

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

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09 August 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 July 2012**  
**Lupin Mine, Nunavut, License Number 2AM-LUP0914**

Activities on site during the month of July primarily included site maintenance and general support to exploration crews. There was 1,194 person days for the month of July, with up to 53 persons on site. Accommodation arrangements remain unchanged from June.

Domestic water use for the month was estimated to be 223,405 L (223.4 m<sup>3</sup>), drawn from Contwoyto Lake. Approximately 212,235 L (212.2 m<sup>3</sup>) of sewage was produced and discharged to the upper sewage lake. Water samples were collected from Contwoyto Lake at sampling station LUP-01 on July 10, 2012. The results of this sampling are shown in Table 1.

Table 1: Sampling Station LUP-01 water sampling results – July 10, 2012

Sample Location	LUP—01	2AM-LUP0914
Date and Time	July 10, 2012 @ 09:45	Maximum Concentration of Any Grab Sample (mg/L)
ALS Lab #	L1175954-1	
Total Arsenic	<0.00040	-
Total Copper	<0.0010	-
Total Lead	<0.00010	-
Total Zinc	<0.0040	-
Total Nickel	<0.0020	-
Total Mercury	<0.00010	-
Total Cadmium	<0.000050	-
TSS	<3.0	-
Conductivity	n/a	-
Faecal Coliform	<1	-
pH	6.96	-

Domestic waste generated during the month of July was incinerated in an on-site incinerator daily. There was 6 bags of recyclable beverage containers, 1 drum of scrap metal, 2 drums of incinerator ash, 16 bags of plastics and insulation, and 7 drums of oil contaminated water sent to KBL Environmental, Yellowknife, NT for off-site disposal.

2AM-LUP0914

080612-2AM-LUP0914-MONTHLYREPORTJULY2012

This file is produced electronically with 3 pages including cover page

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Discharge from the Lower Sewage Lake (LSL) continued until July 27, 2012. A total of approximately 216,000 m<sup>3</sup> was discharged during July. Monthly water quality monitoring at LUP-14 was conducted on July 10, 2012. Table 2 shows the results of samples collected.

Table 2: Sampling Station LUP-14 water sampling results – July 10, 2012

Sample Location		2AM-LUP0914
Sample Location	LUP-14	Maximum Concentration of Any Grab Sample (mg/L)
Date and Time	July 10, 2012 @ 10:15	
ALS Lab #	L1175954-2	
Total Arsenic	0.00935	0.05
Total Copper	0.0017	0.20
Total Lead	0.00028	0.05
Total Zinc	0.0145	0.50
TSS	<3.0	35
BOD <sub>5</sub>	<2.0	30
Faecal Coliform	<1	1000 CFU/100 mL
Oil & Grease	<1.0	Visual sheen
pH	6.99	6.0 – 9.5

Water quality monitoring was undertaken on July 12, 2012 at sampling station LUP-10 in preparation for the proposed lowering of the water level of Pond 2 during August – September, 2012. The results of this sampling are shown in Table 3.

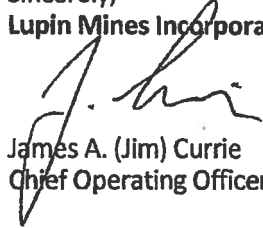
Table3: Sampling Station LUP-10 results – July 12, 2012

Sample Location		2AM-LUP0914	
Sample Location	LUP-10	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Date and Time	July 12, 2012 @ 12:25		
ALS Lab #	L1178275-2		
Total Arsenic	0.00896	0.05	1.00
Total Copper	0.0101	0.15	0.30
Total Lead	<0.00050	0.10	0.20
Total Zinc	0.304	0.40	0.80
Total Cyanide	n/a	0.80	1.60
Total Nickel	0.0833	0.20	0.40
TSS	<3.0	15	30
Oil & Grease	<1.0	Visual sheen	Visual sheen
pH	5.33	6.0 – 9.5	6.0 – 9.5

A Site inspection was conducted by Eva Paul and Melissa Joy (AANDC) on July 5 – 6, 2012. The deficiencies requiring immediate follow-up were dealt with promptly and a letter was filed with AANDC outlining the actions taken. Items with specified completion dates were also addressed in the letter (Attachment 1).

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

Sincerely,  
Lupin Mines Incorporated.



James A. (Jim) Currie  
Chief Operating Officer

c.c. David Vokey, Health, Safety and Environment Coordinator  
Vivian Park, Manager

## Attachment 1

**Photo 1:** Lupin Exploration Drill Site showing use of secondary containment (July 20, 2012)



**Photo 2:** Lupin Exploration Drill Site showing use of natural depression for drill cuttings containment (July 25, 2012)





