

LUPIN MINES INCORPORATED
(a wholly-owned indirect subsidiary of Mandalay Resources Corp.)

July 31, 2020

Mr. Richard Dwyer, Manager of Licensing
Nunavut Water Board
Gjoa Haven, NU

Via Email: licensing@nwb-oen.ca

Re: Lupin Mine Incorporated Response to Kitikmeot Inuit Association Comments (July 20, 2020) Water License 2AM-LUP2032

Dear Sir:

Lupin Mines Incorporated (LMI) is writing in response to the comments submitted by the Kitikmeot Inuit Association (KitIA) on July 20, 2020 in regards to Water Licence 2AM-LUP2032 commitments under Part E, Items 25, 26 and 27.

1.0 INTRODUCTION

Following a lengthy public hearing review processes, the Nunavut Water Board (NWB) confirmed on issuance of the Type A Water Licence 2AM-LUP2032 (Licence), the terms and conditions necessary to protect the environment, conserve the water resources, and provide appropriate safeguards in respect of the remaining reclamation and closure activities as well as Long-Term Post Closure Monitoring to be undertaken by LMI at the Lupin Mine site (NWB decision dated February 28, 2020). The Licence requires under conditions applying to waste disposal and management:

- Item 25. The Licensee shall, within sixty (60) days following the approval of the Licence, submit to the Board for review, a Technical Memorandum that provides design details on the Waste Rock Dome, including but not limited to the following: a. Cardinal direction cross sections and slopes; b. Details on drainage systems and conceptual water features; and c. Erosion control measures and cover stabilization of the dome. 2
- Item 26. The Licensee shall, within sixty (60) days following the approval of the Licence, submit to the Board for review, a Technical Memorandum that provides additional geotechnical details on TCA Dam K and Dam M cross sections, including but not limited to the following: a. Magnified image that clearly identifies the materials used for the re-sloping, the distance that the re-sloping materials will extend from the crest of these Dams (including a break line with minimums and maximums noted), and the distances to the closure water mark; b. Perpendicular/longitudinal cross section of the outflow structures for Cell 5 and Cell 3, with invert elevations from the cover to the ponds, and a note to clarify the storm return period that will be used for designing the features.
- Item 27. The Licensee shall, within sixty (60) days following the approval of the Licence, submit to the Board for review, a Technical Memorandum that provides rationale and detailed designs of cover construction for tailings that becomes exposed, including but not limited to the following: a. Further rationale supporting in-situ cover as a contingency measure; b. Preliminary detail designs; c. Typical cross sections; and d. Long-term erosion control measures.

These updates related to specific commitments made by LMI to parties (primarily, Crown Indigenous Relations Canada (CIRNAC)) during the recent renewal process of 2AM-LUP2032. KitlA did not provide comments in the renewal/final closure plan application process or participate in the public hearings for 2AM-LUP2032. The NWB reviewed and facilitated the review process for the Renewal and Amendment Application including a completeness check, a technical review period, an in-person technical meeting and pre-hearing conference held in Kugluktuk on June 6 and 7, 2019, and an in-person Public Hearing held in Kugluktuk on January 15 and 16, 2020. Throughout the NWB's licensing process for the Application, several written and oral commenting opportunities were provided to interested persons and interveners, including community members, and members of the public. The Licence reflects that the Lupin Mine Project (Project) is entering the final closure and reclamation stage and will not be returning to active mining during the term of the Licence.

The current Licence confirms approval of Final Closure and Reclamation Plan (July 2018) (FCRP) which outlines the measures proposed by LMI to complete final remediation of the Lupin Mine Site and previous approval granted by the Board related to the Closure Plan for Tailings Containment Area (January 2005) (TCA Closure Plan). Refer to Part B, Item 13 of the Licence.

