



31 March 2011

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Dear Phyllis

ANNUAL WATER USE FEE - LUPIN MINE

LICENCE # 2AM-LUP0914

Phyllis, please find enclosed a check in the amount of \$63.14 made out to the Receiver General for Canada in respect of the annual water license fee for the Lupin Mine.

The fee has been calculated as follows:

Daily limit authorized = $1,700,000 \text{ m}^3/\text{yr} / 365 \text{ days/yr} = 4,657 \text{ m}^3/\text{day}$

For first $2,000 \text{ m}^3/\text{day}$ authorized, fee = $(2,000 \text{ m}^3 \times \$1.00)/100 \text{ m}^3 = \20.00

For $2,000\text{--}4,000 \text{ m}^3/\text{day}$ authorized, fee = $(2,000 \text{ m}^3 \times \$1.50)/100 \text{ m}^3 = \30.00

For $4,000\text{--}4,657 \text{ m}^3/\text{day}$ authorized, fee = $(657 \text{ m}^3 \times \$2.00)/100 \text{ m}^3 = \13.14

Total: \$63.14

I trust this provides the appropriate fee under the regulations. If you have any questions concerning this matter, please do not hesitate to contact me.

Yours truly

A handwritten signature in cursive script that reads "Andrew Mitchell".

Andrew Mitchell
Development Manager

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