

LUPIN MINES INCORPORATED

July 2, 2014

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O Box 119
Gjoa Haven, NU
X0B 1J0

Via Email: Phyllis.beaulieu@nwb-oen.ca

Re: Response to comments on the completeness of the Type A Water Licence Renewal Application for the Lupin Mine

Dear Ms Beaulieu,

Lupin Mines Incorporated (LMI) acknowledges the receipt of comments from Aboriginal Affairs and Northern Development Canada (AANDC) and Environment Canada (EC) regarding the water licence renewal application for the Lupin mine. These comments were provided to LMI by the Nunavut Water Board (NWB) on June 11, 2014, and include an assessment of the application's completeness as well as identifying preliminary technical issues to be addressed during the renewal process.

LMI has reviewed the comments and agrees with AANDC that the issues identified relate to operational and technical topics that can be addressed during the detailed technical portion of the renewal process. Therefore, LMI submits that the application can be deemed complete by the NWB, and that the detailed technical portion of the process could proceed to help address the subject areas. To this end, LMI is undertaking to develop responses to the information requests provided by AANDC and EC with the intent of submitting responses by the second week in July 2014 to facilitate the detailed technical review of the application by parties.

Regarding the administrative matter of licence amendments, LMI appreciates that the renewal process may provide an opportunity to clarify and update terms and conditions as needed, some of which have been proposed by LMI and will be subject to further discussion during the detailed technical review process. However, LMI suggests that amendments would generally be administrative and not constitute a change in the licence scope, and that the NWB process would remain unchanged from that outlined in the NWB's letter to LMI of May 16, 2014.

PLEASE NOTE – NEW ADDRESS

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To address the procedural question of written vs in-person technical meetings and hearings, LMI agrees with EC that these proceedings can be most efficiently carried out in written format. LMI will also be contacting the parties to discuss the technical and operational subject areas in parallel.

LMI looks forward to working with the parties during the NWB renewal process. Should you require any additional information or clarification please contact our office (klewis@elginmining.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Downey', with a stylized flourish extending from the end.

Patrick Downey
President

c.c David Hohnstein, NWB
 Sean Joseph, NWB
 Stephen Lines, TLA