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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No: **2AM-LUP2032**

October 6, 2021

Karyn Lewis
Project Manager
Lupin Mines Incorporated
76 Richmond Street East, Suite 330
Toronto, ON M5C 1P1

Email: k.lewis@mandalayresources.com

RE: NWB Technical Review of the 2019 and 2020 Annual Reports for the Lupin Mine Project; Water Licence No: 2AM-LUP2032

Dear Ms. Lewis:

The Nunavut Water Board (NWB or Board) has completed its technical review of the 2019 and 2020 Annual Report submissions (Reports) provided to the Board by Lupin Mines Incorporated (LMI or Licensee) on March 16, 2021, and June 26, 2021, respectively, to fulfill the requirements of Part B, Item 2 of Water Licence No: 2AM-LUP2032 (Licence).

The 2020 Annual Report submission included Addenda to the following management plans pertaining to the Licence annual reporting requirements:

- Appendix E: Care and Maintenance and Closure Phase Plan Addendum – Revision 4, June 26, 2021, including:
 - Appendix 1: Waste Management Plan (Solid and Hazardous) Addendum – Revision 4, June 26, 2021
 - Landfill Management Plan Addendum – Revision 3, June 26, 2021
 - Landfarm Management Plan Addendum – Revision 3, June 26, 2021
 - Appendix 2: Liquid Waste Management Plan – Revision 4, June 26, 2021
 - Appendix 4: Monitoring and Inspection Schedule Addendum – Revision 3, June 26, 2021
- Appendix F: Spill Contingency Plan Addendum – Revision 4, June 26, 2021
- Appendix G: Final Closure and Reclamation Plan Addendum – Revision 2, June 26, 2021

On March 17, 2021, and June 28, 2021, the NWB distributed the respective 2019 and 2020 Annual Reports for public review with deadlines for comments set at June 17, 2021 and September 28, 2021, respectively.

Copies of all documents received during public review of Reports can be accessed through the NWB's Public Registry and FTP site using the following link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/B%20GENERAL/2%20ANNUAL%20RPT/>

With respect to the 2019 Annual Report, no comments were received to date. With respect to the 2020 Annual Report submission, the comments were received from Crown-Indigenous Relations and Northern Affairs (CIRNA) and Environment and Climate Change Canada (ECCC) on September 27, 2021. On October 1, 2021, the Kitikmeot Inuit Association (KIA) informed the NWB that the “KIA would not be commenting on the Annual Report.” The table below summarises the issues and recommendations provided by the Interveners and the NWB as part of the review process. For a full list of issues raised by the Interveners, please refer to the NWB public registry at the link referenced above, as well as the documents attached to this correspondence.

No.	Concerns/ Recommendations	Response Deadline
Crown-Indigenous Relations and Northern Affairs (CIRNA)		
1.	<i>Geotechnical Inspection Findings, Recommendation and Actions</i>	October 29, 2021
	<ul style="list-style-type: none"> • Provide specific details and evidence that the 2019 geotechnical inspection priority repairs were completed in 2020; • Clarify if previous recommendations were not acted upon or that similar issues reoccurred in 2018, 2019 and 2020 annual geotechnical inspections; and • Clarify the extent of work completed if any action has been taken to address the failure at Dam M. 	
2.	<i>2020 Seepage at the Divider Dykes</i>	October 29, 2021
	<ul style="list-style-type: none"> • Clarify if pond was built to contain the seepage; and • Identify measures taken to mitigate the unauthorized discharge in the subsequent annual reports if no pond was built. 	
3.	<i>Instrumentation Installations</i>	March 31, 2022
	<ul style="list-style-type: none"> • Replace damaged thermistors and install additional moisture sensors at least one in each cell at the Tailings Containment Area (TCA). 	
4.	<i>Incorrect/ Estimated Information</i>	October 29, 2021
	<ul style="list-style-type: none"> • Clarify information enquired by CIRNA in the 2020 Annual Report review and ensure all future submissions are checked for consistency; and • Clarify rational for the estimated discharge volumes of 8,632 m³ and 5,076 m³ on September 14 and 16, 2020, respectively. <p>Also, see comment #1 from the ECCC.</p>	

