose absorbent), tools/chains, and other types of equipment were present inside the trailers. (Photo #7,#8,#9,#10,#11) All this equipment and garbage needs to be removed, stored properly and the trailers need to be seal shut and closed off until they can be removed from site.
5. A secondary containment berm was observed with failed side walls. (Photo #14) inside the secondary containment are 2 large fuel tanks labelled as empty. Inside the berm was some water under tanks and moss has started to grow in the berm.
6. 6 drums of fuel were observed near the air strip/helicopter pad that were stored in secondary containment but not covered.

SECTION 2 **Comments** **Non-Compliance with Act or Licence** **Action Required**

-Open doors on buildings



-broken windows/open doors on old trailers.
 -Hazardous/Corrosive material not stored properly.
 -Scrap metals on site.
 -failed secondary containment/no cover on secondary containment that is holding fuel.
 Part D item 7 of the issued water license states: "The licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of operation at a licensed waste disposal site."
 Part I item 3 of the issued water license states: "The licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations."

SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Act or Licence	<input checked="" type="checkbox"/> Action Required
All the equipment and garbage/chemicals in the old accommodations trailers needs to be removed, stored properly and the trailers need to be sealed shut and closed off to prevent access by wildlife until they can be removed from site. All scrap metal discarded machine parts and unused equipment shall be removed from site. All buildings windows and doors shall be repaired and covered to prevent the entry of wildlife. All secondary containment utilized shall be flagged have a cover on them when regular inspection is not possible. Failed secondary containments shall be changed for a new ones. Unused fuel tanks shall be removed from site. Please provide a detailed plan and timelines to achieve actions required to James.bolt@rcaanc-cirnac.gc.ca by December 20, 2024. Please ensure the actions required are planned to be completed prior to July 31 2025.			

Licensee or Representative	Inspector's Name
Signature	Signature
Date	Date
	Isaiah James Bolt
	<i>James Bolt</i>
	13/11/2024

Office Use Only:	Follow-up report to be issued by Inspector	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
------------------	--	---

cc. CIRNAC, Manager Field Operations, Iqaluit, Jeremy.fraser@rcaanc.cirnac.gc.ca
 Nunavut Water Board, Manager of Licensing, Gjoa Haven, licensing@nwb-oen.ca

Date	Camera	Inspector
August 1, 2024	Olympus Tough TG-6	Isaiah James Bolt

Photo Log # 1

Photo 1



01/08/2024 17:36

Aerial view of Izok camp on Ham lake. The airstrip, accommodations, equipment and fuel tanks are shown.



Photo Log

Photo 2



Aerial View of Izok camp on ham lake showing the rest of the airstrip, equipment, and fuel tanks stored on site.

Photo Log

Photo 3



Aerial of Izok camp. Looking west.



Photo Log

Photo 4



Open door of a storage shed, inside are skidoos, equipment and a bobcat.

Photo Log

Photo 5



And old truck, old parts and equipment outside the old trailer accommodations.



Photo Log

Photo 6



Scrap metals stored beside fuel tanks close to the airstrip.

Photo Log

Photo 7



View inside the old trailer accommodations. The door at the back was open, a lot of windows were open.



Photo Log

Photo 8



Nitric Acid on the bed. Garbage all over the room.

Photo Log

Photo 9



Chains, various hoses, water pumps, and other equipment stored in the old accommodation trailers.



Photo Log

Photo 10



Bear scat and building material shown on the floor of the old accommodation trailers.

Photo Log

Photo 11



Helicopter slinging gear and Styrofoam/fiberglass insulation stored in the old accommodations trailers.



Photo Log

Photo 12



Core shack door open

Photo Log

Photo 13



Inside core shack that had its door open.



Photo Log

Photo 14



Failed secondary containment. Moss and some water present inside the berm.

Photo Log

Photo 15



2 trucks, a Fire extinguisher, 6 fuel drums in an uncovered secondary containment and a heli pad near the airstrip.



December 19, 2024

Isaiah James Bolt

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

Dear James

Reference: Ham Lake Camp Inspection

On November 14, 2024, MMG Resources Inc. (MMG) received inspection reports from Isaiah James Bolt, Resource Management Officer with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) regarding MMG's Ham Lake Camp. The inspection took place on August 1, 2024 and consisted of a Water Licence Inspection Report (2BE-IZO2328) and a Crown Land Use Inspection Form (Permit No. N2024C0022). I provided acknowledgement of receipt of the inspection reports on November 24, 2024. Detailed responses to each of the inspection is included below.

