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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

**File No.:** 2AM-LUP1520 /  
Amendment Request

July 5, 2016

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**RE: Licence No. 2AM-LUP1520 – Nunavut Water Board Response to the Submissions of Lupin Mines Incorporated and Indigenous and Northern Affairs Canada (INAC) Regarding INAC Application to Amend the Security**

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Dear Ms. Lewis and Mr. Parsons:

As indicated in the Nunavut Water Board's (NWB or Board) correspondence of April 20, 2016, please find in the text that follows below the NWB's guidance regarding the next steps associated with the Board's consideration of Indigenous and Northern Affairs Canada's (INAC) request under Part C, Item 3 of Type "A" Water Licence No. 2AM-LUP1520 (the Licence) to amend the security provisions of the Licence (the Amendment Application). This correspondence also provides the Board's response to the recent comment submission of Lupin Mines Incorporated (LMI) dated June 30, 2016 and received by the Board on July 4, 2016 identifying LMI's issues with respect to the Board's proposed process for the further consideration of the Application.

Firstly, in response to LMI's request that before engaging in further consideration of the Amendment Application "*the NWB should consider whether or not INAC has satisfied the Board, on a preliminary threshold that there have been substantive changes in the conditions or use of the site that would justify the re-opening of the reclamation security issue*", the Board reminds all parties that in the Board's correspondence of February 18, 2016 the Board clearly stated:

*The Board has completed a review of both INAC's and LMI's*

*submissions and determined that INAC's submission constitutes sufficient evidence to support INAC's request to consider an amendment to the amount of security to be held under the Licence in accordance with Part C, Item 3 of Water Licence No. 2AM-LUP1520. The Board notes that while the INAC October 2015 Reclamation Estimate (Current Reclamation Estimate) may be considered similar in many ways to the previous reclamation estimates INAC provided for the project in advance of the Public Hearing to consider the application to renew and amend the Licence held in the spring of 2015, the Current Reclamation Estimate is now supported and complemented by additional evidence gathered during a site visit conducted by INAC and its consultant in August 2015. Consequently, INAC's Current Reclamation Estimate is likely to introduce or provide added perspectives and rationale not considered previously.<sup>1</sup>*

As indicated in the Board's February correspondence and Notice of the Application, the threshold for the Board's consideration of the Amendment Application was whether there is sufficient evidence to support the Amendment Application. Having determined that INAC's request has met the requirement, the Board intends to continue the technical review of the Amendment Application. While the Board recognizes that INAC and LMI differ on their perspectives as to whether the evidence provided in support of the Amendment Application justifies the requested amendment, as this issue is the substance of the Amendment Application the Board will not be addressing this as a threshold question at this technical review stage of the Board's consideration of the Amendment Application.

With respect to LMI's request to be given an opportunity to provide a written reply to INAC's reply submission received on June 30, 2016, the Board reminds the parties that the Amendment Application is currently at the technical review stage, and as such the Board will continue to receive parties' positions and technical comments in written and oral form prior to and during a proposed teleconference to discuss the outstanding issues and potential next steps in the Board's processing of the Amendment Application. The Board notes that parties have been given several opportunities to comment and have provided several written submissions on the Amendment Application to date, but if any party wishes to provide further written comment on the Amendment Application or the materials filed to date with the Board prior to the upcoming teleconference, the Board requests that **additional written comments any party wishes to submit be filed with the Board on or before July 20, 2016.**

Following the receipt of the written comments, the Board will be holding **a joint teleconference with the main stakeholders and any interested person on Wednesday, July 27, 2016, commencing at 9:00 am MDT.** The Board will circulate an Agenda for the teleconference a few days before the call, but the Board reiterates that the purpose of the teleconference will be for attendees to have discussions facilitated by the Board of issues of concern with the Amendment Application, and, to the extent possible, identifying issues that can be resolved. If agreement cannot be reached during the teleconference, the Board will then discuss next steps, timelines and

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<sup>1</sup> Letter from S. Autut, Executive Director, NWB to I. Parsons, Regional Coordinator, INAC, Re: Licence No. 2AM-LUP1520 – Formal Request by INAC to Amend the Reclamation Security Amount Currently Posted Under the Water Licence, February 18, 2016, p. 2.

the Board's proposed retention of a neutral third party contractor to review the submissions received to date and provide the contractor's recommendations regarding an acceptable security estimate.

If you have any questions regarding the above, please contact the NWB's Licensing Department, at [licensing@nwb-oen.ca](mailto:licensing@nwb-oen.ca) at your earliest convenience.

Sincerely,

Karén Kharatyan  
Acting Executive Director/Manager of Licensing  
Nunavut Water Board

Cc: Geoff Clark, Kitikmeot Inuit Association  
Lupin Distribution List