

P.O. Box 119 GJOA HAVEN, NU X0B 1J0 TEL: (867) 360-6338 FAX: (867) 360-6369 אבי בי בי הרבי הרבי הווא NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 2BE-LEP1217

September 25, 2012

Patrick Downey, President, CEO and Director c/o Karyn Lewis, Executive Assistant Lupin Mines Incorporated 201-750 West Pender Street Vancouver, BC V6C 2T7

Email: <u>klewis@elginmining.com</u>

RE: 2BE-LEP1217 Type "B" – Amendment No. 2

Dear Ms. Lewis:

Please find attached, Amendment No. 2 to Licence No. 2BE-LEP1217 Type "B" issued to Lupin Mines Incorporated by the Nunavut Water Board (NWB) (Motion 2012-B1-003) 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. The terms and conditions of the original Licence related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments¹ received from interested persons on the issues identified. Aboriginal Affairs and Northern Development Canada (AANDC) recommended that the GPS coordinates for all sources of water used and locations where waste have been deposited be included as part of the annual reporting requirements. Environment Canada (EC) stated that future updates to the Abandonment and Restoration (A&RP) and Spill Contingency Plan (SCP) should reflect or capture all areas where exploration activities are being undertaken. This information is attached for your consideration.

Further, the Board notes that in addition to the original Screening Decision Report issued for the project, the Nunavut Impact Review Board (NIRB) has issued correspondence² specific to Amendment No. 2, which indicates that the amendment is exempt from the requirements of screening in accordance with Section 12.4.3 of the NLCA and that the terms and conditions recommended in the original Screening Decision Report are still applicable. In addition, the

Aboriginal Affairs and Northern Development Canada (AANDC), August 17, 2012; Environment Canada (EC), August 20, 2012; and the Kitikmeot Inuit Association (KIA), August 17, 2012.

² Letter from R. Barry, Executive Director to T. Kabloona, Chairperson, NWB Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Elgin Mining Incorporated's "Lupin Exploration" project, Kitikmeot Region, dated August 13, 2012.

Board has on file a copy of the Nunavut Planning Commission's (NPC) conformity review³ associated with this project amendment.

Sincerely,

Thomas Kabloona

Nunavut Water Board, Chair

TK/sj/pb

Enclosure: Licence No. 2BE-LEP1217 – Amendment No. 2

Comments – AANDC, EC, KIA

Cc: Distribution – Kitikmeot

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³ Email from C. Tickner, NPC, to S. Hamm, Manager, Environment and Community Affairs, Elgin Mining Inc. Re: Conformity Review: Lupin, NU (2BE-LEP1217), dated June 26, 2012.

LICENCE AMENDMENT No. 2

Licensee: Lupin Mines Incorporated Licence No: 2BE-LEP1217 Type "B"

Licence Issued: January 25, 2012 Amendment No. 1: June 11, 2012 Effective Date: September 24, 2012

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 the Nunavut Surface Rights Tribunal Act, with respect to the application for amendment dated June 28, 2012, made by Lupin Mines Incorporated, the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued January 25, 2012 with an expiry date of January 25, 2017 shall be amended to include the following terms and conditions with respect to use of water and deposit of waste to allow Lupin Mines Incorporated to amend the project extents in which surface exploration activities are being undertaken for the Lupin Exploration Project to include four additional mineral claims (K14791, K14792, K14797, K15070) and one additional mineral lease (ML 3407). The project is located 285 km southeast of Kugluktuk, within the Kitikmeot Region of Nunavut.

The Licence, (Page ii), shall be amended to include the following:

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated October 7, 2011 for a new Water Licence made by:

LUPIN MINES INCORPORATED

to allow for the use of water and disposal of waste during camp operations and activities related to exploration that include prospecting, geological mapping, geophysical survey, and diamond drilling at the Lupin Exploration Project located within the Kitikmeot Region, Nunavut generally located at the geographical coordinates as follows:

Latitude: (65° 47' 28.43" N) Longitude: (111° 24' 15.51" W); Latitude: (65° 47' 30.35" N) Longitude: (110° 58' 49.19" W); Latitude: (65° 38' 30.95"N) Longitude: (110° 58' 49.58" W); Latitude: (65° 38' 29.04"N) Longitude: (111° 24' 7.13" W).

All remaining terms and conditions of the Licence 2BE-LEP1217 Type 'B" dated January 25, 2012 and the subsequent amendment, dated June 11, 2012, still apply.

This Licence Amendment issued and recorded at Gjoa Haven, NU on September 24, 2012.

Approved by,

Thomas Kabloona

Nunavut Water Board, Chair