The Water Licence Inspection Report and Crown Land Use Inspection Form included concerns regarding waste disposal (solid waste), and hazardous materials management (storage). Specific concerns included presence of stockpiled scrap metal and old parts, garbage throughout buildings, and numerous doors and windows of several buildings being left open. Evidence of wildlife presence in the buildings was observed. Trailers were also being used to store helicopter rigging gear, water pumps, hoses, styrofoam, reflective insulation, absorbents, tools and other equipment. Concerns around hazardous materials storage included a bottle of nitric acid observed on a bed in a trailer, a failed secondary containment berm with failed sides and drums of fuel that were stored in secondary containment but not covered.

The associated water licence and land use permit for this site were renewed in 2023 and 2024, to allow camp use to support field activities, including core drilling and sampling from surface, prospecting and geological mapping, ground and airborne geophysics, as well as environmental baseline and engineering studies. Ham Lake camp will be reopened in 2025, pending MMG Board approval, and used to support these activities. The water licence renewal included an updated Closure and Reclamation Plan (CRP) and associated Security Estimate. The CRP outlines three site closure scenarios – long term care and maintenance, seasonal closure and final closure. The Ham Lake camp is currently in long term care and maintenance state and is anticipated to become active in 2025 when exploration activities are expected to recommence.

To verify that Ham Lake camp remains safe, secure and is not adversely impacting the environment, MMG completes the annual care and maintenance site visits to address any changes to the site condition and return the site to compliance with the water licence and land use permit conditions. MMG commits to rectifying all disturbances to the camp that occurred between site visits. The Ham Lake camp site was visited on August 25, 2024. A



site visit to complete more substantial maintenance is planned for Q2 2025, where concerns identified in the inspection reports will be addressed as outlined below.

CIRNAC Concern:

Removal of equipment, garbage, chemicals from old accommodation trailers.

CIRNAC Action Required:

All the equipment and garbage/chemicals in the old accommodations trailers needs to be removed, stored properly and the trailers need to be sealed shut and closed off to prevent access by wildlife until they can be removed from site.

MMG Response:

Preparations for camp occupancy are expected to begin in 2025. MMG commits to removal of equipment, garbage and chemicals from the aged ATCO trailers. The ATCO trailers will be sealed to prevent access by wildlife. Chemicals will be stored such that they are inaccessible to wildlife.

Timeline for Actions:

Preparation for camp occupation - 2025.

CIRNAC Concern:

Scrap metal on site.

CIRNAC Action Required:

Scrap metal, discarded machine parts and unused equipment shall be removed from site.

MMG Response:

MMG remains committed to the removal of scrap metal from site and removal of scrap metal is included in the timeframe before the closure of the permit. The Ham Lake camp site is currently in long term care and maintenance without occupancy and is anticipated to remain in this state until 2025. The intent of long-term care and maintenance is to provide annual visits to verify that the site remains safe, secure and is not adversely impacting the environment.

MMG intends to re-establish this camp in 2025 and if this occurs removal of scrap metal will be done in parallel with resupply operations. MMG has included the costs for this activity in the Closure and Reclamation Plan for 2BE-IZO2328 and the costs are included in the Izok Project Reclamation Estimate, which was submitted with the application for renewal of the water licence.

Timeline for Actions:

During camp operations in 2025, as possible. Closure of land use permit and water licence for remaining scrap metal.

CIRNAC Concern:

Several buildings had doors open.

CIRNAC Action Required:

All building doors, windows and walls must be repaired and covered to prevent access from wildlife.

MMG Response:

Preparations for camp occupancy are expected to begin in 2025. MMG commits to clearing buildings of wildlife detritus and fortifying buildings as well as addressing any changes to the site condition and return the site to compliance with the water licence and land use permit during preparations for camp occupancy.

Timeline for Actions:

Preparation for camp occupation – 2025.

CIRNAC Concern:

Secondary containment.

CIRNAC Action Required:

All secondary containment utilized shall be flagged and have a cover on them when regular inspection is not possible. Failed secondary containments shall be changed for a new one. Unused fuel tanks shall be removed from site.

