Water Licence Inspection Report

☒Original
☐Follow-Up Report

Authorization	Representative
Lupin Mines Incorporated	**Jon Melnyk**
Authorization No. / Expiry	**Representative's Title**
2AM-LUP2032/February 27, 2032	**Project Manager**
Inspection Date	**Inspector**
July 31, 2026	**Isaiah James Bolt**

Other Authorization/s

76E14001

Activities Inspected

☐**Municipal** ☒ **Camp, Commercial** ☐ **Drilling** ☐ **Mining** ☐ **Construction** ☐ **Reclamation** ☒ **Fuel Storage** ☐ **Roads/Hauling** ☐ **Winter Hauling** ☐ **Camp, Private** ☐ **Other** Click or tap here to enter text.

Section 1 Comments

On July 31, 2026 Resource Management Officer Isaiah James Bolt (Inspector) for Crown Indigenous Relations and Northern Affairs Canada (CIRNAC), conducted an inspection of 2AM-LUP2032 (License) issued to Lupin Mines Inc. (Proponent) to ensure compliance against their license.

Preliminary Information

Quantity of Water not to be Exceeded: 250,025 CUBIC METRES PER YEAR DURING ACTIVE CLOSURE AND RECLAMATION, AND 5,000 CUBIC METRES PER YEAR DURING POST CLOSURE

Observations

1. Water use logs were not observed at the time of inspection. Jon Melnyk provided information on the water usage at the time of inspection at a later date. Jon Melnyk- "We used 8.4 cubic meters (8,400 Liters) of water on July 31st. We had used 1,015 cubic meters (1,015,000 Liters) of water in 2026 up until July 31st."
2. 72 people were on site at the time of inspection.
3. Fuel and hazardous materials stored outside of secondary containment (Photo #1, #2 #11 and #21, #31 and #37).
4. Pond 2 tailings cover progress
   a. Esker material was placed in piles near pond 2 in preparation for capping of tailings material (Photo #3).
   b. (Photos #4 and #5) show the entirety of pond 2.
5. Dam 1A
   a. Inside of pond 2 at Dam 1A was observed (Photo #6 and #7).
   b. The syphons outside of pond 2 at Dam 1A (Photo #8). No concerns were noted at the time of inspection. No discolouration of tundra and soil caused by pond 2 water discharge noted at the time of inspection. No concerns noted about erosion caused by the syphons.
6. Cell #4 was observed and photographed (Photo #9 and #10). Photos show the capped tailings of cell #4.
7. Sewage discharge location (Photo#12). No concerns noted.
8. Single Tank farm (Photo #13). ECCC tank number: EC-00032375 Estimated to be holding roughly 900,000Litres of fuel at the time of inspection. Discussions with Jon Melnyk on September 22 2026 state that the single fuel tank has been emptied and is now cleaned as well. Deconstruction of the fuel tank is planned for before seasonal closure in October 2026.
9. The main tank farm has be deconstructed, no tanks are left In the berm. (Photo #14.)
10. Earth works around main camp .
    a. Construction on the crown pillar capping (Photo #15 and #16).
    b. Contaminated soil removal on south side of mechanic shop (Photo #17 and #18).
    c. Capping of the dome. (Photo #19 and #20).
11. Landfill (Photo #22 and #23).
12. Equipment laydown area
    a. Various types of equipment still on site (Photo #24, #25 #26, #27, #28 and #34).

13. Camp offices and accommodations buildings (Photo #29 and #30).
14. Camp water intake location (Photo #31 and #32). No fish screen on the end of the intake hose. A milk crate was being used as a screen. A proper screen is required. Gas can outside of secondary containment, and secondary containment used on the pump isn't 31 metres from the high water mark.
15. A large concrete structure is left in the jetty (Photo #33). The concrete structure does have a hole that is covered with heavy steel sheet metal.
16. 6 temporary above ground fuel tanks were inspected (Photo #34). Fuel from the single tank farm is now stored in these tanks.
17. 2 - 100,000L fuel tanks were observed stationed near the air strip (Photo #36). Both tanks are being used to store fuel from the single tank farm.

