



NWB Tools

Robin Ikkutisluk <robin.ikkutisluk@nwb-oen.ca>

[Licensing] 2AM-LUP0914 Inspection of July 15 2014

Patrick Downey <pdowney@elginmining.com>

Mon, Aug 25, 2014 at 5:34 PM

To: Eva Paul <Eva.Paul@aandc-aadnc.gc.ca>, George Friesen <gfriesen@elginmining.com>, Karyn Lewis <klewis@elginmining.com>

Cc: Baba Pedersen <Baba.Pedersen@aandc-aadnc.gc.ca>, Erik Allain <Erik.Allain@aandc-aadnc.gc.ca>, Licensing Department <licensing@nwb-oen.ca>, Phyllis Beaulieu <phyllis.beaulieu@nwb-oen.ca>

Dear Eva,

Thank you for your inspection report.

We would like to take this opportunity to address some of your inspection concerns. I delayed responding until now as we had people on site that gave us the opportunity to review the points mentioned in your report in order to respond more fully:

- 1) Sewage Lagoon – Lupin Mines has applied to discharge Sewage Lagoon on an emergency basis. The sampling to the standards required from the designated location have been completed and the sample met the required discharge requirements. We forwarded this data to the relevant authorities. We understand that a decision has been reached on what to do in terms of discharge but we are awaiting an official response. As of the date of this reply, the water levels continue to be dangerously close to the top of the dam and therefore could overtop and cause significant structural damage.
- 2) We shipped significant waste off site in 2012 and 2013 as and when the opportunity arose with backhauls. Lists of all materials and quantities were included with monthly reports. Hazardous waste was a priority with backhauls.
- 3) The fuel barrels you refer to are actually WSC barrels and are not the property of Lupin Mines and were not deposited there by Lupin Mines. Lupin Mines contacted WSC who stated that they had the number of barrels they deposited did not require a berm and that they believed they had deposited 30m from the water. They did state that they would move remove the barrels and give you a call to discuss the situation and in future they would contact Lupin Mines to get the appropriate approvals as to where to store the fuel.

Small tears do occur on the main tank farm from time to time where the liner is exposed (generally on top of the berm)and therefore not susceptible to leaks. These are caused by caribou. Lupin Mines repairs these when found and re-covers the liner. This was completed last week.

There has been a full mitigation plan on the Satellite Tank Farm(STF) submitted and also approved by Environment Canada. This entails removing the STF from service which is partially complete. Once completed all contaminated soil will be dealt with in the appropriate manner. We have had this fully reviewed and it is part of the mine closure plan. Furthermore we had an independent expert review the spillage and the liner integrity and they stated that the contaminated soil could NOT have been leakage through the liner but was likely a spill when the STF tanks were being filled some time in the past.

We do not know who owns the shack and barrels referred to in the report and in the photos and do not believe it is even within our surface leases. We understand it belongs to and is used by a local person.

The culvert referred to in the report between the upper and lower lagoon is part of the design and although rusted it is still operating as designed.

4) All washouts on the TCA road are repaired when discovered. This is reported in our annual geotechnical reports.

5) Lupin Mines are of the opinion that photographs showing uncovered tailings are no uncovered or windblown tailings. Lupin Mines and a third party have examined this material and we are both of the opinion it is the esker material used as part of the tailings cover approved by all parties and the NWB. The material is much different than the tailings deposited in the storage ponds in grain size which we believe indicates that it is a different material. There may well be elevated arsenic levels but that it is the case for most, if not all, esker material in the vicinity of the Lupin Mine and most soil samples from all over the surface leases have elevated background of arsenic.

We do not believe that relocating the small amounts of windblown esker from the tundra is practical and in fact may well cause significant damage to the tundra. We do welcome discussion on this issue in terms of seeking a practical working solution.

7) In regards to the compliance plan, Lupin Mines submitted an updated Care and Maintenance Plan along with other updated plans with the requested changes as far as we are aware, and we are still awaiting approval for these plans. Letters submitted to you October 31, 2012 and on December 27, 2012 addressed the inspection report concerns and we were under the impression that these items had all been completed. There was compliance plans submitted with both letters. The risk assessment report was included from SRK with the annual report along with the compliance plan and all communication in relation to the site visit. There was a soil sample request that Dave Vokey did forward onto you and was included in the annual report. Dave Vokey has not been employed with Lupin since November 2013, but he stated that everything was up to date on his departure so if we are unaware if there were any further requested changes after that date, if so could you please forward to us. We would request that you advise which items or changes need to be completed for those plans so that we can re-submit them to the NWB and have them approved and then these issues can be acted upon and implemented.

I hope this provides some clarity and we look forward to continuing to improve and implement issues as we proceed.

Yours Sincerely

Patrick

From: Eva Paul [mailto:Eva.Paul@aadnc-aadnc.gc.ca]

Sent: Monday, August 04, 2014 5:26 PM

To: George Friesen; Karyn Lewis; Patrick Downey

Cc: Baba Pedersen; Erik Allain; Licensing Department; Phyllis Beaulieu

Subject: 2AM-LUP0914 Inspection of July 15 2014

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