



Water Resources
Nunavut Regional Office
P.O. Box 100
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May 30, 2012

Phyllis Beaulieu
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Your file - Votre référence
2BE-LEP1217
Our file - Notre référence
CIDM# 529686

**Re: 2BE-LEP1217 - Lupin Exploration Project - Lupin Mines Incorporated -
Amendment Application**

Dear Phyllis Beaulieu:

Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the amendment application for water licence 2BE-LEP1217 (Lupin Exploration Project) submitted by Lupin Mines Incorporated to the Nunavut Water Board (NWB). The following advice has been provided pursuant to AANDC's mandated responsibilities for the enforcement of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA) and the *Department of Indian Affairs and Northern Development Act* (DIAND Act). In conducting our review, AANDC referred to the documents on the NWB's FTP-site under 2BE-LEP1217.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by e-mail at Jean.Allen@aadnc-aadnc.gc.ca

Sincerely,

Original Signed By

Jean Allen
Water Management Specialist

cc. David Abernethy, A/Manager of Water Resources, AANDC
Andrew Keim, A/Manager of Field Operations, AANDC



Technical Review Memorandum

To: Phyllis Beaulieu – Manager of Licensing, Nunavut Water Board

From: Jean Allen – Water Management Specialist, Aboriginal Affairs and
Northern Development Canada

**Re: 2BE-LEP1217 - Lupin Exploration Project - Lupin Mines Incorporated –
Amendment Application**

A. Background

On October 7, 2011, Lupin Mining Incorporated (a wholly indirect subsidiary of Elgin Mining Incorporated) submitted an application for a Type B water licence for an exploration program to investigate targets surrounding the Lupin Mine site. On January 25, 2012 Lupin Mining Incorporated (LMI) was issued water licence 2BE-LEP1217 for water use and waste disposal in association with the Lupin Exploration Project.

On May 4, 2012, the Nunavut Water Board (NWB) distributed LMI's application for an amendment to water licence 2BE-LEP1217 to increase water use for drilling purposes from 45 m³ per day to 240 m³ per day and to allow for the treatment and disposal of drill cuttings. Daily water withdrawal volumes have intermittently exceeded the permitted daily water use of 45 m³ per day due to the distance between the water source and the drill rig, the pumping head from Contwoyto Lake, and the necessity to avoid freeze up.

According to the water licence, water is drawn from Contwoyto Lake and nearby lakes for drilling activities. According to the application for amendment, Contwoyto Lake is the nearest lake of depth sufficient to supply continuous water to the drill rig in the winter. Drilling water will continue to be obtained from Contwoyto Lake until approximately mid-June when water sources proximal to drilling sites are available. Drill cuttings will be directed towards and allowed to settle in natural depressions in the tundra, located a minimum of 31 m from the ordinary high water mark.

B. Results

AANDC notes that, with the exception of water quantity and waste type (drill cuttings), there are no other changes indicated in the application for amendment of water licence 2BE-LEP1217. LMI is intermittently exceeding permitted daily water use of 45 m³ per day (which is in contravention of Part C, Item 1 of Water Licence 2BE-LEP1217), thus AANDC have no issues or concerns with this amendment application. AANDC offers the following comments / recommendations for the NWB's consideration.



- AANDC recommends routine monitoring for potential impacts to water quantity and quality. Should the increased water use impact the quantity or quality of water in the watershed, AANDC recommends that it be reported to NWB and the impact mitigated.
- AANDC notes outstanding conditions in water licence 2BE-LEP1217 (Part C, Item 4 which requires all water intake hoses to be equipped with screens; and Part J, Items 2 and 3 which require GPS coordinates of all locations of water use and waste deposition, respectively.). As this information becomes available, AANDC recommends that it be provided to the NWB.

cc. David Abernethy, A/Manager of Water Resources, AANDC
Andrew Keim, A/Manager of Field Operations, AANDC