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August 12, 2021

**To: Distribution List of Affected Parties for the East Mackay Project Area**

**RE: Update on the Proposed Project Scope and Regulatory Timing**

Dear Sir or Madam,

MGM Energy (“MGM”) has been reviewing the previous Land Use Permit (S12A-001) and Water Licence (S12L1-001) it had submitted to the Sahtu Land and Water Board (“SLWB”) in preparation of preparing new applications. Upon review MGM would like to move forward with two options for access in to the staging area just south of the Mackenzie River.

During the activities under S12A-001 and S12L1-001 MGM accessed the staging area via the Mackenzie River coming west out of Tulita. The alternative access comes south off the Norman Wells-Tulita Winter Road. This access was contemplated by MGM and has been used in the past by other oil and gas operators. This route has the potential to allow for safety timing and cost efficiencies. The route was screened and approved by the Sahtu Land and Water Board under S99A-012. This access is known as the Gaudet route.

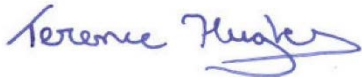


The remaining access for the project would remain what was previously used under S12A-001 and SL12L1-001 (see attached map).

Following up on the distributed Engagement Plan in April and this information package, MGM intends to engage into the regulatory system for a new Land Use Permit and Water Licence late in Quarter 3 or Quarter 4 of 2021. The expected scope of the new Permit and Licence is expected to be access, staging, camp, abandonment activities and reclamation. MGM would be requesting a 5-year Permit and Licence. MGM intends to follow up with affected parties in the coming weeks via phone on the proposed applications.

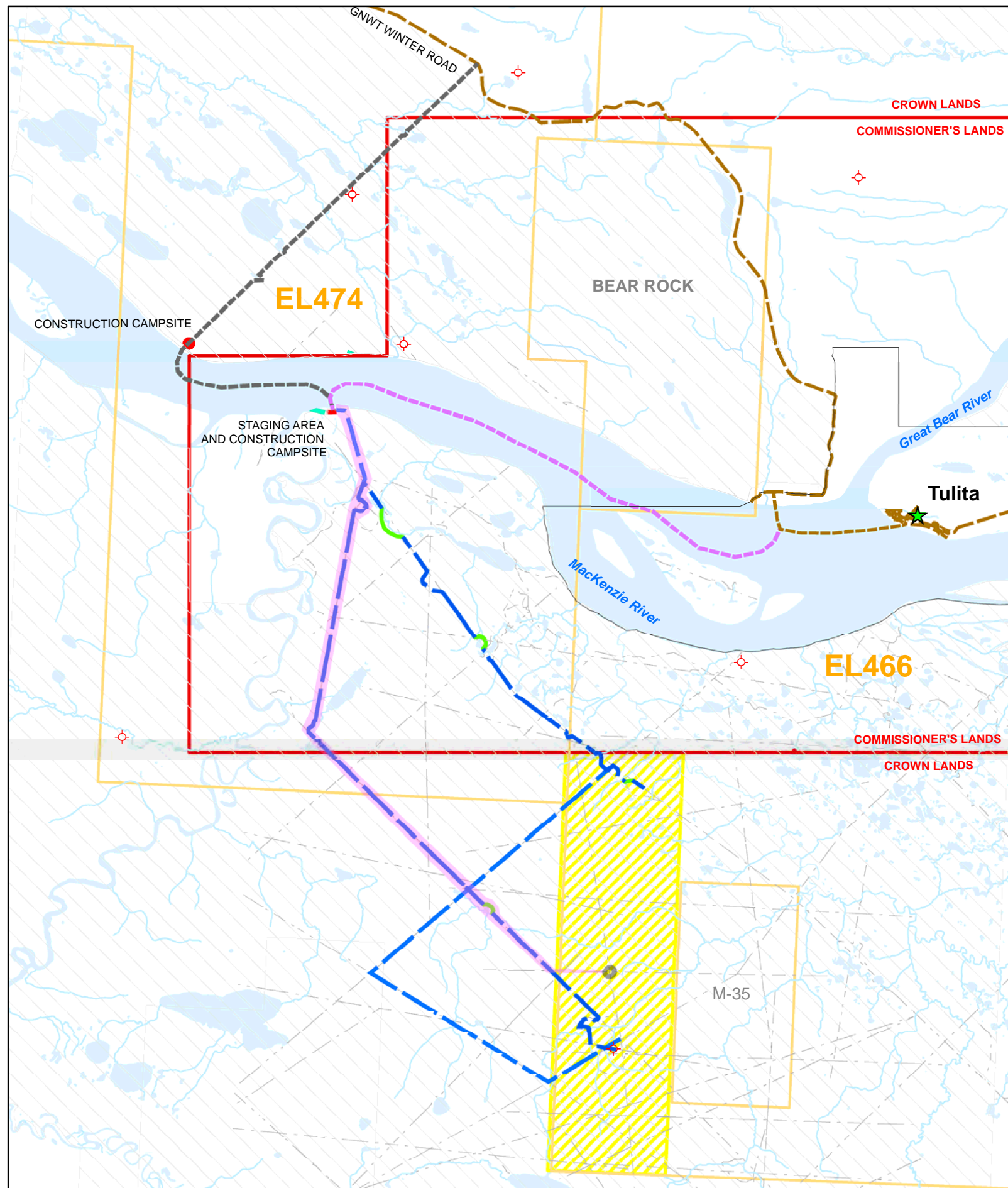
If you have any questions regarding the above or MGM's planned activities in the East Mackay area please contact MGM via phone at 403-206-3859 or email at [terence.hughes@paramountres.com](mailto:terence.hughes@paramountres.com) .

