



P.O. Box 360
Kugluktuk, NU X0B 0E0
Telephone: (867) 982-3310
Fax: (867) 982-3311
www.kitia.ca

February 22, 2015

Kugluktuk
ᑭᓄᓗᓗᓗᓗᓗ

Bathurst Inlet
Kingaok
ᑭᓄᓗᓗᓗᓗᓗ

Bay Chimo
Umingmaktok
ᓄᓄᓄᓄᓄᓄᓄᓄ

Cambridge Bay
Ikaluktutiak
ᓄᓄᓄᓄᓄᓄᓄᓄᓄ

Gjoa Haven
Okhoktok
ᓄᓄᓄᓄᓄᓄᓄᓄᓄ

Taloyoak
ᓄᓄᓄᓄᓄᓄᓄᓄᓄ

Kugaaruk
ᓄᓄᓄᓄᓄᓄᓄᓄᓄ

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

Via Email: phyllis.beaulieu@nwb-oen.ca & licensing@nwb-oec.ca

Re: 2AM-LUP0914 Type “A” Water Licence – KIA Closing Statement

Dear Chair:

The Kitikmeot Inuit Association (KIA) has reviewed the Nunavut Water Board's (NWB or the Board) letter dated February 9 2015 regarding Lupin Mines Incorporated (LMI) Type “A” Water Licence Public Hearing record remaining open. Below is the KIA's closing statement.

As previously stated at the Hearing, the KIA is not a regulating agency with respect to the Lupin project, but we are representing Inuit interests due to the historic importance of Tahikyoak (Contwoyto Lake). During the community sessions of the Pre-Hearing Conference, Inuit specifically expressed concerns relating to the appropriate post-closure reclamation of the site. The KIA addressed the following four points during the Public Hearing, but we feel that these points were not fully resolved. They are:

1. To ensure sufficient reclamation security to fully reclaim the site;
2. To ensure that Mandalay Resources Corp. (Mandalay) will cover the additional reclamation security needs, if so required by the Board;
3. To ensure an adequate term for the water licence;
4. To ensure Lupin does not remain in “perpetual” care and maintenance.

Point # 1.

The KIA would like to make a quick comment: we find it doubtful that a reclamation estimate at the same level as was assessed in November 2001, would be reasonable for February 2015. Costs, whether they are for consumer products or professional services, have continuously risen during this period in Canadian urban centres, and costs in remote northern regions have increased even more-so.

The KIA does not intend to discuss the technical details, merits and shortfalls of each party's reclamation cost estimate. It is now up to the Board to determine what the security amount should be. Whatever amount the Board determines, it is the KIA's hope that the security will be sufficient to effectively and fully reclaim the site.



P.O. Box 360
Kugluktuk, NU X0B 0E0
Telephone: (867) 982-3310
Fax: (867) 982-3311
www.kitia.ca

If the amount is insufficient, Inuit concerns about post-closure reclamation and the impact on the environment will not be addressed.

Point # 2.

The KIA asked for this clarification during the Public Hearing, but we are not sure if it was resolved. We understand that Mandalay has substantial cash-equivalent assets, but Mr. Downey (LMI) clearly stated that he was no longer an officer and he could not make any financially commits for Mandalay.

Specifically, the KIA would like clarification that, if additional security is needed, the proponent (LMI or Elgin Mining Inc.) has the means to meet that additional financial obligation. Further, if the proponent does not have the means, then the Board needs to ensure that Mandalay will cover the shortfall before a licence is issued.

Point # 3.

The KIA has two concerns with longer terms: (a) site stability/degradation, and (b) increases in cost of reclamation during the term of the licence. These concerns may be addressed if the Board issues a licence that requires the proponent to periodically reassess security and adjust the amount for any site improvement or degradation (e.g., every two years).

Point # 4.

Lupin has been in care and maintenance for a decade and during that time there has been no resumption of production, even though gold prices have recently been at record levels. The KIA is concerned that this site may be in perpetual care and maintenance, and Inuit will not receive any benefits while the site is so listed. This is a difficult situation, but the Board must consider when enough care and maintenance has occurred, and when the site should transition to closure and reclamation.

The KIA would like to thank the Nunavut Water Board for the opportunity to submit these closing statements. Please feel free to contact us if you have any questions.

Sincerely,

Luigi Torretti, MSc, BComm
Senior Environment Officer
Kitikmeot Inuit Association



P.O. Box 360
Kugluktuk, NU X0B 0E0
Telephone: (867) 982-3310
Fax: (867) 982-3311
www.kitia.ca

cc: KIA: Community Liaison Officers, Geoff Clark, John Donihee (KIA Counsel)
AANDC: Jean Allen
LMI: Patrick Downey, Karyn Lewis