

Lupin Operation
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December 3, 2004

Our File: NWB1LUP0008 – Inspections 04
Your File: Water Register NWB1LUP0008

Scott Stewart
Water Resources Officer
Nunavut Field Operations
Indian and Northern Affairs Canada
Box 100,
Iqaluit, Nunavut X0A 0H0

RE: Lupin Mine Water Inspection July 7, 2004 and July 13, 2004

Dear Sir -

Thank you for your report, dated November 17, 2004, documenting your inspections of Lupin for the above dates, and the laboratory analyses which accompanied it.

I would like to comment on some of the issues which you have raised in the report.

Water Supply

Just to clarify your statement regarding our water use recording frequency, all the water meters are read and recorded on a daily basis. This information is then compiled and distributed to the appropriate individuals on site on a weekly basis, and is summarized to the Nunavut Water Board in a monthly report.

The volume of water taken from End Lake, which was used to suppress dust on the TCA roads during the summer of 2004, was 5,746 cubic metres. This will be reported in the annual submission to the Water Board.

Canadian Water Quality Guidelines

In a number of the discussions (solid waste disposal, coffer dam, sewage treatment lagoons), it was mentioned that some parameters exceed the *Canadian Water Quality Guidelines for the Protection of Aquatic Life (2002)*. All parameters, however, were within the Licenced Guidelines. This being the case, I surmise that the report was trying to point out potential concerns for when the property is to be assessed under closed mine status. Measures will be taken before that time to mitigate these concerns.

Non-Compliance of the Act or Licence

The report states that the “Licencee is out of compliance with respect to leachate being discharged in the area of the Landfill”. Since this leachate reports only to a controlled basin (the lower sewage lagoon), and release of the effluent from this basin to the receiving environment is subject to the sampling parameters set by the Nunavut Water Board, and all effluent released this year met the NWB guidelines, how can we be seen to be out of compliance?

As has been noted in previous responses to Water Licence investigation reports, a further explanation is requested as to the significance of the data comparison with the *Canadian Water Quality Guidelines for the Protection of Aquatic Life (2002)* and the impact it might have on the Licensee’s compliance.

Should you have any questions or comments regarding any of the above, please contact the undersigned.

Regards,

A handwritten signature in cursive script that reads "Michael Tansey".

Mike Tansey
Reclamation Manager, Lupin

cc: Nunavut Water Board
Bruce Bried