



12 March 2026

Richard Dwyer
Manager of Licensing
Nunavut Water Board
P.O. Box 119
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Dear Richard,

MMG Resources Inc., Izok Corridor Project – Amendment and Renewal Application, Type B Water Licence No. 2BE-IZO2328 – DFO and CIRNAC Comments

MGM Resources Inc. (MMG) has reviewed the comments provided in response to the Amendment Renewal Application for the Izok Corridor Project, Type B Water Licence No. 2BE-IZO2328. Responses were received from William Quere, Municipal Coordinator, Water Resources Division, Crown Indigenous Relations and Northern Affairs Canada (CIRNAC) received on February 23, 2026 and Sarah Pakozdi, Biologist, Fisheries and Oceans Canada (DFO) on February 23, 2026.

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

CIRNAC Comment Responses:

1. Missing Application Answers

Comment:

The Application for Amendment of Water Licence 2BE-IZO2328 has missing information in several sections including:

A) Section 22 which asks:

“Is the list of the officers of the company the same as those considered in the existing water licence”?

The concern is that there is no answer given leaving uncertainty as to whether the listed officers in the next question are new or the same as on the existing licence.

B) Section 13, when asked to provide the quantity and each purpose for the water use the responses are:

“Water Licence 2BE-IZO2328 permits the withdrawal of water from Ham Lake for camp use and from “sources proximal to drilling targets” for “drilling and associated uses”, which may include Ham Lake. No significant changes to quantities of water to be used from each source are anticipated and total water usage under this licence would remain limited to a maximum of 100 m³ /day”.

“No changes to the estimated quantities for each purpose are being requested.”

The concern is that the quantity and purpose is required to assess water needs for the project and this cannot be done without the requested numbers.

C) Section 24, the timeline for ongoing operations and closure is unclear as there is no end date for operations proposed.

The concern is that without a full application it is difficult for CIRNAC to provide a fulsome report.

Recommendation:

CIRNAC recommends that the applicant provide the missing information above.

MMG Response:

A) The list of officers has changed since the previous licence was issued. The new officers of the company are included in the application form:

- Lok Wun (Anfield) Wong - Director
- Brent Nicholas Walsh - Director
- Catherine Louise Knight - Director

B) No changes to water volumes or uses under the current water licence 2BE-IZO2328 are being proposed or requested. The licence outlines conditions applying to water use as:

1. The Licensee shall obtain all Water for domestic camp use from Ham Lake. Total camp Water use shall not exceed fifteen (15) cubic metres per day. Drill water shall be obtained from local Water source(s), proximal to the drilling targets as outlined in the Application. The volume of Water for all purposes under this licence shall not exceed one hundred (100) cubic metres per day.

Target sites for the 2026 drilling program are currently being planned, and water withdrawal requirements will be determined based on selected drilling locations and final field layout. Appropriate water sources will be selected based on field conditions. MMG will continue to operate within the approved daily limits and adhere to all other conditions, as previously approved by the NWB, including appropriate water withdrawal protocols and DFO requirements. Final withdrawal volumes will be reported and submitted in the annual reports to the NWB.

C) There is currently no defined end date of exploration activities, as the results of each year's program inform the following year's work. If exploration demonstrates economically viable deposits for development, a new water licence application will be submitted to support future mining operations, or the current licences will be closed in accordance with their conditions. MMG will continue to operate within the terms of all currently held licences and permits.

2. Incineration Steps**Comment:**

Section 4.1.1 of the Waste Management Plan states that

“Combustible wastes will be collected for incineration. Incineration is an effective method of disposal of combustible wastes that reduces the transportation volume for off-site waste management facilities. Additionally, it assists in avoiding human-wildlife interactions. Following steps outlined in the Technical Document for Batch Waste Incineration (Environment Canada, 2010), and guidance provided in the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste (Government of Nunavut, 2010a), the wastes will be incinerated. Residues from the incinerator will be managed as non-combustible wastes”.

The concern is that steps for incineration on this project are not given and the incinerator is not described.

Recommendation:

CIRNAC recommends that the applicant provide information on the incinerator, steps for its incineration process, specify which wastes will be incinerated, and detail how the ash from the incinerator will be stored and removed.

MMG Response:

There is an incinerator on site at the Izok Lake Camp (Ketek Cyclonator - CY-2020-A-FA). The Waste Management Plan will be updated to include an Incineration Management Plan for the equipment on-site, including:

Incinerator Operation Procedures:

- Sort waste - remove wastes containing chlorinated compounds, wastes containing mercury and other heavy metals and hydrocarbons;
- Mix waste according to incinerator specifications to achieve good combustion;
- Supervise burn cycle to monitor operation;
- Once complete and cool, ash will be removed;
- Ash management.