2.0 RESPONSE TO KitlA SUMMARY OF COMMENTS DATED JULY 20, 2020

KitlA COMMENT

The LMI Response addresses a number of the points raised in the KIA submission and SJCI supporting technical memoranda on the 3 conditions in the new Water Licence.

The NWB Public Registry includes an extensive listing of documents related to communications between CIRNAC and LMI regarding a number of CIRNAC issues which led to resolutions and follow-up commitments by LMI. It's unclear in this high-level review whether all of those points have been addressed in LMI's clarifications, commitments, the new Water License or other regulatory instruments.

LMI RESPONSE

LMI addressed all the items raised by NWB, CIRNAC and Environment and Climate Change Canada (ECCC) during the renewal/FCRP approval process over a two year period - 2018 to 2020. These items were either resolved prior to the public hearing or through commitments that were included in the Licence.

KitlA COMMENT

SJCI has not undertaken a review of the 2018 Final Closure and Reclamation Plan by Golder to see how the most recent reclamation plans for the TCA within it differ from those stated in the 2005 Closure Plan for the Tailings Containment Area, which has been approved by the NWB (W.L. 2AM-LUP2032, Part B, Item 13).

LMI RESPONSE

The FCRP referred to the approved TCA Closure Plan, when applicable, as there were no changes to the TCA Closure Plan. It should be noted that the NWB has approved both the FCRP in 2020 and the TCA Closure Plan in 2015.

KitIA COMMENT

However, the LMI Response makes apparent the continued diligence in careful monitoring of the reclamation activities at the site that should be undertaken, quite possibly beyond those stipulated in the Water License and additional submissions pending from LMI including an update to the FCRP and a Post-Closure Monitoring Plan.

LMI RESPONSE

LMI agrees with this comment and LMI looks forward to working with the KitIA on the development of a Post Closure Monitoring Plan (PCMP) in accordance with Schedule J of the Licence wherein LMI is required to in the development of the PCMP to consult with community members and organizations in Kugluktuk (i.e. KitIA). LMI envisions this plan would address for example: monitoring of surface water in Boot Lake and East Lake.

KITIA COMMENT

The majority of issues and questions raised in the three supporting Technical Memoranda (SJCI - June22, 23, & 23, 2020) have not been answered by LMI. A response by LMI, quite possibly just requiring clarifications to KIA concerns, to all the points made, would be greatly appreciated.

LMI RESPONSE:

In the response provided by the KitIA on June 24, 2020, the letter advised that, "Furthermore, the SJCI technical memorandums in response to LMI's water license commitments are enclosed and form part of this submission and should be referred to for technical detail." LMI's understanding was that the letter from the KitIA with the specific comments were to be addressing while referring to the SJCL technical memorandum for technical details related to those comments. LMI was not aware that the KitIA was requesting that LMI provide comments to the SJCL technical memorandum as a number of these comments were not related to the conditions under Part E, Items 25, 26 and 27. In this document LMI will address each comment in the KitIA's letter dated July 20, 2020 to ensure they have addressed all of the KitIA comments.

3.0 LMI RESPONSE TO PART E, ITEM 25 – DESIGN OF THE WASTE ROCK DOME

KITIA COMMENT

SJCI concurs that the 1.0 m thick esker cover over the various waste rock storage facilities has been previously agreed to. However, as stated by SJCI in the Technical Memorandum, strategic placement of materials within the various covered facilities should consider burying the highest ML/ARD potential waste rock at the deepest locations with more benign material placed near the top of the stacks, prior to covering. This would help minimize ML/ARD runoff from the covered facilities.

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 26 as the cover strategy was agreed upon with approval of the FCRP as stated previously, it would, in principle, be advantageous to place the highest ML/ARD potential waste rock in the deepest locations. Unfortunately, it is not practicable to

strategically place the materials within the “waste rock dome”. The waste rock that is currently within the planned 17 hectare footprint area of the waste rock dome will simply remain in place where it will form the foundation of the dome. In addition, there is little opportunity to selectively place the waste rock that will be brought into the dome from the perimeter areas because, as stated in Section 2.1.8 in the FCRP, “The PAG samples were not concentrated in one or more specific areas; rather the PAG samples were distributed throughout the site.”

