



Field Operations
Nunavut Regional Office
Box 100
Iqaluit, NU X0A 0H0

August 29, 2012

Mr. James Currie
Lupin Mines Inc.
#201-750 West Pender St.
Vancouver, BC V6C 2T8

Re: 2AM-LUP0914 Discharge Notification for Tailings Pond 2

Dear Mr. Currie,

Thank you for your notification, received by e-mail today, August 29th 2012. I understand that LMI intends to discharge approximately 2 million cubic meters of water from Pond 2 to the receiving environment.

At a maximum discharge rate of 70,000 cubic meters per day, as stipulated in the licence, this discharge will take nearly 30 days. Schedule J of the licence outlines the required sampling that is to be undertaken throughout the process at LUP10, 20, 21, 22, 24, and 25.

During my inspection on July 5 of this year, I visited the discharge point at Pond 2 but the facility was not completely set up. I have some concerns about the dynamic nature of the process being undertaken – the addition of lime to a portion of a water body that was static during testing, but which will be flowing and mixing during the discharge.

Can you please outline for me which parameters are tested on-site and which are sent to the lab for analysis? Also, what actions will be taken should the daily sample be non-compliant? Lastly, is erosion downstream of the discharge a potential issue, and if so, what mitigative measures for erosion are in place for the duration of the discharge?

Sincerely,

Eva Paul
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Cc: Phyllis Beaulieu, Manager of Licensing, Nunavut Water Board