Inuvialuit Water Board

WATER REGISTER: N7L1-1828

May 8, 2013

Ms. Shirley Maaskant Manager, Regulatory and Community Affairs MGM Energy Corp. 4100, 350-7th Avenue S.W. Calgary, AB T2P 3N9

Dear Shirley:

Re: MGM Water Licence N7L1-1828 - Your File: 18-0706.

I apologize for the delay in responding to your letter of March 24, 2014 requesting an extension of the MGM Water Licence N7L1-1828 for an additional two years. The NWT Water Board has devolved from Federal to GNWT under the Northwest Territories Lands and Resources Devolution Agreement which included legislation changes from the NWT Waters Act to the Waters Act and Water Regulations and valid as of April 1, 2014. The name has also changed from the NWT Water Board to the Inuvialuit Water Board.

Under the new Water Regulations, Schedule D Item 3, column II, Water Use or Deposit of Waste Permitted without a Licence, a) oil and gas exploration — Deposit of drill waste by injection into an underground formation or reservoir that is authorized under paragraph 10(1)(b) of the Oil and Gas Operations Act, originally 5(1)(b) of the Canada Oil and Gas Operations Act. The National Energy Board has this jurisdiction for the Inuvialuit Settlement Region and has the authority to issue an operating licence.

The Waters Act does not allow for extensions of Water Licences, it provides for renewals, amendments and cancellations of licences as per S. 36 (1)(a)(i). Therefore, in order for the Inuvialuit Water Board to consider your request, an application for renewal must be submitted to the Board for approval. The original application included a camp to be established on site and the use of water and the deposit of camp wastes including sewage. The Inuvialuit Water Board will continue to licence these activities of your application.

If you have any questions with regard to this email and/or the new legislation and/or regulations, please contact me at 867 678-8609.

Yours sincerely,

Mardy Semmler Executive Director Inuvialuit Water Board

Ph: 867-678-8609 Fax: 867-678-2943 Cell: 867-678-5365