MMG Response:

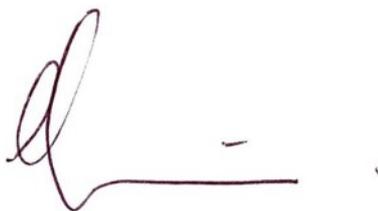
Preparations for camp occupancy are expected to begin in 2025. MMG commits to placement of all fuels within in secondary containment including instaberm, movable rigid spill trays, or similar impermeable containment. Secondary containment will be sized to 110 % of the volume of the largest tank it is to contain, or 100% of the largest tank plus 10% of the aggregate capacity of the stored tanks, whichever is greater. MMG also commits to covering all outdoor spill trays to prevent the containment from filling with precipitation. This will be completed during preparations for camp occupancy.

Timeline for Actions:

Preparation for camp occupation – 2024.

We trust the above addresses the concerns raised in both the Land Use and Water Licence inspection forms.

Regards,

A handwritten signature in dark ink, appearing to be 'G. Martin', with a long horizontal stroke extending to the right.

Greg Martin,
Group Manager, Group Project Services
MMG Resources Inc.



Original

Follow-Up Report

SURFACE LEASE INSPECTION FORM

Licensee	Representative
MMG	Sarah Hasek
Lease No. / Expiry	Representative's Title
8612-1 (2BE-IZO2328)	Tenement Officer
Project Name	Location
Hood Camp	66.081944*N -112.717861*W
Date of Inspection	Inspector
August 1, 2024	Isaiah James Bolt
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/hauling <input type="checkbox"/> :Other:	

Conditions: A- Acceptable U-Unacceptable C-Concern NI-Not Inspected NA- Not applicable

Section:	Term No.	Condition	Comments No.
TERM			
RENT AND TAXES			
RENEWAL			
USE		A	
SUBLETTING OR ASSIGNMENTS			
BREACH			
TERMINATION			
RESTORATION		C	3,4,5,6,7,9,11
WASTE DISPOSAL		A	
ENVIRONMENTAL		A	
FUEL AND HAZARDOUS CHEMICALS		A	
BOUNDARIES/SURVEY			
IMPROVEMENTS			
ACCESS			
INDEMNIFICATION			
REVIEW			
NOTICES			
GENERAL			

SECTION 1 Comments Non-Compliance with Permit, Act or Regs Action Required

On August 1, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), writer of this report, Along with fellow inspector Jonathan Mesher, of CIRNAC, conducted an on-site visit of Hood Camp (8612-1)(2BE-IZO0712) to ensure compliance of their lease and water license.

Based on the last inspection from Eva Paul in 2017, it seems 3 cabins along the shore have been removed from site,



along with the trash barrels and debris around the cabins. No concerns noted.

1. Inspectors arrived on site at 5:00PM on August 1st, 2024.
2. Aerial Photos were taken (Photo # 1 and #2)
3. Drill rods were present on site in a stacked manner. (Photo #3)
4. A pile of lumber was observed on site (Photo # 4)
5. Roofing material was stacked on top of a wooden wall in the tundra (Photo #5)
6. Ply wood debris observed on the ground behind the core shack. (Photo #6)
7. A small abandoned shack was observed on site with no roof and no door. There was nothing in the shack that would attract wildlife. Reclamation of this building is required. (Photo #7)
8. Core boxes were observed on the north side of the core shack. No issues noted. (Photo #8)
9. The door of the core shack was damaged and open. Signs of a bear breaking in were observed as the door was broken, scratched and chewed up (Photo #9)
10. Signs of a bear staying in the core shack were observed. Debris and mess were observed all around the floor (Photo #10 and #11)
11. A steel frame was observed close to the shore of the lake (Photo #12)

No other concerns were noted at this site. No fuel or contaminants present on site.

SECTION 2 Comments **Non-Compliance with Permit, Act or Regs** Action Required

-In regards to comment #3,#4, #5, #6, #7 and #11: Part I, Item 5 of the issued water license states: "The licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water intakes, pumps and lines, materials and equipment prior to the expiry of this license".

-In regards to comment #9 and #10: The building at Hood camp (core shack) should be repaired to deny entry of wildlife into the building.