Respectfully,  
MGM Energy

A handwritten signature in blue ink that reads "Terence Hughes". The signature is fluid and cursive, with a long horizontal stroke at the end.

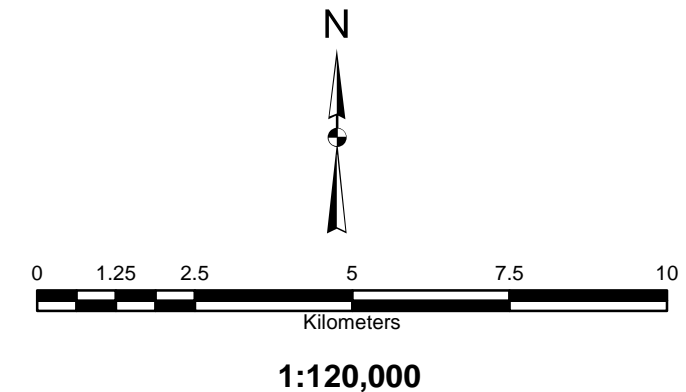
Terence Hughes  
Regulatory and Community Affairs Representative

ENCL.



**Legend**

- Existing Wells
- Access Option 2
- Access Option 1
- Access New Cut
- Alternative Site Access Options
- GNWT Winter Road
- Cutlines
- watercourse
- Chosen Access Route from the Staging Area
- Selected Drillsite / Campsite Location
- Commissioner's Lease
- Area of Interest
- Staging Area/Construction Campsite
- Commissioner's Lands Boundary
- Tulita Municipal
- MGM EL's
- Aboriginal Surface
- Water Body



DOT WINTER ROAD DISTANCES		
FROM	TO	DISTANCE(km)
NORMAN WELLS	Access Option 1	80
TULITA	Access Option 1	3
NORMAN WELLS	Access Option 2	60
TULITA	Access Option 2	23
TULITA	WRIGLEY	248



**MGM ENERGY CORP.  
MGM EAST MACKAY  
PROJECT AREA MAP**

Projection: NAD83 UTM Z10  
Date: July 17, 2012