Lupin Mines Incorporated

(a subsidiary of Elgin Mining Inc.)

02 July 2013

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 June 2013
Lupin Mine, Nunavut, License Number 2AM-LUP0914

Activities on site during the month of June involved care and maintenance only. There were 17 person days for the month of June, with up to 5 people on site. Accommodation arrangements remain unchanged from that of April. For business reasons, Lupin Mines Inc. (LMI) made a decision to temporarily return the mine site back to Care and Maintenance (un-occupied status) on April 24, 2013. LMI put all facilities back in proper care and maintenance consistent with the conditions outlined in the permits, licences, and leases.

A site inspection was conducted on May 27, 2013. At that time, water samples were collected from the various tank farm berms and sent to a laboratory for analysis. The lab results are provided in Tables 1 - 6. A letter was sent to AANDC, including the lab data seeking approval to dewater the berms on June 04, 2013.

Dewatering of the berms commenced on June 18, 2013 and was complete by June 20, 2013. Table 7 provides the volume of water removed from each berm. A site inspection was conducted of the facilities. No leaks were seen in any of the fuel tanks and associated piping. An inspection of the Tailings Containment area was made on June 19, 2013. During this inspection, it was noted that the roadway adjacent Boomerang Lake had eroded as a result of runoff. The area of erosion can be seen in Photo 1. LMI will develop a plan to remediate this area.

Table 1: Satellite Tank Farm Berm – May 27, 2013 @ 13:00 Lab # L1307179-1

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.50	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00269	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

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Table 2: Waste Oil Tank Farm Berm – May 27, 2013 @ 13:00 Lab # L1307179-2

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	7.22	6.0 – 9.0	6.0 – 9.0
TSS	5.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	0.077	2.0	4.0
Total Lead	0.0188	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 3: Main Tank Farm – Jet "A" Berm – May 27, 2013 @ 13:30 Lab # L1307179-3

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.54	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00065	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 4: Main Tank Farm Berm – Cell 1 – May 27, 2013 @ 13:30 Lab # L1307179-4

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.10	6.0 – 9.0	6.0 – 9.0
TSS	7.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00716	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 5: Main Tank Farm Berm – Cell 2 – May 27, 2013 @ 13:30 Lab # L1307179-5

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.58	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00434	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	<0.00050	0.002	-
Ethyl Benzene	<0.00050	0.090	-

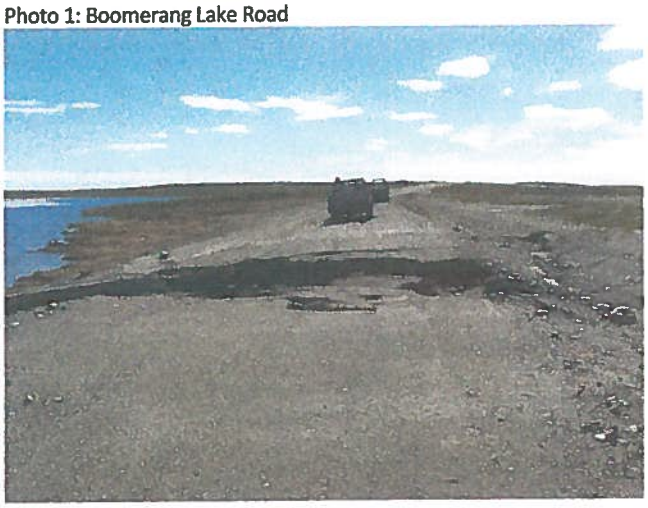
Table 6: Third Party Drum Storage Area Berm – May 27, 2013 @ 13:45 Lab # L1307179-6

Parameter	Results	Max Average Concentration (mg/L)	Max Concentration of Any Grab Sample (mg/L)
pH	6.18	6.0 – 9.0	6.0 – 9.0
TSS	<3.0	15.0	30.0
Oil & Grease	<1.0	5.0 and no visible sheen	10.0 and no visible sheen
Total Ammonia	<0.050	2.0	4.0
Total Lead	0.00136	0.01	0.02
Benzene	<0.00050	0.37	-
Toluene	**0.0271**	0.002	-
Ethyl Benzene	<0.00050	0.090	-

Table 7: Berm dewatering volumes – June 18 – 20, 2013

Date	Location	Estimated Volume Removed (m^3)
June 18, 2013	Waste Oil Tank Farm Berm (WOTF)	80 m^3
June 18, 2013	Main Tank Farm Berm (MTF) – Jet "A" Berm	240 m^3
June 19, 2013	Main Tank Farm Berm (MTF)– Cell 1	150 m^3
June 19, 2013	Main Tank Farm Berm (MTF) – Cell 2	450 m^3
June 19, 2013	Satellite Tank Farm Berm (STF)	60 m^3
June 20, 2013	3rd Party Drum Storage Area Berm	2.5 m^3

Photo 1: Boomerang Lake Road



Domestic water use for the month was estimated to be 11,350 L (11.4 m^3), drawn from Contwoyto Lake. Approximately 10,215 L (10.2 m^3) of sewage was produced and discharged to the upper sewage lake.

Domestic waste generated during the month of June was incinerated on-site each day. There was 1 bag of miscellaneous solid waste (plastics) that was sent to an approved facility in Yellowknife, NT for disposal.

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

Sincerely,
Lupin Mines Incorporated.

for Wayne Osborne
Project Manager