

Lupin Mines Incorporated

March 14, 2017

Stephanie Autut, Executive Director
Nunavut Water Board
PO Box 119, Gjoa Haven, NU
X0B 1J0

RE: 2AM-LUP1520 Amendment Request - NWB Correspondence of March 10, 2017

Dear Ms. Autut,

We have your letter of March 10, 2017 which provides Nunavut Water Board's (NWB) direction with respect to next steps in the request of Indigenous and Northern Affairs Canada (INAC) to amend the amount of security under Type A Water Licence 2AM-LUP1520 (the Licence).

We are very surprised and concerned to hear that *"...Reflecting KP's confirmation that in their opinion the discussion during the NWB teleconference on February 17, 2017 and additional information provided on February 20, 2017 does not warrant KP revisiting, correcting, supplementing or otherwise changing the KP Report and associated reclamation security estimate, the Board has determined that the NWB now has all of the information required to make a decision"* with respect to INAC's request.

As discussed during the teleconference, KP erroneously considered LMI's original estimate when preparing its initial draft comparison (see the attached email of October 18, 2016, wherein LMI informed KP of this error). As LMI stated during the teleconference, some of the wording and assumptions from the original LMI estimate nonetheless remained in the KP Report. Once KP was reminded of this error, KP should have corrected its Report prior to submission to the NWB for its decision on this application. Therefore, we respectfully request a response as to why the original and not updated estimate was used in the Report.

The additional information provided on February 20, 2017 clearly justified the rates presented in the LMI/Golder estimate. KP also should have accounted for fuel in its estimate in a way which was consistent with the consensus approach that had previously been mediated by NWB staff and agreed between INAC and LMI. LMI believes it is unreasonable and unfair for KP to refuse to reconsider its Report and estimate given the clear evidence that LMI provided on these matters.

It our view that it is not the role of KP to produce a report that represents an equal division between the various participants in the process, but instead to produce a fair and accurate review that considers the relevant evidence as well as any relevant agreements between the parties (such as that relating to fuel). As such, we object to KP's Report and where KP's estimate diverges from LMI/Golder's estimate, in our view the NWB should prefer the LMI/Golder estimate. We request that this letter be placed on the NWB public registry relating to the above noted amendment request, for consideration by the NWB in its decision with respect to this matter.

Regards,

Karyn Lewis

Karyn Lewis
Lupin Mines Incorporated