SECTION 3 Comments Non-Compliance with Permit, Act or Regs **Action Required**

-Remove all equipment related to the undertaking and restore the land back to its natural state. Information about the future plans of the core shack should be reported to the Inspector, (i.e.. demobilization, deconstruction).

-Ensure buildings that are housing core, are up to operational standards to deny entry of wildlife as per the Inspectors request.

Licensee or Representative	Inspector's Name
	Isaiah James Bolt
Signature	Signature
Date	Date

Office Use Only: Follow-up report to be issued by Inspector Yes No

cc. Manager, Field Operations, CIRNAC jeremy.fraser@rcaanc-cirnac.gc.ca
 Engineer of Lands, CIRNAC



PHOTO LOG

Date	Camera	Inspector	Authorization
2024 August 1	Olympus Tough TG-6	James Bolt	2BE-IZO2328

Photo Log # P8010727

Photo 1



Description: Aerial View of Hood Camp. Core shack is the large building, core boxes, drill rods and an abandoned shack observed.

Photo Log # P8010729

Photo 2



Description: Aerial View #2, showing the removal of 3 cabins that used to be where the arrow on the image is pointing.



Photo Log # P8010732

Photo 3



Description: Stack of drill rod present on site.

Photo Log #P8010733

Photo 4



Description: Stack of Lumber present on site.



Photo Log #P8010734

Photo 5



Description: Metal sheet roofing placed on top of a wooden wall in the tundra.

Photo Log # P8010736

Photo 6



Description: ply wood debris behind the core shack (silver)



Photo Log # P8010739

Photo 7



Description: Stacked drill rods, abandoned shack and some core boxes.

Photo Log # P8010750

Photo 8



Description: Core boxes outside, core shack (Silver) shown with an open door



Photo Log # P8010745

Photo 9



Description: Core shack door as seen from inside. The door is heavily damaged and unable to close.

Photo Log # P8010747

Photo 10



Description: Active tank farm, 6 tanks



Photo Log # P8010746

Photo 11



Description: Debris inside the core shack

Photo Log # P8010730

Photo 11



Description: A large steel frame on the tundra close to where old cabins were situated.



Water Licence Inspection Report

Original
 Follow-Up Report

Authorization	Representative
MMG (Hood Camp)	Sarah Hasek
Authorization No. / Expiry	Representative's Title
86I2-1 (2BE-IZO2328)	Tenement Officer
Other Authorization/s	
N2024C0022	
Activities Inspected	
<input checked="" type="checkbox"/> Camp, Commercial <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/Hauling <input type="checkbox"/> Winter Hauling <input type="checkbox"/> Camp, Private <input type="checkbox"/> Other <small>Click or tap here to enter text.</small>	

Conditions: **A- Acceptable** **U-Unacceptable** **C-Concern** **NI-Not Inspected** **NA- Not applicable**

	Condition	Observation No.
31 (1)(a) Location and Area	A	
31 (1)(b) Time		
31 (1)(c) Equipment		
31 (1)(d) Methods and Techniques		
31 (1)(e) Type location, capacity and operation of facility	C	#9, #10
31 (1)(f) Control or prevent of flooding, erosion, and subsidence of Land	A	
31 (1)(g) Use, storage, handling and disposal of chemical or toxic materials	A	
31 (1)(h) Wildlife and fisheries habitat		
31 (1)(i) Objects and places of recreation, scenic and ecological value		
31 (1)(k) Petroleum fuel storage	NA	
31 (1)(m) Matters not inconsistent with the regulations		

**refers to specific terms and conditions found in the permit/lease in question.*

Section 1 Comments

On August 1, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), writer of this report, Along with fellow inspector Jonathan Mesher, of CIRNAC, conducted an on-site visit of Hood Camp (86I2-1)(2BE-IZO0712) to ensure compliance of their lease and water license.

Based on the last inspection from Eva Paul in 2017, it seems 3 cabins along the shore have been removed from site, along with the trash barrels and debris around the cabins. No concerns noted.

