

From: [Martin McFarlane](#)
To: licensing@nunavutwaterboard.org
Subject: Lupin and Ulu Gold Deposits
Date: Thursday, May 19, 2011 1:56:25 PM
Attachments: [Elgin announcement - Lupin purchase.docx](#)

Dear Phyllis

Earlier this year MMG commenced a sale process for the Lupin and Ulu gold assets. MMR's strategy is to grow its base metals mining business and is focused on advancing the Izok and High Lake copper and zinc projects. The gold assets are inconsistent with our strategy and therefore a sale process was conducted to find someone interested in developing the gold potential.

I want to let you know that MMG has entered into an agreement to sell our Lupin and Ulu gold properties to Toronto listed Elgin Mining. I have attached a copy of the announcement by Elgin relating to the sale. We are aiming to complete the sale by 30 June subject to satisfaction of the sale conditions which include the normal approvals and consents by the regulators as well as the replacement of the current Lupin and Ulu bonds held by Inac.

I believe that sale to Elgin is a real positive for Lupin and Ulu and brings a group who is committed to exploring to increase the size of the resource at each project and could lead to the Lupin mill being restarted if sufficient gold ore is identified.

I would be grateful if you would please convey this news to your colleagues in the Nunavut Water Board. If you would like to meet the Elgin Mining team I would be happy to put you in touch with their CEO.

If you have any questions in relation to the sale please do not hesitate to email or call me

Regards

MARTIN MCFARLANE

General Manager Investor Relations

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