

August 6, 2015  
Project No: 1CL008.003

Karyn Lewis  
Lupin Mines Inc.  
#1204 - 700 West Pender Street  
Vancouver, BC V6C 2T7

**Attention: Karyn Lewis**

Dear Karyn:

**RE: Inspector's Direction Issued on July 22, 2015**

As part of the Inspector's Direction issued on July 22, 2015, specified on page 2 of the document, Measures to be Taken, second paragraph:

*"LMI may accommodate up to 30 personnel at Lupin Mine as necessary to carry out the above tasks and may utilize the water facilities. However, there is an Inspector's Direction (issued September 2014) that requires LMI to maintain the facility at a level that is consistent with safe operation, and to implement the recommendations in the 2014 geotechnical engineer's report '2014 Sewage Pond Dams Geotechnical Inspection\_1CL008\_002\_PMH\_AT\_20141020'. The sewage lakes may only be utilized*

- a) Once the recommendations in Part 4, paragraph 2 of the 2014 Sewage Pond Dams Geotechnical Inspection\_1CL008\_002\_PMH\_AT\_20141020 with respect to the Lower Dam have been carried out."*

The recommendations in Part 4, paragraph 2 of the 2014 Sewage Pond Dam Geotechnical Inspection Report is as follows:

*"The Lower Sewage Dam is generally in stable condition with no immediate concern of major failure and breaching. Maintenance and monitoring are recommended to ensure the condition of the dam does not further degrade. LMI should consider backfilling the eroded upstream section of the dam with compacted granular material with the face armored with riprap. Additional granular fill should be placed and compacted in the southern low section of dam to create a uniform elevation crest. LMI should monitor the condition of the tension cracks to determine their rate of movement. If the monitoring results indicate the cracks are lengthening or widening, LMI should consider*

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*constructing a 2 m wide buttress with a 2H:1V slope to half the height of the dam with compacted granular material, downstream of failed section of dam."*

A geotechnical inspection was completed by Alvin Tong, PEng, on August 5, 2015. Both of the upper and lower sewage dams are currently in stable conditions. The inspection observed that the eroded upstream section identified in 2014 was repaired with granular material, covered with geotextile, and then overlaid with some riprap armour. Additional granular material had been placed in the 2014 identified southern low section to raise the crest and match the elevation of the rest of the dam. At the time of the visit, the freeboard was observed to be around 0.5 m. The site crew have set up siphons on the lower dam to further reduce water level in the lower sewage pond.

In general terms, the 2014 recommended maintenance have been carried out. Recommended minor works to be carried out prior to the end of the field season include:

- Compaction on the placed crest fill, and
- Completions of the riprap placement over the upstream dam face at the identified areas.

Site crew has received directions and are staging to complete the work.

The 2015 Sewage Dams Inspection Report will be submitted when ready.

Key photographs for the observations at the lower dam are provided in Attachment A.

Sincerely,  
SRK Consulting (Canada) Inc.



Alvin Tong, PEng.  
Senior Consultant

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## Attachment A: Key Photographs for Observations

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**Photo 1:** Looking south at the repair work complete on the upstream face on the Lower Sewage Dam along the 2014 identified southern area.




**Photo 3:** Looking south at the repair work complete on the southern abutment on the Lower Sewage Dam along the 2014 identified low area.



**Photo 2:** Looking south at the repair work complete on the downstream face on the Lower Sewage Dam along the 2014 identified southern area.



**Photo 4:** Looking north at the repair work complete on the upstream face on the Lower Sewage Dam. Note the siphons in background actively lowering the water level.

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		Maintenance Work Completed At Lower Sewage Dam		
		Date: Aug. 7, 2015	Approved: AT	Attachment: A.1