KITIA COMMENT

A search for the first bullet in the LMI response citing a LMI “...Response to March 4th Letter from CIRNAC...” could not be found on the NWB Public Registry. However, a subsequent submission to the NWB from CIRNAC (CIRNAC Apr30, 2019) raised a number of issues on various aspects of the reclamation plan including issues with the apparent increase in the estimated amount of PAG waste rock (10% to 67%) of the 1M m3 of waste rock on site in total, and the CIRNAC request for geo-chemical modelling of facilities built of PAG waste rock as well as estimates of contaminant loading to the environment from these sources (Section 4.3.2.7 Waste Rock). It is uncertain whether this additional work has been undertaken and if so what its conclusions and recommendations were.

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 26, CIRNAC provided an IR response to completeness on March 4, 2019 to the NWB, LMI responded on March 19, 2020 – 3 documents are located on the NWB ftp site:

- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal Amendment/190319%202AM-LUP1520%20LMI%20Lupin%20Closure%20Project%20Response%20to%20CIRNAC%20March%204%2019%20Memo_Rev0-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal%20Amendment/190319%202AM-LUP1520%20LMI%20Lupin%20Closure%20Project%20Response%20to%20CIRNAC%20March%204%2019%20Memo_Rev0-IMLE.pdf)
- ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal Amendment/190319%202AM-LUP1520%20LMI%20Lupin%20Closure%20Project%20Response%20to%20CIRNAC%20March%204%2019%20Memo_Rev0-IMLE.pdf
- <ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal Amendment/190319%202AM-LUP1520%20Table%2014%20Summary%20of%20Measures%20for%20Final%20Closure Revised March%2019%202019-IMLE.pdf>

Please note that in LMI’s response to CIRNAC on April 30, 2020 it was noted that the increase in PAG was from 40% (Morrow Report, 2006) to 67% (Golder 2017 Report) – the 10% we assume was a CIRNAC typo under Section 4.3.2.7 Waste Rock – Project Description as CIRNAC referred to the 40% (Morrow Report, 2006) in an earlier section of their response under Section 2.1.8. The Morrow Report, 2006 is located on the NWB ftp site:

- <ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/J%20MONITORING/Environmental%20Site%20Assessment/060921%202AM-LUP0008%20Phase%201%20and%202%20ESA%20-%20Vol.%201-ILAE.pdf>

- <ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/J%20MONITORING/Environmental%20Site%20Assessment/060921%202AM-LUP0008%20Phase%201%20and%202%20ESA%20-%20Vol.%202-ILAE.pdf>

The Updated Phase 1 and Phase 2 Environmental Site Assessment (Golder 2017 Report) is located on the NWB ftp site:

- <ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/C%20SECURITY/2017/171018%202AM-LUP1520%20-%201664316%20-%20Lupin%20Phase%20I%20II%20ESA%20Update%20Report%2018OCT17-ILAE.pdf>

As presented and reviewed during the Licence renewal/FCRP approval process, the additional work has been completed in 2019 in the Human Health and Environmental Risk Assessment (HHERA) (Golder, 2019) that includes Appendix C that comprises a water quality prediction model. The “source term” for the model was the water quality measured in samples from the current seeps from the toe of the existing waste rock pad. The water quality model was specifically used to predict the constituent concentrations in the various receiving surface water bodies. The HHERA then predicted the environmental consequences of these concentrations. The HHERA is located on the NWB ftp site:

- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%201%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20\(Part%201%20of%204\)%20-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%201%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20(Part%201%20of%204)%20-IMLE.pdf)
- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%202%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20\(Part%202%20of%204\)%20-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%202%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20(Part%202%20of%204)%20-IMLE.pdf)
- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%204%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20\(Part%204%20of%204\)%20-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%204%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20(Part%204%20of%204)%20-IMLE.pdf)
- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%203%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20\(Part%203%20of%204\)%20-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/191015%202AM-LUP1520%20Attachment%203%20Lupin%20PHC%20Commitment%201%267%20HHERA%20Rev0%20(Part%203%20of%204)%20-IMLE.pdf)

LMI notes that all documents above from the NWB directory were subject to review/comment under the NWB public regulatory review for the previous water licence processes for 2AM-LUP1520 and the renewal Licence/FCRP approval (2AM-LUP2032) process.

4.0 LMI RESPONSE TO PART 4, ITEM 26 TECHNICAL MEMORANDUM ON ADDITIONAL GEOTECHNICAL DETAILS ON TCA DAM K AND DAM M CROSS SECTIONS

KITIA COMMENT

Signed and stamped engineering drawings should be provided when they are available.

LMI COMMENT

Signed engineered drawings have been provided and LMI has committed to and received permission from the NWB and its legal counsel to attend to stamping at an appropriate time in the future.

KITIA COMMENT

Drawing Nos. 002 - 009 of the supporting Stantec memorandum indicate some tailings in Cells 3 & 5 will have to be relocated to deeper areas within the cells to achieve the minimum 1.0m of water cover. Possibly, the author's previous use of the phrase, "...tailings requiring removal...", would have been better stated as being "...tailings being locally relocated to deeper areas within those cells..."

LMI COMMENT

LMI thanks the KitIA for their comment.

KITIA COMMENT

The NWB Condition Part E, Item 26 b. asks for "...a note to clarify the storm return period that will be used for designing the features". Drawing 009 for the Outflow Channel from Cell 3 shows the water level at a 1-in-100-year, 24-hour storm event, as stated in Note 7 on the drawing. However, the flowrate itself is not stated and is also only shown on that drawing and is not noted in Drawing 005 for the Cell 5 Outflow Channel. This point was highlighted in the previous SJCI comment (First paragraph of Specific Comments section) looking for the range of water levels and flowrates to be expected across the facility and over the two spillways during design dry periods and storm events, especially with climate change being a growing concern for such facilities.

LMI RESPONSE

The Licence condition Part E, Item 26 does ask for "...a note to clarify the storm return period that will be used for designing the features" and LMI has addressed that under Drawing 009 and have reissued Drawing 005 which addresses this as well (see attached). The flowrate is shown within both designs ($Q_{100}=1.0\text{m}^3/\text{s}$). A number of climate change scenarios were provided and discussed with CIRNAC and ECCC during the renewal Licence/FCRP approval process. Noting ECCC has reviewed the submissions under Part E, Items 25, 26 and 27, advising the NWB that they have no further comments at this time, which is located on the NWB ftp site:

- <ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/3%20TECH/E%20WASTE%20DISP/200624%202AM-LUP2032%20water%20licence%20commitment%20submissions%20ECCC%20Comments-IMLE.pdf>

5.0 LMI RESPONSE TO PART E, ITEM 27 TECHNICAL MEMORANDUM ON EXPOSED TAILINGS PRELIMINARY COVER DESIGN

KITIA COMMENT

The author's previous comment still stands about the long list of work details being left to be done in-field that could have been significantly dealt with in advance with more extensive field investigations and more information being provided in the drawings. This makes a review of the methodologies by stakeholders such as the KIA impossible, as decisions will be made in the field without stakeholder review in advance.

LMI RESPONSE

As the Ponds are currently not at closure level, there remains no indication of tailings beach areas (outside of the Cell 4 area as per the preliminary designs provided) that will be exposed when the water levels in the ponds and cell 4 are lowered to closure level. LMI is unaware of what practicable extensive field investigations could have been done while the water levels are not at closure level. During the renewal Licence/FCRP approval process there were various discussions with regulatory bodies and decision tree matrix provided for how to deal with the potential of exposed tailings which resulted in the condition under Part E, Item 27.

