

File: 2AM-LUP1520 / Modification No. 1 / F1

August 17, 2017

Karyn Lewis, Project Coordinator Lupin Mines Incorporated Suite 202 – 750 West Pender Street Vancouver, B.C. V6C 2T7

Email: <u>klewis@elginmining.com</u>

RE: Licence No. 2AM-LUP1520, Type "A" Modification No. 1

Dear Ms. Lewis:

The Nunavut Water Board (NWB) received, on June 30, 2017, an application from Lupin Mines Incorporated (LMI or the Licensee) to modify the monitoring requirements under Schedule J of Licence No. 2AM-LUP1520 so as to allow for the installation of a leak-detection pipe and other complementary measures in place of installing Monitoring Station No. 29, up-gradient of the existing Hydrocarbon Impacted Soil Facility (Landfarm Facility), and Monitoring Station Nos. 30(a), and 30(b), down-gradient, of the same facility.

Details contained in correspondence prepared by Norwest Corporation on behalf of the Licensee indicates that the Landfarm Facility design includes primary and secondary containment to prevent the release of hydrocarbon-impacted water into the surrounding environment. The design also includes a containment berm constructed along the perimeter of the facility to capture surface runoff. Further, to ensure that the facility does not impact the receiving environment unfavourably, the Licensee has committed to conducting sampling at the lower sewage pond, located down-gradient of the Landfarm Facility, at least three (3) times per treatment season, using qualified personnel. The Licensee submits that the aforementioned measures in combination with the leak detection device provide a reasonable substitute for the installation of the monitoring wells mentioned above and required under Licence No. 2AM-LUP1520.

The modification application referenced above was distributed on July 31, 2017 for a two (2) week public review and comment period with the deadline for submissions set for August 11, 2017. Comments regarding the Application was received from Indigenous and Northern Affairs Canada (INAC). INAC in its submission indicated that it believes that the proposed leak

detection pipe for detecting potential leaks/seeps from the Landfarm Facility, instead of the monitoring wells required under the licence, is sound and acceptable.

The NWB has reviewed the Licensee's request and considered the comments provided by the interviewing party in determining that the requested change does not fundamentally alter the scope and intent of the relevant monitoring requirements under Part J of the Licence. The Board has, therefore, granted under **Motion No. 2017-A1-013**, Modification No. 1 to Licence No. 2AM-LUP1520 to allow the Licensee to implement the proposed leak-detection and associated measures, instead of the monitoring wells required under the Licence, to monitor the existing Landfarm Facility.

The Licensee should note, however, that with implementation of the measures authorized under Modification No. 1, the requirements under Part E, Item 25 or relevant aspects thereof that are inconsistent with Modification No. 1 shall be superseded by the Modification No.1. In addition, the Licensee is required to update all relevant management plans to reflect the change(s) authorized under the authorized Modification No. 1.

If you have any questions regarding the above, please contact the NWB Licensing Department at licensing@nwb-oen.ca.

Sincerely,

Thomas Kabloona Nunavut Water Board, Chair

TK/sj/rd

Enclosures: Licence No. 2AM-LUP1520 – Modification No. 1

Comments - INAC

Cc: Kitikmeot Distribution List

LICENCE MODIFICATION NO. 1

LICENSEE: LUPIN MINES INCORPORATED

LICENCE NO: 2AM-LUP1520, TYPE "A"

LICENCE ISSUED: AUGUST 19, 2015
AMENDMENT NO. ISSUED: MARCH 28, 2017
EXPIRY DATE: AUGUST 18, 2020

The Licence shall be modified as follows:

SCHEDULE J' CONDITIONS APPLYING TO THE MONITORING PROGRAM

Modify the relevant section of Table 1 to read

Table 1 – Monitoring Requirements for Licence No. 2AM-LUP1520				
ID	Location	Frequency	Parameter	Status
LUP-29	Landfarm Facility Monitoring Well- Up-gradient	Monthly during periods of observed flow – June through September	Same as LUP- 28	Inactive
LUP-30a	Landfarm Facility Monitoring Well-Down	Monthly during periods of observed flow – June through	Same as LUP- 28	Inactive
LUP-30b	Landfarm Facility Monitoring Well-Down	Monthly during periods of observed flow – June through	Same as LUP- 28	Inactive

All remaining terms and conditions of the Licence No. 2AM-LUP1520, Type "A", issued August 19, 2015, and Licence No. 2AM-LUP1520 – Amendment No. 1, issued March 28, 2017, remain applicable.

This Licence Modification No. 1 issued and recorded at Gjoa Haven, NU on August 17, 2017.

Approved by,

Thomas Kabloona Nunavut Water Board Chair