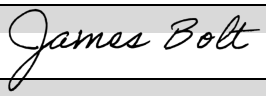
Section 2 Non-Compliance

Fuel and hazardous materials outside of containment - Part G #13 of 2AM-LUP2032: *"The Licensee shall implement preventive and mitigation measures to prevent any chemicals, fuels or Wastes associated with the undertaking from entering a waterbody, unless otherwise authorized under this License."*
Secondary fuel berms not 31 metres from the high water mark. - Part G #16 of 2AM-LUP2032: *"All sumps and fuel caches shall be located at a distance of at least thirty-one (31) metres from the ordinary High Water Mark of any adjacent Water body and inspected on a regular basis."*
Water intake hose does not have proper screen – Part D #4 of 2AM-LUP2032: *"The Licensee shall equip all Water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and shall withdraw water at a rate such that fish do not become impinged on the screen."*

Section 3 Action Required

1. **Ensure all fuel and hazardous materials are stored in secondary containment and that the secondary containment is at least 31 metres from the high water mark.**
2. **Ensure the end of the fresh water intake hose has a proper screen mesh.**

Please have all actioned required completed by October 09, 2026. Send photos of completed actions required to James.bolt@rcaanc-cirnac.gc.ca

Licensee or Representative	Inspector's Name
Felix Mensah-Yeboah	Isaiah James Bolt
Signature	**Signature**
	
Date	**Date**
10/03/26	09/23/26

Office Use Only: Follow-up report to be issued by Inspector ☐ Yes ☐ No

PHOTO LOG			
Date:	**Authorization Number: 2AM-LUP2032**	**Camera/Model: Olympus TG-6**	**Inspector: James Bolt**
July 31 2026			

Photo #	1	**Coordinates:**	



Description:

Contaminated water out of contianment on the airstrip.

Photo #	2	**Coordinates:**	



Description:

Fuel drums and fuel pump out of containment on the airstrip.

Photo #	3	Coordinates:	



Description:

View of Pond 2 pre-cap. Esker material seen on the right hand side preparing to cover tailings.

Photo #	4	Coordinates:	



Description:

Pond 2 looking west.

Photo #	5	Coordinates:	



Description:

Pond 2 looking south to the south side of the pond.

Photo #	6	Coordinates:	



Description:

Dam 1A looking inside to west side of Pond 2.

Photo #	7	Coordinates:	



Description:

Dam 1A looking inside to east side of pond 2.

Photo #	8	Coordinates:	



Description:

Dam 1A looking to the south west, showing the discharge location of Pond 2. No concerns noted.

Photo #	9	Coordinates:	



Description:

Cell #4 cap

Photo #	10	Coordinates:	



Description:

Cell #4 cap.

Photo #	11	Coordinates:	



Description:

Water pump and gas can in containment that is full of water and has collapsed walls.

Photo #	12	Coordinates:	



Description:

Sewage discharge location. Both sewage lagoons shown in the photo.

Photo #	13	Coordinates:	



Description:

Single fuel tank farm.

Photo #	14	Coordinates:	



Description:

Main tank farm. All tanks have been dismantled and placed into the landfill.

Photo #	15	Coordinates:	



Description:

Esker material for capping dome and crown pillar.

Photo #	16	Coordinates:	



Description:

Capping of the crown pillar.

Photo #	17	Coordinates:	



Description:

Contaminated soil removal on the south side of the main mechanic shop.

Photo #	18	Coordinates:	



Description:

Removal of contaminated soil on the south side of the main mechanic shop.

Photo #	19	Coordinates:	



Description:

Work being done to the Dome.

Photo #	20	Coordinates:	



Description:

Piles of dirt being placed on the Dome. People seen standing on piles.

Photo #	21	Coordinates:	



Description:

Oil out of containment

Photo #	22	Coordinates:	



Description:

Landfill

Photo #	23	Coordinates:	



Description:

Landfill

Photo #	24	Coordinates:	



Description:

Fuel container on wheels, excavator in the background.

Photo #	25	Coordinates:	



Description:

Equipment staged below the equipment laydown area.

Photo #	26	Coordinates:	



Description:

Equipment laydown near the landfill.

Photo #	27	Coordinates:	



Description:

Equipment laydown area near the landfill.

Photo #	28	Coordinates:	



Description:

Incinerator on site.

Photo #	29	Coordinates:	



Description:

Offices/Accommodations.

Photo #	30	Coordinates:	



Description:

Offices/accommodations.

Photo #	31	Coordinates:	



Description:

Water intake location. Fuel and pump not in any containment Less than 31 metres from the high water mark.

Photo #	32	Coordinates:	



Description:

Water intake location showing the “Screen”

Photo #	33	Coordinates:	



Description:

Concrete structure on the jetty. The large rusty metal sheet is covering a hole.

Photo #	34	Coordinates:	



Description:

More equipment on site.

Photo #	35	Coordinates:	



Description:

6 above ground Fuel tanks being used to hold fuel from the single tank farm.

Photo #	36	Coordinates:	



Description:

100 000L fuel tanks, used to hold fuel from the single tank farm.

Photo #	37	Coordinates:	



Description:

Fuel drums left on the side of the road near the air strip. No containment.