6.0 UNCERTAINTIES

KITIA COMMENT

The additional items of uncertainty noted by the author in preparing the earlier Technical Memorandum still apply:

- *A better estimate of the total volume of waste rock requiring remediation is required (using 1M m³ without a detailed rationale or reference seems over-simplistic);*

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 25 as the cover strategy was agreed upon with approval of the FCRP as stated previously, the 1 M m³ refers to an estimate of the total volume of mine rock which was brought to surface, which is cited in Morrow, 2006. Of the rock, in the mine and mill area; about 75,006 m³ of mine rock will be disposed of in the underground workings (as per column 2 in Table 17 in the FCRP); LMI estimated about 55,000 m³ of mine rock will be placed in the landfill (where it will be contoured and covered similar to the central dome (based on landfill design); and a large volume of waste rock will remain in place under cover in the central waste rock dome area (17 hectares) or in the landfill (4 hectares) or around the adit (about 1 hectare).

LMI is currently relocating waste rock from the peripheral (orange areas as per design technical memorandum submitted as per Licence Part E, Item 25). The central waste rock dome and the confirmed quantities of remediation waste rock will be reported in the annual report to the NWB.

KITIA COMMENT

- *A detailed assessment of the quantities of the various levels of ML/ARD potential (i.e., low, medium, high) of all the waste rock is required; thus enabling a more diligent placement plan for the materials to minimize the risk for future ML/ARD concern;*

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 25 as the cover strategy was agreed upon with approval of the FCRP as stated previously, the Updated Phase I and II Environmental Site Assessment (Golder, 2017) summarizes the results of three ARD/ML investigations including results of testing on a total of 121 samples. It also provides chemical analysis of samples from 5 seeps from waste rock. Available data on the geochemistry of the waste rock are also summarized in the FCRP.

KITIA COMMENT

- *LMI should provide an estimate of the total volume of esker material required for the various reclamation tasks that are intended to use this material;*

LMI RESPONSE

While this comment does not apply to conditions under Part E, Items 25, the total volume of esker material to be used for covers at the mine site are as follows:

- Central Waste Rock Dome, Landfill and Adit area = 220,000 m³ (revised from 243,750 m³ in RECLAIM)
- Cell 3 – 86,000 m³ (FCRP and RECLAIM estimate)
- Cell 5 – 104,500 m³ (123,500 as per FCRP – approx. 19,000m³ covered in 2018 and RECLAIM estimate)
- Cell 4 – 14,000 m³ (RECLAIM estimate)
- Dam K – 17,000 m³ (RECLAIM estimate)

The most current RECLAIM estimate is located on the NWB ftp site:

- ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/200116%202AM-LUP1520%20191101_2AM-LUP1520%20Reclaim7_FCRP%20Update_15_Jan_2020_Final-IMLE.pdf

KITIA COMMENT

- *LMI should confirm the availability of adequate volumes of esker material, and it being available in a timely manner when it is required during the reclamation program (i.e., due to its permafrost state it can only be excavated in thin layers. Ref. FRCF Sec 2.3.2);*

LMI RESPONSE

While this comment does not apply to the conditions under Part E, Item 25, LMI does confirm that there are more than adequate volumes of esker material at site to carry out the required closure and reclamation activities.

KITIA COMMENT

- *Clarification as to why the RECLAIM costing show all the liabilities as being related to Water and none to the Land (ref: FRCP App. G)?*

LMI RESPONSE

While this comment does not apply to the conditions under Part E, item 25, Lupin Mine is located on Crown land with 5 Crown land leases (as shown in the FCRP) and Water and Land for RECLAIM estimates are separated to differentiate between crown security (water) and Inuit owned land security (land). As the Lupin Mine is located on Crown land all security is held by CIRNAC.