**Photo 3:** Lupin Mine Burn Pit showing the spilled salt has been removed (July 20, 2012)



**Photo 4:** Lupin Mine Re-fuelling Station showing the use of a drip pan (July 23, 2012)



## Attachment 2



Canada

## NT-NU SPILL REPORT

OIL, GASOLINE, OIL EMULSION AND OTHER HAZARDOUS MATERIALS

NT-NU 24-HOUR SPILL REPORT LINE

TEL: (857) 820-8100

FAX: (857) 873-6824

EMAIL: spill@ec.gc.ca

NON-NU LINE USE ONLY

<b>A</b>	REPORT DATE MONTH-DAY-YEAR <b>25-July-2012</b>	REPORT TIME <b>16:30</b>	<input checked="" type="checkbox"/> ORIGINAL SPILL REPORT OR <input type="checkbox"/> SUPPLEMENT TO THE ORIGINAL SPILL REPORT	REPORT NUMBER <b>12-308</b>
<b>B</b>	REPORT DATE MONTH-DAY-YEAR <b>Before August 2011</b>	OCCURRENCE TIME <b>Unknown</b>		
<b>C</b>	TANK IDENTIFICATION NUMBER (APP. 10000) <b>N2011C0026</b>	WATER LICENSE NUMBER (IF APPLICABLE) <b>2AM-LUP0914</b>		
<b>D</b>	LOCATION (PLACE NAME OR DISTANCE AND DIRECTION FROM NAMED LOCATION) <b>Lupin Mine</b>	REGION <b>TRNT</b>	<input checked="" type="checkbox"/> N. NAV. <input type="checkbox"/> A. NAV. <input type="checkbox"/> J. NAV. <input type="checkbox"/> C. NAV. <input type="checkbox"/> O. NAV.	
<b>E</b>	LATITUDE DEGREES <b>65</b> MINUTES <b>45</b> SECONDS <b>46</b>	LONGITUDE DEGREES <b>111</b> MINUTES <b>13</b> SECONDS <b>46</b>		
<b>F</b>	RESPONSIBLE PARTY OR VESSEL NAME <b>Lupin Mines Inc.</b>	RESPONSIBLE PARTY ADDRESS OR OFFICE LOCATION <b>201 - 750 West Pender St. Vancouver, BC V6C 2T7</b>		
<b>G</b>	CONTRACTOR NAME <b>No</b>	CONTRACTOR ADDRESS OR OFFICE LOCATION		
<b>H</b>	SPILL TYPE <b>Oil Contaminated Water</b>	QUANTITY (LITRES, KILOGRAMS OR CUBIC METRES) <b>approx 10m3</b>	L.N. NUMBER	
<b>I</b>	SPILL SOURCE <b>Satellite Tank Farm containment</b>	SPILL CAUSE <b>Over-topped</b>	AREA OF CONTAMINATION IN SQUARE METRES <b>500 m2</b>	
<b>J</b>	METHODS AFFECTING SPILL OR RECOVERY <b>None recovered</b>	DEGREE OF ABSTAINANCE REQUIRED <b>None.</b>	HARM TO PERSONS, PROPERTY OR ENVIRONMENT <b>None.</b>	
<b>K</b>	<p>ADDITIONAL INFORMATION, COMMENTS, ACTIONS PROPOSED OR TAKEN TO CONTAIN, RECOVER OR DISPOSE OF SPILL TO PREVENT AND MINIMIZE ENVIRONMENTAL DAMAGE</p> <p>This report is being filed to document a legacy spill that occurred during a period when no one was at site and water in the satellite tank farm over-topped due to a lack of maintenance. The actual timing of the spill is unknown, but it occurred sometime before August 2011. Elgin Mining Inc. bought the property from MMG Inc. in July 2011. Information from Melissa Joy, Water Resources Officer, AANDC indicated that she did not observe any oil staining outside the tank farm berm during her inspection in 2010. The surface of the berm (outside) has been regraded with clean gravel, as some erosion occurred during the overtopping. No water accumulation currently exist within this tank farm berm.</p>			
<b>L</b>	REPORTED TO SPILL LINE BY <b>Dave Vokey</b>	POSITION <b>HSE Coordinator</b>	EMPLOYER <b>Elgin Mining Inc.</b>	LOCATION CALLING FROM <b>Lupin Mine</b>
<b>M</b>	ANY ALTERNATE CONTACT	POSITION	EMPLOYER	ALTERNATE CONTACT <b>776-372-3272</b>
REPORT LINE USE ONLY				
<b>N</b>	RECEIVED AT SPILL LINE BY <b>VELOAK/VE, NT</b>	POSITION <b>VELOAK/VE, NT</b>	EMPLOYER <b>VELOAK/VE, NT</b>	REPORT LINE NUMBER <b>18571520132</b>
<p>LEAD AGENCY (BC, NB, NS, ONT, QUE, SASK, ALB, MAN, NWT, NUN, YUK, B.C., N.B., N.S., ONT., QUE., SASK., ALB., MAN., N.W.T., N.U.N., YUK.)</p> <p>SPILL TYPE (OIL, GASOLINE, OIL EMULSION, OTHER HAZARDOUS MATERIALS)</p> <p>SPILL STATUS (CONTAINED, SPREADING, UNCONTAINED)</p> <p>SPILL SEVERITY (MINOR, MAJOR, CATASTROPHIC)</p> <p>SPILL LOCATION (ON-SITE, OFF-SITE, NEARBY)</p> <p>SPILL CAUSE (OVERFLOW, COLLISION, PIPING, ETC.)</p> <p>SPILL EFFECTS (TOXICITY, FLAMMABILITY, CORROSIVITY, ETC.)</p> <p>SPILL RESPONSE (CONTAINMENT, RECOVERY, DISPOSAL, ETC.)</p> <p>SPILL SUPPORT AGENCY (FEDERAL, PROVINCIAL, LOCAL, ETC.)</p>				