

Lupin Operation
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February 5, 2004

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Attention: Mr. Philippe di Pizzo, Executive Director

Dear Mr. di Pizzo:

RE: Start Up of Mining at Lupin

Mining operations will resume at Lupin Mine, effective March 1, 2004 and will continue for approximately one year. The evaluation of alternatives for the resumption of mining has been completed and pre-start up work has been initiated. The plan is to mine out the pre-developed stopes with only minimal development work.

Planned Production Rate: 1,130 tonnes per calendar day

Production (Mining, hoisting, crushing and milling): 408,500 tonnes

Workforce:

Mining, engineering, surveying all by Cementation Skanska Canada	90
Surface operations, milling, management and support, Kinross	70
Catering, Kitikmeot Caterers	9
Approximate workforce on site	100 -110

Transportation:

Charter from Edmonton to Lupin; and
Charter from Kugluktuk and Cambridge Bay to Lupin

Reclamation Work:

Planned reclamation work in 2004 will include covering Tailings Containment Area cells 2 and 3 with 1 metre of esker gravel.

Abandonment and Restoration Plan:

As requested in your letter of January 8, 2004, the A&R Plan will be revised in 2004.

Sincerely,



Michael Tansey,
Reclamation Manager