

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

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

Activities on site during the month of August included site maintenance and general support to exploration crews. There were 1,158 person days for the month of August, with up to 45 persons on site. Accommodation arrangements remain unchanged.

Domestic water use for the month was estimated to be 204,522 L (204.5 m³), drawn from Contwoyto Lake. Approximately 194,296 L (194.3 m³) of sewage was produced and discharged to the upper sewage lake.

Domestic waste generated during the month of August was incinerated in an on-site incinerator daily. There were two mega bags of recyclable beverage containers, one drum of scrap metal, one drum of incinerator ash, four mega bags of plastics, and two mega bags of oil rags that were sent to KBL Environmental, Yellowknife, NT and the City of Yellowknife for disposal.

Water quality monitoring was undertaken on August 02, 2012 at the Tailings Containment Area (TCA) Pond 2 at the syphon intake area, in preparation for the proposed lowering of the water level of Pond 2 during September, 2012. The results of this sampling are shown in Table 1.

Table 1: TCA Pond 2 Sampling results – August 02, 2012

		2AM-LUP0914	
Sample Location	TCA Pond 2	Maximum Average Concentration (mg/L)	Maximum Concentration of Any Grab Sample (mg/L)
Date and Time	Aug 02, 2012 @ 23:30		
ALS Lab #	L1189305-1		
Total Arsenic	0.0112	0.05	1.00
Total Copper	0.0159	0.15	0.30
Total Lead	0.00075	0.10	0.20
Total Zinc	0.254	0.40	0.80
Total Cyanide	n/a	0.80	1.60
Total Nickel	0.0861	0.20	0.40
TSS	n/a	15	30
Oil & Grease	n/a	Visual sheen	Visual sheen
pH	*5.33	6.0 – 9.5	6.0 – 9.5

*Field measurement using YSI portable handheld meter

Acute toxicity samples were collected from TCA Pond 2 at the syphon intake area on August 17, 2012 in preparation for dewatering. The results of this sampling are shown in Table 2.

Table 2: August 17, 2012 Lab Results TCA Pond 2

ALS Lab # L1196149-2	Static Pass/Fail
August 17, 2012 @ 10:00 hr.	
Rainbow Trout- Acute 96 Hr.	Pass
ALS Lab # L1196149-1	Static Pass/Fail
August 17, 2012 @ 10:00 hr.	
Daphnia Magna- Acute 48 Hr. Static, LC50	Pass

During the AANDC inspection of July 5 – 6, 2012, the inspector requested analysis of soil immediately downslope of the main tank farm hazardous waste storage area. The results of that sampling are shown in Table 3.

Table 3: Soil Sampling results – July 24, 2012

Sample Location	MTF –HAZ Downslope
Date and Time	Jul 24, 2012 @ 15:30
ALS Lab #	L1189243-1
CCME Total Extractable Hydrocarbons – F2 (C10-C16)	<20
CCME Total Extractable Hydrocarbons – F3 (C16-C34)	45
CCME Total Extractable Hydrocarbons – F4 (C34-C50)	<20

WSCC inspectors visited site on August 20, 2012. The inspection focused mainly on electrical distribution at the campsite and associated facilities, as well as the power generation. During this inspection, there were some deficiencies noted. A contractor electrician was brought to site to rectify the noted deficiencies.

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

Sincerely,
Lupin Mines Incorporated



Vivian Park, Manager, Exploration on behalf of James (Jim) Currie, P. Eng., Chief Operating Officer

CC: Vivian Park, Manager, Exploration
 CC: Dave Vokey, HSE Coordinator