

File: 2AM-LUP1520 - Amendment No. 1

March 28, 2017

Honourable Carolyn Bennett, M.D., P.C., M.P. Minister of Indigenous and Northern Affairs Canada 21st Floor, 10 Wellington, North Tower Gatineau, QB K1A 0H4

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RE: Licence No. 2AM-LUP1520, Type "A" – Amendment No. 1

Dear Honourable Minister Bennett:

Please find attached Amendment No. 1 to Type "A" Water Licence No. 2AM-LUP1520 along with the associated Reasons for Decision, duly issued by the Nunavut Water Board (NWB or Board) to Lupin Mines Incorporated (Motion 2016-17-P11-06), pursuant to the Board's authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters* and the *Nunavut Surface Rights Tribunal Act*.

The above-mentioned Amendment primarily addresses changes to Part C, Item 1 of the terms and conditions contained in Licence No. 2AM-LUP1520 to allow for an increase in the reclamation security posted under the Licence for the Project, from \$25.5 million to \$35.65 million. Additionally, the amendment includes changes to Part I, Item 2 of the Licence terms and conditions to allow for submission of an updated Interim Closure and Reclamation Plan that reflects the increase in reclamation security for the Project along with other relevant updates. As no further changes were included in the above-referenced Amendment, the remaining terms and conditions of Licence No. 2AM-LUP1520, which authorises the use of Waters and/or the deposit of Waste for a mining undertaking, remain an integral part of this approval.

With respect to pre-licensing requirements, it should be noted that the relevant determinations or decisions that have been previously issued by the Nunavut Planning Commission (NPC)¹ and the Nunavut Impact Review Board (NIRB)² remain applicable to the Project and undertakings.

In accordance with section 56 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, the above referenced Amendment requires your approval in order to take effect and to be valid. As such, the NWB submits the attached amendment (Licence No. 2AM-LUP1520 – Amendment No. 1) and Reasons for Decision for your consideration.

If you have any questions regarding to the above, please contact the undersigned, in writing, at your earliest convenience.

Sincerely,

NUNAVUT WATER BOARD

Thomas Kabloona Chairman

TK/sj/kk

Attachments: Licence No. 2AM-LUP1520 – Amendment No. 1
Reasons for Decision

cc: Distribution – Lupin

¹ Nunavut Planning Commission Land Use Conformity Determination, February 26, 2014.

² Nunavut Impact Review Board (NIRB) Screening Decision, June 9, 2014.

LICENCE AMENDMENT No. 1

Licensee: Lupin Mines Incorporated Licence No: 2AM – LUP1520, Type "A"

Licence Issued:

Licence Expiry:

August 19, 2015

August 18, 2020

Amendment No. 1 Effective Date:

March 28, 2017

Pursuant to its authority under Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada and the Nunavut Waters and Nunavut Surface Rights Tribunal Act, with respect to an application by Indigenous and Northern Affairs Canada (INAC), dated January 22, 2016, to amend the security provisions under Part C, Item 1 of Licence No 2AM-LUP1520, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence, issued August 19, 2015 with an expiry date of August 18, 2020 shall be amended to include the following, with respect to the use of Waters and/or the Deposit of Waste at the Lupin Mine, located in the Kitikmeot Region, Nunavut, at the following general geographic coordinates: Latitude 65° 46' N and Longitude 111° 14' W.

PART C CONDITIONS APPLYING TO SECURITY

Amend Item 1 to Read:

The Licensee shall, within sixty (60) days following the approval of Amendment No. 1 to Licence No. 2AM-LUP1520 by the Minister, furnish and maintain reclamation security with the Minister in the amount of \$34.65 million dollars, in a form that is satisfactory to the Minister and consistent with the Act.

PART I CONDITIONS APPLYING TO ABANDONMENT, RECLAMATION, AND CLOSURE PLANNING

Amend Item 2 to Read:

The Licensee shall, within ninety (90) days following the approval, by the Minister, of Amendment No. 1 to Licence No. 2AM-LUP1520, submit to the Board for approval, an updated version of the Plan entitled *Interim Abandonment and Restoration Plan*, dated March 2016, to supersede the version approved under Part I, Item 1. The updated Plan shall take into consideration the *Mine Site Reclamation Guidelines for the Northwest Territories* (INAC, 2007) and the *Mine Site Reclamation Policy for Nunavut* (INAC, 2002), and address the following:

- a. Inclusion of executive summaries in English and Inuktitut for the Plan and relevant documents associated with the Plan;
- b. Revision to the effective date of the Plan;
- c. Inclusion of updated information for expired mineral and surface leases listed in Section 2.2, Table 1, of the Plan;

- d. Section 2.5, Table 2, of the Plan should include precipitation data for recent years if available. The last year of entry was 2006;
- e. Section 2.5, Table 3, of the Plan should include monthly rainfall data for recent years if available. The last year of entry was 2006;
- f. Inclusion of updated information in Section 5 of the Plan (Abandonment and Reclamation Plan History) to reflect any recent abandonment and reclamation activities conducted and not documented in the Plan;
- g. Inclusion of details in Section 7.1.3 of the Plan to address any progressive reclamation that occurred subsequent to submission of the March 16, 2016 version of the Plan:
- h. Updates, where applicable, to studies and related documents contained in Appendices A, B, C, D, E, F, G and H of the Plan.;
- i. Inclusion of detail regarding any changes in ownership of the Project undertaking;
- j. Inclusion of details regarding any changes to water and waste management structures to reflect ongoing or progressive closure and reclamation activities; and
- k. Inclusion of the updated reclamation amount posted for security with the Minister, under this amendment.

All remaining terms and conditions of Type "A" Water Licence No. 2AM-LUP1520, issued on August 19, 2015 remain applicable.

This Licence Amendment No.1 issued and recorded at Gjoa Haven, NU, on <u>March 28, 2017</u> under Motion No. 2016-17-P11-06.

Thomas Kabloona Chairperson, Nunavut Water Board	APPROVED BY:	Carolyn Bennett Minister, Indigenous and Northern Affairs Canada
	DATE:	