Additional details to be included in the Incineration Management Plan:

- Regulatory Requirements
- Pollutants of concern
- Record keeping and monitoring
- Acceptable/unacceptable waste for incineration
- Ash management

The Incinerator Management Plan will include a summary table of applicable regulations, including the Technical Document for Batch Waste Incineration (Environment Canada, 2010), and guidance provided in the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste (Government of Nunavut, 2010a). The table will identify the applicable document and summarize actionable items.

The Incinerator Management Plan will be completed before exploration operations begin in 2026.

3. Waste Management Plan

Comment:

The waste management plan includes a section on hazardous waste which states

“Hazardous wastes will be collected, sealed in drums, and removed from site for proper disposal in Yellowknife, NT. Wastes will be stored in a manner that prevents access by wildlife. Hazardous wastes management will follow the Nunavut Guideline for General Management of Special and Hazardous Waste (Government of Nunavut, 2010b). Transportation of hazardous wastes will be in accordance with Environment and Climate Change Canada’s (ECCC’s) regulations Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations (Government of Canada, 2021), and Transport Canada’s Transportation of Dangerous Goods Regulations (Government of Canada, 2001)”.

Stating a given guideline rather than a project specific plan is inadequate. The concern is the combustible and hazardous waste plans do not provide enough detail to ensure this project is and will be compliant with regulation.

Recommendation:

CIRNAC recommends that the applicant provide greater detail in the waste management plan as to steps they will take to dispose of their waste. This includes describing methods mentioned in other plans such as backhauling, open air burning, incineration, and sump construction with maintenance. CIRNAC recommends to detail waste storage and provide safety measures (filtering, wildlife measures, containment, etc.) taken and planned to ensure protection of water sources from waste. CIRNAC recommends the applicant ensures all waste is not stored within 31 m of the ordinary high water mark of any water body.

MMG Response:

The Waste Management Plan will be updated to include additional detail on waste identification, classification, handling, and storage management. The update will provide clarity for identifying

hazardous waste and special wastes, consistent with applicable territorial and federal regulatory requirements.

Wastes will be stored in appropriate containers, with preference for steel drums and plastic totes. Wastes will not be mixed. MMG will ensure all waste is stored greater than 31 m from the high water mark of all water bodies and will implement secondary containment measures for all hazardous and special wastes. Secondary containment located in unsheltered (outdoor) areas will be covered with tarps or similar material to prevent secondary containment from filling with precipitation.

A summary table of applicable regulations, including the Nunavut Guideline for General Management of Special and Hazardous Waste (Government of Nunavut, 2010b), Environment and Climate Change Canada's (ECCC's) regulations Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations (Government of Canada, 2021), and Transport Canada's Transportation of Dangerous Goods Regulations (Government of Canada, 2001), will be included in the update. The table will identify the applicable document and summarize actionable items.

Waste management procedures will be updated to provide clear guidance on packaging, labelling, and shipping of materials that will be transported off-site for final disposal at an appropriate waste management facility. End of season waste removal requirements will be considered when planning field operations in accordance with applicable regulations.

As noted above, an Incinerator Management Plan will be developed to better define acceptable waste streams for incineration, outline detailed procedures for incineration, and clarify documenting requirements.

The Waste Management Plan, including the new incineration procedures and clear waste handling guidance, will be updated before exploration operations begin in 2026.

4. Inspection Report

Comment:

The water licence inspection in the Inspections Responses document indicated some concerns from the CIRNAC inspector including

“failed secondary containment/no cover on secondary containment that is holding fuel”.

The applicant gave a timeline in their response to this concern but there is nothing in the package confirming these actions have been carried out.

Recommendation:

CIRNAC recommends that the applicant confirm if these concerns have been rectified.

MMG Response:

MMG provided a response to the inspection reports on December 19, 2024 outlining the timeline for addressing the concerns identified in the inspection reports. MMG can confirm that all concerns outlined in the inspection reports have been addressed. Details will be documented in annual reports.

5. Spill Contingency Plan

Comment:

In section 13.3.2 of the Spill Contingency Plan, a response to spill action for Motor Oil, Hydraulic Oil, and Transmission Fluid is stated that

“A small amount can be incinerated”.

The concern is that this goes against incineration guidelines unless specialised equipment is used and no specifics for the incinerator are given in either the spill contingency plan or the waste management plan.

Recommendation:

CIRNAC recommends that motor oil, hydraulic oil, and transmission fluid are not incinerated unless capable equipment is used.

MMG Response:

The Spill Contingency Plan will be updated to remove this reference before exploration activities begin in 2026.

6. Closure and Reclamation Plan**Comment:**

The current water licence requires in part B that:

“A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations”.

The concern is that adequate documentation is not included in the closure and reclamation plan. The closure and reclamation plan also makes no mention of the required long-term monitoring post closure. The concern is that the site will not be monitored post closure to the point of chemical and physical stability.