KITIA COMMENT

- *The FCRP mentions that 131,500 m2 remain to be covered and that this work should be completed in 2019. Has this been done? It is unclear how much additional tailings beach area is to be exposed when the water levels are lowered in the ponds as part of implementing the new TCA configuration and remedial work being undertaken to the dams as required from annual geotechnical inspections; and*

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 26, LMI is unable to find the 131,500 m2 referred to above that remains to be covered – as of 2017 there was approximately 123,500 m3 of tailings remaining to be covered in Cell 5 and 86,000 m3 to be covered in Cell 3. During 2018 approximately 19,000 m3 was covered in Cell 5 with 104,500 m3 remaining to be covered. It was anticipated for Cell 5 and Cell 3 to be covered in 2019 but due to LMI's contractor not being able to obtain the winter permit in time, the 2019 program was deferred to 2020. This work is currently being carried out and we anticipate that the covers at Cell 5, Cell 3 and the exposed tailings in Cell 4 this year will be completed this year. The current amounts are reflected in the RECLAIM which is located on the NWB ftp site:

- ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/2%20ADMIN/4%20HEARINGS/2%20HEARING/2019%20Amendment%20Renewal/200116%202AM-LUP1520%20191101_2AM-LUP1520%20_Reclaim7_FCRP%20Update_15_Jan_2020_Final-IMLE.pdf

As the Ponds are currently not at closure level, there remains no indication of tailings beach areas (outside of the Cell 4 area as per the preliminary designs provided) that will be exposed when the water levels in the ponds are lowered to closure level.

KITIA COMMENT

- *The FCRP states that the remedial work with implementing the passive water flows across the TCA will be completed once the outflow water (over Dam 1A) meets discharge water quality guidelines. It is uncertain when this may occur (or maybe it already has?). However, any further time until this occurs may provide the opportunity for more detailed studies (engineering design, bathymetry, surveying, depth measurements of existing cover and tailings, etc.) to be undertaken to better understand and nail down more accurately the work required for the Civil Contractor to undertake the works program.*

LMI RESPONSE

While this comment does not apply to conditions under Part E, Item 26, the spillways at Dam J and Dam 1A will be completed in 2024 as shown in the FCRP Table 14 – Summary of Measures for Final Closure (revised March 19, 2019) is located on the NWB ftp site:

- [ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal Amendment/190319%202AM-LUP1520%20Table%2014%20Summary%20of%20Measures%20for%20Final%20Closure Revised March%2019%202019-IMLE.pdf](ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2A/2AM%20-%20Mining/2AM-LUP2032%20LMI/1%20APPLICATION/2019%20Renewal%20Amendment/190319%202AM-LUP1520%20Table%2014%20Summary%20of%20Measures%20for%20Final%20Closure%20Revised%20March%2019%202019-IMLE.pdf)

Noting that in reference to the above statement in regards to more detailed studies, these have already been carried out with the exception of the engineered designs which will be completed as per the Licence.

7.0 CLOSURE

LMI is, as required under Part I, Item 2 of the Licence, presently working on “an update to the FCRP, to address relevant comments and recommendations provided by intervening parties and the Board during the review process for the Application” which will address many of the comments raised by KitlA in their submission of June 10 that were previously addressed during the licence renewal process.

In addition, LMI looks forward to working with the KitlA on the development of a Post Closure Monitoring Plan (PCMP) in accordance with Schedule J of the Licence wherein LMI is required to in the development of the PCMP to consult with community members and organizations in Kugluktuk (i.e. KitlA). LMI envisions this plan would address for example: monitoring of surface water in Boot Lake and East Lake.

We trust our responses address KitlA comments from their July 20, 2020 submission, if you require any further information, please contact me at K.Lewis@mandalayresources.com or by telephone at (778)-386-7340.

Regards,

“Karyn Lewis”

Karyn Lewis
LMI Project Manager