- Inspectors arrived on site at 5:00PM on August 1st, 2024.
- Aerial Photos were taken (Photo # 1 and #2)
- Drill rods were present on site in a stacked manner. (Photo #3)
- A pile of lumber was observed on site (Photo # 4)
- Roofing material was stacked on top of a wooden wall in the tundra (Photo #5)
- Ply wood debris observed on the ground behind the core shack. (Photo #6)
- A small abandoned shack was observed on site with no roof and no door. There was nothing in the shack that would attract wildlife. Reclamation of this building is required. (Photo #7)
- Core boxes were observed on the north side of the core shack. No issues noted. (Photo #8)
- The door of the core shack was damaged and open. Signs of a bear breaking in were observed as the door was broken, scratched and chewed up (Photo #9)



- 10. Signs of a bear staying in the core shack were observed. Debris and mess were observed all around the floor (Photo #10 and #11)
 - 11. A steel frame was observed close to the shore of the lake (Photo #12)
- No other concerns were noted at this site. No fuel or contaminants present on site.

Section 2 Non-Compliance with Choose an item.

-In regards to comment #3,#4, #5, #6, #7 and #11: Part I, Item 5 of the issued water license states: "The licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water intakes, pumps and lines, materials and equipment prior to the expiry of this license".

-In regards to comment #9 and #10: The building at Hood camp (core shack) should be repaired to deny entry of wildlife into the building.

Section 3 Action Required

-Remove all equipment related to the undertaking and restore the land back to its natural state. Information about the future plans of the core shack should be reported to the Inspector, (i.e.. demobilization, deconstruction).

-Ensure buildings that are housing core, are up to operational standards to deny entry of wildlife as per the Inspectors request.

Section 4 Other

Licensee or Representative	Inspector's Name Isaiah James Bolt
Signature	Signature
Date	Date

Office Use Only: Follow-up report to be issued by Inspector Yes No

PHOTO LOG

Date	Camera	Inspector	Authorization
2024 August 1	Olympus Tough TG-6	James Bolt	2BE-IZO2328
Photo Log # P8010727			



Photo 1



Description: Aerial View of Hood Camp. Core shack is the large building, core boxes, drill rods and an abandoned shack observed.

Photo Log # P8010729

Photo 2



Description: Aerial View #2, showing the removal of 3 cabins that used to be where the arrow on the image is pointing.



Photo Log # P8010732

Photo 3



Description: Stack of drill rod present on site.

Photo Log #P8010733

Photo 4



Description: Stack of Lumber present on site.



Photo Log #P8010734

Photo 5



Description: Metal sheet roofing placed on top of a wooden wall in the tundra.

Photo Log # P8010736

Photo 6



Description: ply wood debris behind the core shack (silver)



Photo Log # P8010739

Photo 7



Description: Stacked drill rods, abandoned shack and some core boxes.

Photo Log # P8010750

Photo 8



Description: Core boxes outside, core shack (Silver) shown with an open door



Photo Log # P8010745

Photo 9



Description: Core shack door as seen from inside. The door is heavily damaged and unable to close.

Photo Log # P8010747

Photo 10



Description: Active tank farm, 6 tanks



Photo Log # P8010746

Photo 11



Description: Debris inside the core shack

Photo Log # P8010730

Photo 11



Description: A large steel frame on the tundra close to where old cabins were situated.



Original
 Follow-Up Report

CROWN LAND USE INSPECTION FORM

Permittee MMG	Representative Sarah Hasek
Permit No. / Expiry N2024C0022	Representative's Title
Other Authorizations	Land / Other Authorizations
Date of Inspection August 1 2024	Inspector Isaiah Bolt
Activities Inspected	
<input checked="" type="checkbox"/> Camp <input type="checkbox"/> Drilling <input type="checkbox"/> Mining <input type="checkbox"/> Construction <input type="checkbox"/> Reclamation <input type="checkbox"/> Fuel Storage <input type="checkbox"/> Roads/hauling <input type="checkbox"/> Other: <input type="checkbox"/> Other:	

Conditions:	A- Acceptable	U-Unacceptable	C-Concern	NI-Not Inspected	NA- Not applicable
Land Use Permit _____:					
31 (1)(a) Location and Area	A				
31 (1)(b) Time	A				
31 (1)(c) Equipment			C		3,4,5,6,7,11
31 (1)(d) Methods and Techniques	A				
31 (1)(e) Type location, capacity and operation of facility			C		9,10
31 (1)(f) Control or prevent of flooding, erosion, and subsidence of Land	A				
31 (1)(g) Use, storage, handling and disposal of chemical or toxic materials	A				
31 (1)(h) Wildlife and fisheries habitat	A				
31 (1)(i) Objects and places of recreation, scenic and ecological value	A				
31 (1)(k) Petroleum fuel storage	A				
31 (1)(m) Matters not inconsistent with the regulations	A				