5.	<i>Certification of Repair Work</i>	October 29, 2021 and all future submissions
	<ul style="list-style-type: none">• Clarify if observations and records from monitoring after 2020 inspection was sent to Stantec and the Engineer of Record (EOR) for review; and• Ensure that an EOR is present to supervise and endorse structural earthworks in subsequent emergency repair works and that signed and stamped As-built drawings detailing the adequacy of those repairs are provided for review.	
6.	<i>2020 Annual Inspections of Water and Waste Management structures</i>	October 29, 2021
	<ul style="list-style-type: none">• Clarify if bi-weekly and monthly inspections were completed during the freshet and open water seasons, respectively, as specified in the Licence; and• Provide the summary record of the inspections for review in subsequent annual report submissions.	
7.	<i>Late Submission of Reports</i>	All future submissions
	<ul style="list-style-type: none">• Ensure that all reports are submitted to the NWB in a timely fashion as per the terms and condition of the Licence. <p>Also, see comment #1 from the NWB.</p>	
Environment and Climate Change Canada (ECCC)		
1.	<i>General – Errors and Inconsistencies in the Report</i>	October 29, 2021
	<ul style="list-style-type: none">• Review the 2020 Annual Report for accuracy and consistency and correct all errors outlined in the ECCC’s submission.	
2.	<i>Clarification of Monitoring Data</i>	October 29, 2021
	<ul style="list-style-type: none">• Provide additional clarification and discussion on the September 23 data and clarify whether the statements provided in Section G are correct or the laboratory data provided in Appendix A is correct.	
3.	<i>Dates not Sampled – LUP-10</i>	October 29, 2021
	<ul style="list-style-type: none">• Provide information, on which intended sampling dates were missed in 2020 and the reasons that sampling and analysis were not completed.	
4.	<i>Downstream Water Quality Results</i>	October 29, 2021 and all future Annual Reports
	<ul style="list-style-type: none">• Provide a legend for all tables in the 2020 and all future Annual Reports;• Include the water quality guidelines used for analysis of water quality in the downstream environment within tables; and• Provide a discussion of any water quality guideline exceedances in the downstream environment within the body of Annual Report.	
Nunavut Water Board (NWB)		
1.	<i>Late submission of 2019 Annual Report</i>	October 29, 2021
	<u>Summary:</u> The NWB would like to emphasize that in accordance with Part B, Item 2 of the Licence, all Annual Reports should be submitted to the Board “no	

	<p><i>later than March the 31st in the year following the calendar year being reported</i>". The Board notes that the 2019 Annual Report was provided to the Board on March 16, 2021 with no further explanation as to why this one-year delay has occurred and no previous requests for an extension.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> • Provide an explanation as to why the 2019 Annual Report was submitted one year past the deadline. 	
2.	<p><i>Full Versions of Management Plans</i></p> <p><u>Summary:</u> The NWB appreciates the Licensee providing Addendums to a number of Management Plans within the 2020 Annual Report submission. However, the Board would also appreciate submission of full versions of these plans, and in particular the <i>Spill Contingency Plan</i> and the <i>Final Closure and Reclamation Plan</i>, to be posted in the Public Registry. The Board would like to emphasize that the entire purpose of posting documents on this Public Registry is to allow any Nunavummiut, or any Canadian, to readily access the documents of interest and be able to review them without switching back and forth between multiple documents, if possible. The Board suggests that having all updates to a Management Plan within the plan itself, as opposed to having multiple Addendums with references to specific pages of the plan, would make the review process more robust and reader friendly.</p> <p>Additionally, the Board notes that the original management plans were missing Inuktitut, Inuinnaqtun and French translations of the Executive Summaries, which is required under Part B, Item 8 of the Licence. This might make it challenging for Nunavummiut to review these documents and will have to be addressed.</p> <p><u>Recommendations:</u></p> <ul style="list-style-type: none"> • Provide full versions of the updated <i>Spill Contingency Plan</i> and the <i>Final Closure and Reclamation Plan</i> with Executive Summaries translated into Inuktitut, Inuinnaqtun, and French. 	March 31, 2022

The technical review of the 2019 and 2020 Annual Report Submissions determined that the information provided generally addresses the requirements of Water Licence No: 2AM-LUP2032. However, some information still need to be provided to the Board in order for the 2020 Annual Report to be deemed acceptable. Please ensure the comments provided in the table above are addressed by the deadlines specified.

The Board also notes that upon review, the updates to the management plans submitted with the 2020 Annual Report as Addendums were found satisfying the requirements of the Licence and were accepted by the Board with the issuance of this Letter.

The Board notes that while the *Final Closure and Reclamation Plan – Revision 2*, dated June 26, 2021, was found generally acceptable, the NWB expectation is that the implementation of the Plan will also include the commitments made during the July 22, 2021 teleconference¹ and in the document entitled “*Lupin Mines Incorporated Land Lease 74E/14-1-12 – Lupin Mine Part E, Item 25, Item 26, and Item 27, Final Closure and Reclamation and Post Closure Monitoring Plan*”, dated July 7, 2021. The Board also appreciates the clarification that “*LMI has not encountered any new exposed tailings*” and commitments “*to provide construction designs ... if any exposed tailings are encountered*” and “*to conduct a forensic investigation within the newly exposed shoreline area, [which] will involve collection of samples within a grid pattern, field screening, and confirmatory laboratory analysis.*”

Copies of all documents related to the review of the *Final Closure and Reclamation Plan – Revision 2* can be found at the following link:

<ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/I%20A%20and%20R/FCRP%20rev2/>

Should you have any questions, please feel free to contact the undersigned at (867) 360-6338 (extension 29) or sergey.kuflevskiy@nwb-oen.ca, at your earliest convenience.

Sincerely,



Sergey Kuflevskiy
Technical Advisor
NUNAVUT WATER BOARD

Enclosure: Comments – CIRNA, ECCC

Cc: Distribution List – Lupin

¹ Meeting Minutes prepared by Golder, Re: LMI CRP Discussion, July 22, 2021