



September 8, 2015

Doc #2015-KIT018-EP

Patrick Downey  
Lupin Mines Inc.  
#1204 - 700 West Pender Street  
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**RE: Revocation of Aboriginal Affairs and Northern Development Canada (AANDC) Inspector's Direction, pursuant to 87(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWSRTA), dated September 8, 2014 issued to Lupin Mines Inc.,**

**AND: Update on compliance with Inspector's Direction dated July 22, 2015**

***Background***

An Inspector's Direction dated September 8, 2014 was issued to Lupin Mines Inc. (LMI) requiring decant, inspection, and repairs of the Sewage Lakes facility at Lupin Mine. LMI was Directed:

- 1. ...to immediately decant the Lower Sewage Lagoon and maintain the facility at a level that is consistent with safe operation. No new waste is to be deposited to the facility. This shall be carried out in compliance with Part E Items 4 and 8 of the expired Licence and until such time as a new licence is issued. [and that]*
- 2. A geotechnical inspection is to be conducted of the Upper and Lower Sewage Lagoon. The engineer's report is to be submitted to the Nunavut Water Board and to the Inspector by October 31 2014, accompanied by a plan and timelines to implement the engineer's recommendations. Any repairs required are to be carried out without delay.*

On July 22, 2015 a second Direction [2015-KIT002-EP] was issued that allows limited use of Lupin Mine's camp facilities in order to prepare for, and carry out, the decant of the Tailings Containment Area and associated monitoring, but denies use of the Sewage Lakes facility until such time as compliance with the previously-issued Direction was achieved. LMI was Directed that:

*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;*
- b) the effluent levels within those lakes is decanted to allow operation within the limits contained Part E of water licence 2AM-LUP0914; AND,*
- c) the September 8, 2014 Inspector's Direction is subsequently revoked.*



### ***Current Status of the AANDC Inspector's Direction(s)***

LMI contracted Mr. Alvin Tong, P. Eng., a Senior Consultant with SRK Consulting (Canada) Inc. to conduct a geotechnical inspection on September 15, 2014. On September 3, 2015 a memo from the same confirms that the required repairs have been completed and the lagoon levels have been lowered to an acceptable level: *"The dams met the minimum freeboard to allow operation. LMI has provided photographs on 2 September, 2015 indicating all finishing work on both dams are completed."* This memo, signed and stamped by Mr. Tong, is submitted as evidence that the work has been completed.

I have reviewed and am satisfied with the evidence provided in this matter. This correspondence is to inform LMI that LMI is now deemed to have met conditions a) and b) of the July 22, 2015 Direction [2015-KIT002-EP]. The AANDC Inspector's Direction dated September 8, 2014 issued to LMI is now revoked, to satisfy condition (c), recognizing that the work is substantially completed. LMI may therefor now utilize the Sewage Lakes facility, in compliance with Part E items 4, 7 and 8, and Part H item 8 of the expired water licence (2AM-LUP0914) in order to carry out the activities authorized by the July 22, 2015 Direction [2015-KIT002-EP].

The July 22, 2015 Direction [2015-KIT002-EP] remains in effect.

### ***Actions Required***

LMI shall operate the Sewage Lakes facility, in compliance with Part E items 4, 7 and 8, and Part H item 8 of the expired water licence (2AM-LUP0914) until such time as a new licence is in effect. Any outstanding actions (*"minor finishing work"*) to satisfy Mr. Tong's recommendations on this facility are to be carried out *"before the end of 2015's field season"* as indicated in the September 3, 2015 geotechnical inspection report.

Please note that ANY unauthorized discharge of waste or effluent is to be treated as a spill in compliance with Part H item 8 (2AM-LUP0914) and is to be immediately reported and rectified.

As indicated above, the July 22, 2015 Direction [2015-KIT002-EP] remains in effect.

Should you have any questions please contact me at (867) 222-6490.

Eva Paul

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