**refers to specific terms and conditions found in the permit/lease in question.*

SECTION 1	<input checked="" type="checkbox"/> Comments (s.1)	<input type="checkbox"/> Non-Compliance with Permit, Act or Regs (s.2)	<input type="checkbox"/> Action Required (s.3)
<p>On August 1, 2024, I, Isaiah James Bolt, Inspector with the Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), writer of this report, Along with fellow inspector Jonathan Mesher, of CIRNAC, conducted an on-site visit of Hood Camp N2024C0022 (86I2-1)(2BE-IZO0712) to ensure compliance of their Land Use Permit and water license.</p> <p>Based on the last inspection from Eva Paul in 2017, it seems 3 cabins along the shore have been removed from site, along with the trash barrels and debris around the cabins. No concerns noted.</p> <ol style="list-style-type: none"> 1. Inspectors arrived on site at 5:00PM on August 1st, 2024. 2. Aerial Photos were taken (Photo # 1 and #2) 3. Drill rods were present on site in a stacked manner. (Photo #3) 4. A pile of lumber was observed on site (Photo # 4) 5. Roofing material was stacked on top of a wooden wall in the tundra (Photo #5) 6. Ply wood debris observed on the ground behind the core shack. (Photo #6) 7. A small abandoned shack was observed on site with no roof and no door. There was nothing in the shack that would attract wildlife. Reclamation of this building is required. (Photo #7) 8. Core boxes were observed on the north side of the core shack. No issues noted. (Photo #8) 9. The door of the core shack was damaged and open. Signs of a bear breaking in were observed as the door was broken, scratched and chewed up (Photo #9) 10. Signs of a bear staying in the core shack were observed. Debris and mess were observed all around the floor (Photo #10 and #11) 11. A steel frame was observed close to the shore of the lake (Photo #12) <p>No other concerns were noted at this site. No fuel or contaminants present on site.</p>			
SECTION 2	<input type="checkbox"/> Comments	<input checked="" type="checkbox"/> Non-Compliance with Permit, Act or Regs	<input type="checkbox"/> Action Required
<p>-In regards to comment #3,#4, #5, #6, #7 and #11: All debris and old infrastructure shall be removed from site.</p> <p>-In regards to comment #9 and #10: The building at Hood camp (core shack) should be repaired to deny entry of wildlife into the building.</p>			
SECTION 3	<input type="checkbox"/> Comments	<input type="checkbox"/> Non-Compliance with Permit, Act or Regs	<input checked="" type="checkbox"/> Action Required
<p>-Remove all equipment related to the undertaking and restore the land back to its natural state. Information about the future plans of the core shack should be reported to the Inspector, (i.e.. demobilization, deconstruction).</p> <p>-Ensure buildings that are housing core, are up to operational standards to deny entry of wildlife as per the Inspectors request.</p>			



Licensee or Representative	Inspector's Name
Signature	Signature
Date	Date

PHOTO LOG

Date	Camera	Inspector	Authorization
2024 August 1	Olympus Tough TG-6	James Bolt	2BE-IZO2328

Photo Log # P8010727

Photo 1



Description: Aerial View of Hood Camp. Core shack is the large building, core boxes, drill rods and an abandoned shack observed.



Photo Log # P8010729

Photo 2



Description: Aerial View #2, showing the removal of 3 cabins that used to be where the arrow on the image is pointing.

Photo Log # P8010732

Photo 3



Description: Stack of drill rod present on site.



Photo Log #P8010733

Photo 4



Description: Stack of Lumber present on site.

Photo Log #P8010734

Photo 5



Description: Metal sheet roofing placed on top of a wooden wall in the tundra.



Photo Log # P8010736

Photo 6



Description: ply wood debris behind the core shack (silver)

Photo Log # P8010739

Photo 7



Description: Stacked drill rods, abandoned shack and some core boxes.



Photo Log # P8010750

Photo 8



Description: Core boxes outside, core shack (Silver) shown with an open door

Photo Log # P8010745

Photo 9



Description: Core shack door as seen from inside. The door is heavily damaged and unable to close.