Recommendation:

CIRNAC recommends the applicant include in their Closure and Reclamation plan, and in any other relevant plan or application, mention of post closure monitoring to the point of chemical and physical stability of the site.

MMG Response:

A description of all progressive and/or final reclamation work undertaken in association with the camp and exploration program is submitted to the NWB as part of the annual report, as required under Part B of the approved Water Licence. The closure and reclamation plan outlines three closure scenarios - seasonal closure, long-term care and maintenance and final closure. If a spill is identified, it will be addressed immediately: contaminated materials are removed, and the location is monitored to achieve pre-spill conditions. As no chemical spills with long term environmental impacts have occurred or physical stability concerns have been identified, no chemical post closure monitoring is currently anticipated.

7. Conditions applying to monitoring program**Comment:**

In the water licence Part J describes conditions applying to the monitoring program which states that

“The Licensee shall obtain representative samples of the Water column below any ice where required under Part F, Item 5 and 6. Monitoring shall include but not be limited to the following: Total Suspended Solids pH Electrical Conductivity, Total Trace Metals as determined by a standard ICP Scan (to include at a minimum, the following elements: Al, Sb, Ba, Be, Cd, Cr, Co, Cu, Fe, Pb, Li, Mn, Mo, Ni, Se, Sn, Sr, Tl, Ti, U, V, Zn), and Trace Arsenic and Mercury”

The concern is that a plan to facilitate this sampling is not found within the application or attachments.

Recommendation:

CIRNAC recommends the applicant provide a plan or contingency to sample the required water if such a need should rise.

MMG Response:

No drilling through ice is currently planned. Management plans and standard operating procedures are reviewed annually, and updated to reflect planned activities, including drilling on ice. A procedure will be developed to address this sampling if required.

DFO Comment Response:

Comment:

The MMG Resources Inc., High Lake Amendment and Renewal to Water Licence, 2BEIZO2328, discusses water withdrawal activities from Morris and Bert Lake for the duration of the project, which has the potential to impact fish and fish habitat.

Direct fish mortality can occur during water withdrawal activities through entrainment/impingement. Entrainment occurs when a fish is drawn into a water intake and cannot escape. Impingement occurs when a fish is held in contact with the intake screen and is unable to free itself. The reminder is appreciated, DFO requirements have been incorporated into MMG's management plans and procedures. MMG will continue to operate within these requirements.

Recommendation:

In order to comply with the Fisheries Act, it is recommended that the Proponent follow DFO's protective measures for fish and fish habitat and standard codes of practice which can be found on DFO's website (<https://www.dfo-mpo.gc.ca/pnw-ppe/measures-mesures-eng.html> and <https://www.dfo-mpo.gc.ca/pnw-ppe/practice-pratique-eng.html>). Proponents are also asked to respect the NU in-water works restricted activity timing windows (Projects Near Water - Nunavut Restricted Activity Timing Windows for the Protection of Fish and Fish Habitat ([dfo-mpo.gc.ca](https://www.dfo-mpo.gc.ca))) to protect fish during spawning and incubation periods when spawning fish, eggs and fry are vulnerable to disturbance or sediment.

The proponent should refer to DFO's Interim code of practice: End-of-pipe fish protection screens for small water intakes in freshwater available at <https://www.dfo-mpo.gc.ca/pnw-ppe/codes/screen-ecran-eng.html> when using fish screens and if the water intake flow is up to 0.150 m³/s, or 150 liters per second (L/s).

For water withdrawal from watercourses, DFO recommends the proponent follow the Framework for Assessing the Ecological Flow Requirements to Support Fisheries In Canada (<https://waves-vagues.dfo-mpo.gc.ca/Library/348881.pdf>) and demonstrates that water withdrawal rate remains <10% of actual instantaneous flow and does not result in flows <30% of mean annual discharge (MAD).

In addition, the proponent should follow the DFO Protocol for Winter Water Withdrawal in the NWT (2010) and not withdraw more than 10% of under-ice water volumes (Attachment 1: DFO Winter Water Withdrawal Protocol, 2010). If the proposal meets the criteria for a site specific review, as described on DFO's website (<https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/request-review-demande-dexamen-003-eng.html>), they should complete and submit the request for review form available on the website (<https://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/requestreview-demande-d-examen-004-eng.html>).

It is also the proponent's Duty to Notify DFO if they have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption, or the destruction of fish habitat. Such notification should be directed to DFO.ARCENTriage-TriageGEARC.MPO@dfo-mpo.gc.ca.

MMG Response:

The reminder is appreciated, DFO requirements have been incorporated into MMG's management plans and procedures. MMG will continue to operate within these requirements.

Closure

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

Yours sincerely,

CKnight

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