



Water Resources
Nunavut Regional Office
P.O. Box 100
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August 17, 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# 554819

**Re: 2BE-LEP1217 - Lupin Mines Incorporated – Lupin Exploration Project -
Amendment No. 2 Application**

Dear Phyllis Beaulieu:

The Water Resources Division at Aboriginal Affairs and Northern Development Canada (AANDC) has performed a review of the amendment application for water licence 2BE-LEP1217 submitted by Lupin Mines Incorporated (LMI) 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* (NWNSTRA) 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. Murray Ball, 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 Mines Incorporated – Lupin Exploration Project -
Amendment No. 2 Application**

A. Background

On January 25, 2012, Lupin Mining Incorporated (a subsidiary of Elgin Mining Incorporated) was issued water licence 2BE-LEP1217 for water use and waste disposal associated with the Lupin Exploration Project, an exploration program to investigate targets surrounding the Lupin Mine site. LMI submitted an application to amend its water licence to increase water use from 45 to 240 m³ / day for drilling purposes which was approved by the NWB on June 11, 2012.

On July 19, the NWB distributed LMI's application for a second amendment to water licence 2BE-LEP1217 to include 4 additional mineral claims and one additional mining lease. No changes associated with camp use, operation schedule, water use, or waste disposal are proposed.

B. Results

AANDC notes that the purpose of the application to amend water licence 2BE-LEP1217 is to expand the surface exploration area. Since there are no changes to water use or waste deposition associated with water licence 2BE-LEP1217, AANDC have no issues or concerns with this amendment application. AANDC offers the following comments / recommendations for the NWB's consideration.

- AANDC recommends that all conditions in the water licence 2BE-LEP1217 apply to the expanded exploration area.
- The application indicates that there are no proposed changes to water use or waste disposal (Block 9). However, AANDC notes that there is a change in the source of water (new water sources and sumps proximal to new drilling targets within the expanded area). AANDC expects GPS coordinates for all locations where water is used and waste is deposited within the Lupin Exploration Project area to be submitted to the NWB in the annual report.