

WATER USE INSPECTION FORM

Date: July 9,2010	Licensee Rep. (Name/Title): TED MURARO OPERATIONS MANAGER – CANADA MINERALS AND METALS GROUP
Licensee: Elgin Mining Inc. Suite 200 - 83 Younge St. Toronto, Ontario 416 640 1930	Licence No.: 2AM-LUP0914

WATER SUPPLY

Source(s): Contwoyto Lake	Quantity used: Unknown
Owner:/Operator: Elgin Mining Inc.	

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Intake Facilities: NI	Storage Structure: NI	Treatment System: NI	Chemical Storage: NI
Flow Meas. Device: NI	Conveyance Lines: A	Pumping Stations: NI	Screen: U

Comments: The Water pumping station as well as the mine-proper facilities were either locked or not entered during the period of the Inspection. The pumping station (off line) was not inspected. Water samples were collected from the shoreline adjacent to the intake pipe.

At the float dock a number of barrels marked WSC- were noted on the shoreline of the lake (within 30 meters of water) . One barrel was in fact in the lake and two were upside down with the bungs facing the water. The fuel supplier was contacted by MMG staff and evidence suggests the barrels belong to Water Survey Canada. These Barrels are to be removed and placed outside the 30 meter set back.

WASTE DISPOSAL

Sewage: Sewage Treatment System (Prim./Sec/Ter.):**Primary**

Natural Water Body: No	Continuous Discharge (land or water): None	
Seasonal Discharge: None	Wetlands Treatment: N	Trench: None

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Discharge Quality: UK	Decant Structure: NI	Erosion: NI
Discharge Meas. Device: NI	Dyke Inspection: NI	Seepages: None
Dams, Dykes: NI	Freeboard: NI	Spills: None
Construction: NI	O&M Plan: NI	A&R Plan: None
Periods of Discharge: None	Effluent Discharge Rate: Unknown	

Comments: Currently the Lupin Mine site is unoccupied; sewage wastes are not being produced. The site is currently classed as care and maintenance. The Licensee will be required to address any deficiencies in the discharge location upon reactivation of the site.

Solid Waste: Burn and bury area noted on site **Owner/Operator:** **Elgin Mining Inc.**

Landfill: Y	Burn & Landfill: y	Other:
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Comments: Currently the Lupin Mine site is unoccupied, new waste materials are not being produced. The tailing containment areas on site require continuing maintenance. During the inspection a number of locations had visual or evidence of standing/ ponded water and discolorations in the color of cover materials.

Other sections within the trailing area had low water levels and approximately 5-10 hectars of exposed tailings. This must be addressed by the operator during this season.

Water levels at the J Dam were also noted as not having the required 1 m of free board. Erosion and sloughing of the sides of the dam were also documented.

FUEL STORAGE: **Owner/Operator:** **Elgin Mining Inc.**

Indicate: **A** - Acceptable **U** - Unacceptable **NA** - Not Applicable **NI** - Not Inspected

Berms & Liners: NI	Water within Berms: A	Evidence of Leaks: NI
Drainage Pipes: U	Pump Station & Catchments Berm: NI	
Pipeline Condition: U	Condition of Tanks: Unknown- Tanks to not appear to be registered.	

Comments: Currently, the Lupin Mine site is unoccupied. It is estimated that over 1 million litres of fuel remains on site. There is no evidence that a leak detection system or plan for continuing monitoring is in place at this time. It does not appear that the tanks have been registered under Environment Canada’s Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations as no registration numbers or signage were visible.

Barrels of unknown origin and contents are also noted throughout the site.

Waste Oil Storage: a large number of waste oil and other barrels are noted within the secondary containment area South of the main tank farm.

SURVEILLANCE NETWORK PROGRAM (SNP)

Samples Collected		Owner /Operator: Samples collected by Licensee to be submitted with annual report	
3		INAC: Potable water, Water from Pond 2 , Water from the discharge of Pond 2	
Signs Posted	SNP: Unknown		Warning: None
Records & Reporting: Annual report for 2010 noted as submitted.			
Geotechnical Inspection: N/A			

Non-Compliance of Act or Licence:

The Licensee is required to adhere to the current terms and conditions of the issued license.

- Subject to Part A Section 12 of the issued license (2AM-LUP0914) the Licensee will submit to the Nunavut Water Board and the Inspector within 30 days of receipt of the Inspection Report Form a Fuel Monitoring Plan to address fuel storage on site. Once approved by the Board the Licensee will implement this plan as approved.
- The Licensee will within 60 days of receipt of the Inspection Report Form undertake such measures as are required to address high water levels at Dam J and to cover the exposed tailings in the pond south east of Dam J.

The Licensee (Elgin Mining Inc.) is encourage to contact the Inspector to facilitate compliance with the issued license including the requirement for site monitoring and the schedule of site inspections as are detailed in the issued license.

A.Keim

Inspector’s Name

Sent by E-mail (On original in file)

Inspector’s Signature

Cc:
Bernie MacIsaac- A/Manager Field Operations
Phyllis Beaulieu – Manager Licensing- Nunavut Water Board

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