

### Relations Couronne-Autochtones et Affaires du Nord Canada

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June 7, 2021

Lupin Mines Incorporated 83 Young Street, Suite 200 Toronto, Ontario M5C 1S8

Dear Belinda Labatte,

Re: Land Lease: 76E/14-1-12

Type of Operation: Mining – Mine Site

Location: Contwoyto Lake Area, Kitikmeot RMO, NU, NTS 76E/14

By way of this letter Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) Lands Administration Division (the Lessor referenced herein as CIRNAC) requests Lupin Mines Incorporated., (the Lessee) update the Closure and Reclamation Plan, a requirement of the surface lease: Lease No. 76E/14-1-12 Sections 20 to 28.

CIRNAC is requesting this update based on review of the Lessees submissions to the Nunavut Water Board (NWB): "2020 Updated Final Closure and Reclamation Plan" dated March 19, 2021, and long term monitoring plan submitted separately in the "Post Closure Monitoring Plan" dated April 9, 2021 (referenced collectively as: the plans). The plans have been submitted as part of the NWB regulatory processes. Through this process CIRNAC Lands and Waters Divisions have made submissions documenting concerns, requesting new, or more detailed information, and making recommendations to support the proponent in addressing these requests.

To date, many of these requests, some dating back to 2019, remain outstanding and as a result CIRNAC lacks confidence that closure activities proposed by Leesee will satisfy the overall closure and reclamation objectives as required in the Lease.

CIRNAC's principal outstanding concerns in reference to the Closure and Reclamation Plan are listed below:

- 1) The integration of information required in Part E, Items 25, 26, and 27 of the water licence (2AM-LUP2032) into the Closure and Reclamation Plan:
  - Information for Item 25 "dome design" should be revised to provide confidence in regards to long term erosion protection and cover stability.
  - Information provided for Item 26 "additional geotechnical details" includes a series of 15 drawings. The drawings are missing such details as: work to be performed on embankment slopes, no erosion control measures for dam slopes, and more (as detailed in attachment 1).

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- Information provided for Item 27 "cover design for potential exposed tailings" is not sufficient to allow for general approval of approach.
- 2) Work schedule updates for planned closure activities have not yet been submitted
- 3) Details concerning the removal of contaminated materials from mill site area prior to consolidating waste rock and construction dome cover
- 4) Crown pillar stabilization and disposal of materials underground
- 5) Long term stability of dome cover and erosion stopes
- 6) Embankment stabilization and erosion in the tailings containment area
- 7) Information about potentially exposed tailings at N Dam and the shape of the Cell N cover in the tailings containment area
- 8) The integration of financial security details into the Closure Plan

Further details and context for items (1-8) are provided in Attachment 1: Letter dated February 16, 2021. "Re: Crown-Indigenous Relations and Northern Affairs Canada's reply to Lupin Mines Incorporated's response to our comments on the Final Closure and Reclamation Plan for water licence #2AM-LUP2032 – Lupin Mine Project" including Annex A "Unresolved comments regarding technical memos for Part E, Items 25,26 and 27 of water licence 2AM-LUP2032".

CIRNAC's principal outstanding concerns in reference to the long term monitoring include:

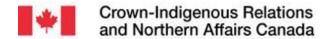
- 1) Water quality conditions in the tailings containment area
- 2) Geotechnical monitoring
- 3) Community Consultation
- 4) Visual inspection of the tailings containment area pond perimeters
- 5) Items missing from Schedule J of the water licence
- 6) Duration of Passive Monitoring
- 7) Demolition of Landfill monitoring wells
- 8) Activity schedule for the PCMP period
- 9) Inadequate figures
- 10) Changes to general monitoring
- 11) Thermistor repair

Further details and context for items (1-11) are provided in Attachment 2: Letter dated June 1, 2021 "Crown-Indigenous Relations and Northern Affairs Canada's review of Lupin Mines Incorporated's Post Closure Monitoring Plan for Type A Water Licence 2AM-LUP2032 for the Lupin Mine Project".

CIRNAC requires the Lessee update the plans to address all outstanding requests as detailed in Attachment 1 (including Annex A) and Attachment 2. The updated Closure and Reclamation Plan is required to be submitted to Krista Pooley, Land Administrator Specialist – Major Projects Lands Division, Nunavut Region by email: <a href="mailto:krista.pooley@canada.ca">krista.pooley@canada.ca</a> no later than July 7, 2021.

The updated Closure and Reclamation Plan should be submitted as a standalone document and any reference materials which support the updated plan submitted concurrently by the Lessee.

If you have questions please contact Krista Pooley, Land Administrator Specialist – Major Projects at <a href="mailto:krista.pooley@canada.ca">krista.pooley@canada.ca</a>.



## Relations Couronne-Autochtones et Affaires du Nord Canada

Sincerely,

Krista Pooley

Healey

Land Administrator Specialist - Major Projects

cc: Erik Allain, CIRNAC, Director, Lands

Tracey McCaie, CIRNAC, Manger, Land Administration

Justin Hack, CIRNAC, Manger Field Operations Karyn Lewis, Lupin Mines Incorporated, Project Manager

#### Attachment 1:

"Crown-Indigenous Relations and Northern Affairs Canada's reply to Lupin Mines Incorporated's response to our comments on the Final Closure and Reclamation Plan for water licence #2AM-LUP2032 — Lupin Mine Project" including Annex A "Unresolved comments regarding technical memos for Part E, Items 25,26 and 27 of water licence 2AM-LUP2032"

#### Attachment 2:

"Crown-Indigenous Relations and Northern Affairs Canada's review of Lupin Mines Incorporated's Post Closure Monitoring Plan for Type A Water Licence 2AM-LUP2032 for the Lupin Mine Project".