

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

30 June 2012

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0



Dear Ms. Beaulieu

RE: Monthly Report for May 2012
Lupin Mine, Nunavut, License Number 2AM-LUP0914

Activities on site during the month of May primarily included site maintenance and general support to exploration crews. We had 728 person days for the month of May, with up to 30 people on site. Accommodation arrangements remain unchanged from April.

Domestic water use for the month was estimated to be 161,120 L (161.1 m³), drawn from Contwoyto Lake. Approximately 154,960 L (155 m³) of sewage was produced and discharged to the upper sewage lake.

Domestic waste generated during the month of May was incinerated in an on-site incinerator daily. No back-hauling of wastes to Yellowknife occurred during the month, with exception of, recyclable beverage containers.

In May, water samples were collected from the main tank farm (MTF), satellite tank farm (STF), waste oil tank farm (WOTF), and the third party drum storage area (TPDS) berms, in preparation for dewatering activities. The data from this sampling is shown in Tables 1 and 2 below.

Table 1: Tank Farm Berm water sampling results – May 08, 2012

Sample Location	MTF	STF	WOTF	2AM-LUP0914	
				Maximum Average Concentration (mg/l)	Maximum Concentration of Any Grab Sample (mg/l)
Date and Time	May 08/12 @ 20:00	May 08/12 @ 20:00	May 08/12 @ 20:00		
ALS Lab #	L1146215-1	L1146215-2	L1146215-3		
pH	6.91	5.09	6.32	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	<3.0	<3.0	15.0	30.0
Total Oil & Grease	<1.0	<1.0	<1.0	5.0 and no visible sheen	10.0
Total Ammonia	<0.050	<0.050	0.070	2.0	4.0
Total Lead	0.0376	0.00450	0.0784	0.01	0.02
Benzene	<0.00050	<0.00050	<0.00050	0.37	-
Toluene	<0.00050	<0.00050	<0.00050	0.002	-
Ethyl Benzene	<0.00050	<0.00050	<0.00050	0.090	-

2AM-LUP0914

0063012-2AM-LUP0914-MONTHLYREPORTMAY2012

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Table 2: Tank Farm Berm water sampling results – May 24, 2012

					2AM-LUP0914	
Sample Location	MTF	STF	WOTF	TPDS	Maximum Average Concentration (mg/l)	Maximum Concentration of Any Grab Sample (mg/l)
Date and Time	May 24/12 @ 16:10	May 24/12 @ 17:00	May 24/12 @ 16:50	May 24/12 @ 16:25		
ALS Lab #	L1152694-1	L1152694-2	L1152694-3	L1152694-4		
pH	6.75	5.29	6.85	6.62	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	<3.0	4.0	<3.0	15.0	30.0
Total Oil & Grease	<1.0	1.1	<1.0	1.4	5.0 and no visible sheen	10.0
Total Ammonia	<0.050	<0.050	<0.050	<0.050	2.0	4.0
Total Lead	0.0135	0.00314	0.0173	0.00453	0.01	0.02
Benzene	<0.00050	<0.00050	<0.00050	0.00083	0.37	-
Toluene	0.00094	<0.00050	<0.00050	0.0060	0.002	-
Ethyl Benzene	<0.00050	<0.00050	<0.00050	0.00105	0.090	-

Additionally; water quality monitoring was undertaken at the tailings containment area (TCA) Pond 2 in preparation for the proposed discharge from this area, which is expected to occur after July 15, 2012. The results of this sampling are shown in Table 3.

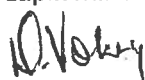
Table 3: Tailings Containment Area (TCA) Pond 2 water sampling results – May 24, 2012

					2AM-LUP0914	
Sample Number	Pond 2- A1	Pond 2-A2	Pond 2-A3	Pond 2-AD	Maximum Average Concentration (mg/l)	Maximum Concentration of Any Grab Sample (mg/l)
Sample Location (UTM Coordinates)	1.76m depth	3.0m depth	5.0m depth	A2 duplicate 3.0m depth		
Date and Time	May 24/12 @ 13:40	May 24/12 @ 14:20	May 24/12 @ 14:45	May 24/12 @ 14:20		
ALS Lab #	L1152694-6	L1152694-7	L1152694-8	L1152694-9		
pH	5.36	5.02	5.03	4.73	6.0 – 9.5	6.0 – 9.5
TSS	<3.0	<3.0	<3.0	<3.0	15.0	30.0
Total Oil & Grease	<1.0	<1.0	<1.0	n/a	No visible sheen	No visible sheen
Total Arsenic	0.00379	0.00623	0.00463	0.00611	0.50	1.00
Total Lead	0.000413	0.000061	0.000068	0.000068	0.10	0.20
Total Copper	0.00373	0.0125	0.0119	0.0125	0.15	0.30
Total Nickel	0.0348	0.124	0.125	0.124	0.20	0.40
Total Cyanide	<0.0050	<0.0050	<0.0050	n/a	0.80	1.60
Total Zinc	0.114	0.401	0.405	0.404	0.40	0.80

n/a not available

If you have any questions regarding the above, please do not hesitate to contact me.

Sincerely,
Lupin Mines Incorporated.



Patrick Downey
President and CEO