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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: 2AM-LUP1520/I2

October 19, 2016

Karyn Lewis
Lupin Mines Incorporated
76 Richmond Street East, Suite 330
Toronto, ON, M5C 1P1, Canada

Subject: Licence No. 2AM-LUP1520 – Submission of Updated Closure and Reclamation Plan, Required under Part I, Item 2 of the Licence

Dear Ms. Lewis:

On March 31, 2016, the Nunavut Water Board (NWB or Board) received from Lupin Mines Incorporated (LMI) a copy of LMI's 2015 Annual Report, along with several other documents, aimed at satisfying specific requirements included in the terms and conditions of Type "A" Water Licence No. 2AM-LUP1520, issued to the Lupin Mine Project on August 19, 2015. On April 1, 2016 the NWB acknowledged¹ the submission and distributed the documents for information purposes. Up to the date of issuance of this correspondence, no comments or recommendations were received from interested parties/persons regarding any of the documents in the submission.

One of the documents included in LMI's Annual Report submission was an updated version of the Interim Closure and Reclamation Plan (ICRP), dated March 2016. A previous version of the Plan, dated March 2013, was approved under Part I, Item 1 of the renewed Licence; however, requirement was included under Part I, Item 2 of the Licence terms and conditions for submission of an updated version of the Plan for the Board's review and approval within ninety (90) days of the Licence being approved by the Minister of Indigenous and Northern Affairs Canada (INAC) previously known as the Minister of Aboriginal Affairs and Northern Development Canada (AANDC).

¹ Email from R. Ikkutisluk, NWB, to K. Lewis, Elgin Mining; Cc. Licensing Department; Bcc. Lupin Distribution List; Re: 160401 2AMLUP1520 Submission of 2015 Annual Report Lupin Mines Incorporated Kitikmeot Region, April 1, 2016.

Given the Minister's approval² of the Licence in October 2015, the Licensee submitted a copy of the updated ICRP mentioned above to meet its respective obligation in the Licence. Recognizing the importance of this Plan from the perspective of complying with the Licence terms and conditions, the NWB conducted a review of the documents and noted that the Plan included noticeable changes intended to address the comments and recommendations provided by intervening parties during the Licence renewal process. Notwithstanding these changes, the Board has had to delay its decision regarding approval of the Plan for two main reasons:

1. Prior to receipt of the Plan, Indigenous and Northern Affairs Canada (INAC) filed an Application³ to amend Licence No. 2AM-LUP1520 for the purpose of increasing the reclamation security associated with the Licence, which the Board is currently acting on. Given the potential for the amendment process to result in a change to the reclamation security included in the Licence as well as consequential changes to the content of some aspects of the Plan, the Board decided to delay its decision on approval of the Plan.
2. As stated above, the Plan was distributed for information purposes on April 1, 2016; however, no comments or recommendations have been received to date. It should be noted that submissions or documents typically distributed by the Board for public information generally receives significantly less responses than those distributed for public review as interested parties may consider their intervention optional. Therefore, prior to a Board decision on whether or not to approve the Plan, the NWB intends to distribute, for a thirty (30) day public review and comment period, the March 2016 version of the Plan or a subsequent version thereof that reflects the outcome of the current amendment process.

The Board understands that the deferral of its decision on approval of the Plan may result in some uncertainty for the stakeholders involved in the short-term. However, the Board would like to assure all parties concerned that the approach outlined above is intended to ensure that the next version of the Plan approved by the Board includes the scope of work and undertakings that is reflective of the outcome of the current amendment process that is currently being conducted by the Board.

If you have any questions or concerns regarding the above, please contact Karén Kharatyan at Karen.kharatyan@nwb-oen.ca with respect to licensing processes, or Sean Joseph at sean.joseph@nwb-oen.ca with respect to technical aspects of the submission.

Sincerely,

David Hohnstein
Director of Technical Services

DH/sj

² Letter from B. Valcourt, PC, QC, MP to Aboriginal Affairs and Northern Development Canada (INAC) to T. Kabloona, Nunavut Water Board (NWB), October 5, 2015.

³ Indigenous and Northern Affairs Canada (INAC) Application to Amend Licence No. 2AM-LUP1520, January 22, 2016.