Photo Log # P8010747

Photo 10



Description: Active tank farm, 6 tanks

Photo Log # P8010746

Photo 11



Description: Debris inside the core shack



Photo Log # P8010730

Photo 11



Description: A large steel frame on the tundra close to where old cabins were situated.



December 19, 2024

Isaiah James Bolt

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC)

Dear James

Reference: Hood Lease Inspection

On September 23, 2024, MMG Resources Inc. (MMG) received inspection reports from Isaiah James Bolt, Resource Management Officer with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) regarding MMG's Hood Camp. The inspection took place on August 1, 2024 and consisted of a Water Licence Inspection Report (Authorization No. 8612-1 (2BE-IZO2328)), a Crown Land Use Inspection Form (Permit No. N2024C0022) and a Surface Lease Inspection Form (Lease No. 8612-1 (2BE-IZO2328)). I provided acknowledgement of receipt of the inspection reports on October 3, 2024. Detailed responses to each of the inspection is included below.

The Water Licence Inspection Report and Land Use Inspection Form included concerns regarding the type location, capacity and operation of facility. The concerns include presence of drill rods, lumber, roofing material, plywood and an abandoned shack on site. The second concern identified during the inspection was regarding the core shack, which showed signs of wildlife disturbance within the building.

The associated water licence, land use permit and surface lease were renewed between 2023 and 2024, 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. There is not currently a plan to re-open the Hood camp, however exploration activities are planned in the area in 2025. The water licence renewal included an updated Closure and Reclamation Plan (CRP) and associated Reclamation Estimate. The CRP outlines three site closure scenarios – long term care and maintenance, seasonal closure and final closure. The Hood camp is currently in long term care and maintenance and is anticipated to remain in that state until final closure is initiated.

To verify that the Hood camp remains safe, secure and is not adversely impacting the environment, MMG completes annual care and maintenance site visits to address any changes to the site condition and return the site to compliance with the water licence and land use permit conditions. MMG commits to rectifying all disturbances to the camp that occurred between site visits. The Hood camp site was visited on August 25, 2024. The core shed door was repaired with new plywood. A site visit to complete more substantial maintenance is planned for Q2 2025, where concerns identified in the inspection reports will be addressed as outlined below.



CIRNAC Concern:

Removal of equipment, site restoration.

CIRNAC Action Required:

Remove all equipment related to the undertaking and restore the land back to its natural state. Information about the future plans of the core shack should be reported to the Inspector, (i.e. demobilization, deconstruction).

MMG Response:

MMG remains committed to the removal of equipment and infrastructure from site and removal of equipment and infrastructure is included in the timeframe before the closure of the permit. The Hood camp site is currently in long term care and maintenance without occupancy and is anticipated to remain in this state until final closure is initiated. The intent of long term care and maintenance is to provide regular visits to verify that the site remains safe, secure and is not adversely impacting the environment.

MMG commits to continuing regular maintenance visits to Hood camp to ensure compliance with all permits and licences however there is limited opportunity for the removal of equipment and infrastructure through these annual visits. MMG is planning exploration activities in this area in 2025 and 2026, and if this occurs removal of equipment and infrastructure can be done in parallel with resupply operations.

MMG has included the costs for this activity in the Closure and Reclamation Plan for 2BE-IZO2328 and the costs are included in the Izok Project Reclamation Estimate, which was submitted with the application for renewal of the water licence.

Timeline for Actions:

During exploration activities in 2025 and 2026, as possible. Closure of land use permit and water licence for remaining equipment and infrastructure.

CIRNAC Concern:

Signs of wildlife disturbance in buildings.

CIRNAC Action Required:

Ensure buildings that are housing core are up to operational standards to deny entry of wildlife as per the Inspectors request.

MMG Response:

MMG completes annual care and maintenance site visits to address any changes to the site condition and return the site to compliance with the water licence and land use permit. MMG commits to clearing buildings of wildlife detritus and fortifying buildings to prevent usage by wildlife. This will be completed during the next care and maintenance site visit.

Timeline for Actions:

Annual care and maintenance site visit – 2025.

We trust the above addresses the concerns raised in both the Land Use and Water Licence inspection forms.

Regards,

A handwritten signature in black ink, appearing to read 'G. Martin', followed by a period.

Greg Martin,
Group Manager, Group Project Services
On behalf of MMG Resources Inc.