

File No.: 2AM-LUP1520

December 4, 2018

Karyn Lewis Lupin Mines Incorporated 76 Richmond Street East, Suite 330 Toronto, ON M5C 1P1 Ian Parsons Crown-Indigenous Relations and Northern Affairs Canada P.O. Box 100

Iqaluit, NU X0A 0H0

RE: Water Licence No: 2AM-LUP1520 - Invitation to a Conference Call on Lupin Mines Incorporated Updated Closure Cost Estimate and Request for Reduced Reclamation Security

This correspondence provides guidance from the Nunavut Water Board (NWB or Board) regarding the next step in the Board's consideration of Lupin Mines Incorporated (LMI or Licensee) updated closure cost estimate¹ as set out in Part I, Item 2 of Licence No: 2AM-LUP1520 (Licence) and associated request for a reduction in the reclamation security required to be held under the Licence.

Based on the submissions received to date, the Board proposes to conduct a Board-hosted teleconference on **December 11, 2018**, to facilitate a discussion with the parties, LMI and Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) regarding the outstanding technical issues associated with the Progressive Reclamation Cost Update prior to the Board's further processing of LMI's request to reduce the reclamation security currently held under the Licence. The Board has attached a *draft* Agenda for the proposed call. Any party wishing to provide revisions or additions to the *draft* Agenda or wanting to file additional written materials or presentation materials to be referenced during the call, are requested to file these materials with the NWB on or before **December 7, 2018.**

Background to the NWB's Review of LMI's Progressive Reclamation Cost Update under the Licence

As set out in NWB's Decision² of April 18, 2018, the Board recommended that the Licence be

¹ Golder Associates Ltd., submitted to Lupin Mines Incorporated, Progressive Reclamation Cost Update, Lupin Mine, Nunavut, dated September 24, 2018.

² Nunavut Water Board, Decision Regarding Request of Lupin Mines Incorporated (LMI) to Amend the Amount of Security Held under Part C, Item 1 of the Licence and further NWB Guidance regarding the Approval of the Interim Abandonment and Restoration Plan and Closure Cost Estimate under the Licence, Part C, Item 4 and Part I, Item 2,

amended to decrease the reclamation security required to be posted by the Licensee under the Licensee from \$34.65 million to \$29.3 million. At that time, the Board determined that the reduction in security was appropriate to reflect the reclamation activities that had taken place at the site and the reduced security would be sufficient to meet the highest reclamation liability for land and water associated with the Mining undertaking at the Lupin Mine, a gold mine located approximately 285 kilometres southeast of Kugluktuk, in the Kitikmeot Region of Nunavut. On May 30, 2018, the Minister of Crown-Indigenous Relations and Northern Affairs approved the decrease in the security amount to \$29,305,000.

On August 2, 2018, the NWB received a new request from LMI for a reduction in the amount of reclamation security associated with the completed progressive reclamation work. During the NWB's consideration of LMI's request to decrease the reclamation, LMI also indicated that further reductions to the security held under Water Licence No: 2AM-LUP1520 would be sought to reflect the on-going and planned progressive reclamation of the site over the next 1-2 years. On September 24, 2018, NWB received an itemized schedule from LMI showing the future progressive reclamation activities planned by LMI, linked to the associated reductions to the reclamation security that would be requested by LMI upon completion of the activities. In response, the NWB requested interveners to review and provide comments on LMI's submission. CIRNAC provided its review comments on November 2, 2018. On November 19, 2018, LMI submitted its response to CIRNAC's comments. NWB received CIRNAC's submission regarding the resolution of issues and identifying several outstanding items on November 30, 2018.

Next Steps

Recognizing that CIRNAC has identified several unresolved issues, the NWB has determined that it is appropriate to convene a conference call with interested parties to discuss LMI's submission and outstanding issues. Accordingly, on or before **December 7, 2018**, the parties are requested to confirm their participation in the teleconference (proposed for **December 11, 2018** between 9:00-11:00 am Mountain), as well as to provide their comments on the draft Agenda (attached) and any additional information or presentation materials in advance of the teleconference.

If you have any questions or require further direction with respect to this matter, please contact Assol Kubeisinova, Technical Advisor, at (867) 360-6338, ext. 31 or via e-mail: assol.kubeisinova@nwb-oen.ca or Karén Kharatyan, Director of Technical Services, via email: karen.kharatyan@nwb-oen.ca.

Richard Dwyer	
NWB, Manager of Licensin	g

April 18, 2018.

Regards,



Draft AGENDA

TELECONFERENCE MEETING NWB File No. 2AM-LUP1520, Type "A" Licence

Teleconference (Phone: 1-888-289-4573; Access: 7214943

Regarding: Type "A" Licence – Progressive Reclamation Cost Update and Request to Reduce Security – Lupin Mine Project

Licensee: Lupin Mines Incorporated

December 11, 2018, 9:00 AM - 11:00 AM MST

- a. Introduction of Participants
- b. NWB's Opening Remarks (5 minutes)
- c. Presentation by Lupin Mines Incorporated on the Progressive Reclamation Cost Update and Request to Reduce Security and proposed work plan 2019 (30 minutes)
- d. Presentation of technical review comments provided to date by Crown-Indigenous Relations and Northern Affairs Canada (15 minutes)
- e. Identification and discussion of outstanding/resolved technical issues (30 minutes)
- f. Discussion of process and next steps for consideration of LMI's updated closure cost estimate and potential amendments to security (30 minutes)
- g. Closing of the Meeting (5 minutes)