

Lupin Mines Incorporated
(a subsidiary of Elgin Mining Inc.)

June 04, 2013

Eva Paul
Water Resources Officer
Aboriginal Affairs and Northern Development Canada
Nunavut Regional Office
Building 918, PO Box 100
Iqaluit, NU X0A 0H0
Via email: eva.paul@aandc.gc.ca

Subject: Notification of intent to dewater fuel management berms

Dear Ms. Paul

A routine inspection of the Lupin Mine site was conducted May 27, 2013. During this inspection, water samples were collected from the various berms associated with the fuel management system. These samples were analyzed for the parameters identified in Water Licence 2AM-LUP0914, Part E. Tables 1 - 6 provides the data from the samples collected:

Table 1: Satellite Tank Farm Berm – May 27, 2013 @ 13:00 Lab # L1307179-1

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.50	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00269	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 2: Waste Oil Tank Farm Berm – May 27, 2013 @ 13:00 Lab # L1307179-2

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	7.22	6.0 – 9.0	6.0 – 9.0
TSS	5.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	0.077	2.0	4.0
Total Lead	0.0188	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 3: Main Tank Farm – Jet “A” Berm – May 27, 2013 @ 13:30 Lab # L1307179-3

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.54	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00065	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 4: Main Tank Farm Berm – Cell 1 – May 27, 2013 @ 13:30 Lab # L1307179-4

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.10	6.0 – 9.0	6.0 – 9.0
TSS	7.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00716	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 5: Main Tank Farm Berm – Cell 2 – May 27, 2013 @ 13:30 Lab # L1307179-5

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.58	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00434	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 6: Third Party Drum Storage Area Berm – May 27, 2013 @ 13:45 Lab # L1307179-6

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.18	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00136	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	0.0271	0.002	-
Ethyl Benzene	<0.00050	0.090	-

As indicated in the Tables above, all results are within acceptable levels for discharge, with the exception of Toluene within the Third Party Drum Storage Berm. LMI advises that discharge from the berms will take place on, or after, June 17th, 2013. The water in the Third Party Drum Storage Berm will be pumped into a tank and/or drums and processed through an oil/water separator unit prior to discharge. All water will be discharged at LUP-27 as per Part E, Item 9 of Water Licence 2AM-LUP0914.

Regarding the routine inspection; all tank farms and associated tanks and piping were inspected for signs of leaks and spills. Additionally; all tanks connected to generators as well as heating appliances were also inspected. No leaks or spills were noted during this inspection.

The site was monitored for the commencement of the spring freshet. While the freshet had just commenced; no signs of erosion around the general mine site were observed. The Tailings area could not be monitored from the ground, as too much snow still existed on sections of the access road to make it passable by vehicle. An observation from the air did not reveal any concerns. The Tailings area will be monitored from the ground during the week of June 17th.

LMI trusts that you will find this notification acceptable. If you have any questions please contact Dave Vokey at: dvokey@elginmining.com

Sincerely,

Lupin Mines Incorporated



Wayne Osborne
Project Manager

for

Cc: J. Currie, P. Eng
D. Vokey