



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

December 14, 2018

Richard Dwyer
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

CIDM # 1236064

Re: 2AM-LUP1520 – Confirmation Letter - Teleconference held on December 11, 2018 to discuss CIRNAC November 30 comments in respect to Golder Associates Ltd (Golder) November 19, 2018 Responses to CIRNAC's November 2, 2018 Comments on Lupin Mines, Progressive Reclamation Cost Estimate

Dear Mr. Dwyer

This letter is provided further to the discussions held with the Nunavut Water Board, LMI and its consultants, and CIRNAC on 11 December 2018 concerning the issues and comments raised with respect to Progressive Reclamation Cost Update (PRCU) in the documents referenced below.

- **CIRNAC 30 November 2018 Submission to the NWB**
- **Golder Responses dated 19 November 2018 submission to the NWB**
- **CIRNAC Comments of 2 November 2018 on the Progressive Reclamation Cost Update dated 24 September 2018, Lupin Mines, Nunavut submission to the NWB.**

At the call, Arcadis Canada Inc (ACI) summarized CIRNAC's outstanding review issues as being:

- a. Lack of backup information to verify work completed
- b. Need for additional clarity with respect to planned 2018-19 winter works
- c. Appropriateness of claim for water treatment
- d. Technical issues related to changes proposed for FCRP vs the approved ICRP.

During the call, LMI and ACI discussed LMI responses to CIRNAC's comments dated 30 November 2018 as contained in the Golder document dated 7 December 2018, as provided to ACI on the evening of 10 December 2018. This document and its attachments provided LMI's response to these issues. Based on the meeting discussions and review of Golder documents and its attachments, we are satisfied that LMI has substantially responded to the concerns and questions raised with respect to



the PRCU. The only issue remaining at the end of the meeting related to whether water treatment costs prior to closure were included in the KP estimate, and if they are an eligible claim for the PRCU reduction of closure liability. Since the teleconference held on December 11, 2018, LMI has provided information on water treatment costs. CIRNAC has reviewed this documentation and is now satisfied with the response.

As noted during the discussion, questions related to LMI proposed FCRP changes with respect to methodology and approach for management of tailings dams and waste rock remain and will be discussed as part of the FCRP review process.

In Conclusion, CIRNAC's outstanding concerns associated with the Progressive Reclamation Cost Update (PRCU) have been addressed and as such CIRNAC is recommending that security be reduced by the amount set forth in the PRCU, in the amount of \$3,197,697.

If you have any questions or require further information with respect to this matter, contact me at (867) 222-9278 or by email at ian.parsons@canada.ca.

Sincerely,

Original signed by

Ian Parsons
Manager, Water Resources