NWB File No: 2AM-LUP0914

July 4, 2014

Patrick Downey, President Lupin Mines Incorporated 1204 –700 West Pender Street Vancouver, BC V6C 1G8

Email: pdowney@elginmining.com

Re: Request for Emergency Amendment to Discharge Contact Water at the Lupin Mine

Dear Mr. Downey:

The Nunavut Water Board (NWB or Board), acknowledges receipt of Lupin Mines Incorporated (LMI or the Applicant) July 3, 2013 correspondence in which LMI requested an emergency amendment to Licence 2AM-LUP0914 to allow for the discharge of accumulated contact water from a Bulk Fuel Storage Facility and a Sewage Pond, on the basis that this accumulation may pose some risk to the integrity of the facilities involved and/or the receiving environment if not released in a timely manner. LMI also indicated in its correspondence that it has submitted an application to renew its Type "A" water licence on February 28, 2014 and while the renewal process is ongoing, LMI understands that emergency circumstances may be the only basis that allows the NWB to amend its expired Type "A" water Licence to permit the discharge from these facilities.

The NWB has reviewed the information contained in LMI's correspondence and while concerned about any potential environmental risk that may be posed by the facilities involved, does not, in the Board's view, have sufficient information, including current site conditions to understand fully the environmental risks that are the basis for this emergency amendment request. The Board notes that because a public hearing is not required for an application where the Board, with consent of the Minister, declares that an amendment is required on an emergency basis in accordance with s. 52(2)(c) of the Act¹, the Board processes this type of application with upmost caution and urgency. However, the Board cannot consider **any** amendment application in the absence of adequate and complete information about site conditions related to the facilities

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¹ Nunavut Waters and Surface Rights Tribunal Act, section 52(2)(c): "... in the case of an application for the amendment of a licence where the Board, with the consent of the Minister, declares the amendment to be required on an emergency basis".

involved as well as the scope and extent of the amendment request. Consequently, to assist the Minister² and the Board with the consideration of the Applicant's basis for suggesting that emergency circumstances justifying the amendment of the expired licence now exists the Board requests that the following information be provided by LMI at its earliest convenience:

- 1. Details pertaining to the estimated volumes of contact water that LMI is proposing to release to the receiving environment from the Fuel Containment Facility and the Sewage Pond:
- 2. Details on the quality of the contact water that is expected to be released to the receiving environment from the Fuel Containment Facility and the Sewage Pond (including any water quality data from the most recent site visit); and
- 3. A copy of any report or other information describing current site conditions associated with the recent site visit conducted by SKR Consulting and LMI, including, but not limited to any photographic records of site conditions, especially for the facilities involved.

Quite apart from LMI's emergency amendment request, the NWB wishes to advise LMI and all participants in the on-going non-emergency licensing process for the application to renew Licence 2AM-LUP0914 that is currently underway, that the Board will continue to process the renewal in accordance with standard timelines and procedures for the Type "A" licensing process as outlined in Guide 5³. Further, the Board advises that the Applicant's emergency amendment request will be considered separately and will be processed as a distinct application by the Board and in accordance with the Board's emergency amendment jurisdiction under s. 52(2)(c).

If you have any questions regarding procedural matters, please contact the undersigned at your earliest convenience. For inquiries related to Technical matters, please contact David Hohnstein, Director of Technical Services, by email to David.Hohnstein@nwb-oen.ca or Sean Joseph, Technical Advisor, by email to Sean.Joseph@nwb-oen.ca.

Sincerely,

Damien Côté Executive Director

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cc: Karyn Lewis, Lupin Mines Incorporated Eva Paul, AANDC Inspector Stephen Lines, TLA

² Minister of Aboriginal Affairs and Northern Development Canada (AANDC).

³ Nunavut Water Board Guide 5: Processing Water Licence Applications, April 2010.