

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

3 October 2014

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 2014
Lupin Mine, Nunavut, License Number 2AM-LUP0914

Activities on site during the month of August involved care and maintenance only. During the period of August 12th to 19th up to 6 persons of Delta Engineering/Carter Industries Ltd stayed on site to complete work related to EPCO issued by Environment Canada on June 6th and to carry out other care and maintenance duties at site.

On August 19th Alvin Tong of SRK completed the annual geotechnical inspection of all the dams as required by the water licence. Erosion noted at Dam 3 was repaired by the crew on site . Delta/Carter remained on site until the 23rd August to perform an emergency discharge from the Sewage Lagoon as LMI had been informed that they would receive ministerial approval to do so. However since no such permission had been received by the 23rd August, Delta/Carter were asked to demob from site.

High water level in the Lower Sewage Pond continues to be concern. LMI at the date of this report are still awaiting permission to discharge from NWB.

Under approval number 8WLC-LUP1415 there was 9,000 litres of domestic water used and 9,000 litres of sewage produced. Domestic water came from Contwoyto Lake and sewage was deposited at a suitable location on land at coordinates N 65° 45' 13.9" W 111° 14' 57.3". All domestic garbage generated during the care and maintenance work this month was removed from site.

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

Sincerely,
Lupin Mines Incorporated.

George Friesen
Manager of Technical Services

CC: Patrick Downey, CEO of Elgin Mining Inc.

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