

File No.: 8WLC-LUP1516

June 11, 2015

Karyn Lewis Lupin Mines Incorporated #1204 – 700 West Pender Street Vancouver, BC Canada V6C 1G8

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

Subject: 8WLC-LUP1516 – Approval Without a Licence for the Use of Waters and

Deposit of Waste at the 2015 Environmental Health and Safety Program

Project, Carried out at the Lupin Mine Site

Dear Ms. Lewis:

Please find attached Approval Without Licence (Approval) No. **8WLC-LUP1516** issued to Lupin Mines Incorporated (the Authorized Entity) by the Nunavut Water Board (NWB or Board) 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 (the Nunavut Land Claims Agreement or NLCA).* The Approval has been authorized for a period of one (1) year after the day on which the Board approves the application and includes conditions related to the use of Waters and deposit of Waste, which are an integral part of this Approval required for this type of authorization under the *Nunavut Waters Regulations* (NWR).

This Approval and the conditions contained therein permit the carrying out of activities involving the use of Waters and deposit of Waste with respect to the Application for approval. Any variation from these activities may result in a violation of this Approval and contravention of the NLCA; the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA) or the NWR. The NWB reminds the Applicant of the obligations under this Approval with respect to the reclamation and reporting, which will arise as this Approval approaches its expiry.

The Authorized Entity should note that this approval allows for the establishment or use of a camp facility, distinct from that of the main camp at the Lupin Mine site, to support the relevant activities proposed for the undertaking. Wastes generated by the camp, including Sewage and Greywater, are <u>NOT</u> allowed to be disposed of at any waste management and/or treatment facilities associated with Licence No. 2AM-LUP0914.

If the Authorized Entity contemplates the renewal of this Approval, it is the responsibility of the authorized entity to re-apply to the NWB. Note that if the Approval expires before the NWB issues a renewal, the use of Waters or deposit of Waste must cease, or the Authorized Entity will be in contravention of the NLCA and the NWNSRTA. The NWB recommends that an application for renewal of this Approval be filed at least thirty (30) days prior to its expiry date.

If the Authorized Entity contemplates changes to its undertaking involving a change in scope or increased activity, a water licence may be required. It is the Authorized Entity's responsibility to apply to the NWB for a water licence in accordance with the timelines set out for licences.

The Authorized Entity should note, as identified in the Application for the Approval to Use Waters and Deposit Waste Without A Licence, the Authorized Entity currently holds an expired Type "A" Water Licence No. 2AM-LUP0914 that applied to the carrying out of activities involving the use of Waters and deposit of Waste now included under Approval No. 8WLC-LUP1516. Although Licence No. 2AM-LUP0914 has been renewed by the NWB, it requires approval from the Minister of AANDC in order to take effect and to be valid. In the interim, however, the Board reminds the Authorized Entity that as stated in s. 46 of the NWNSRTA, the expiry or cancellation of a licence does not relieve the holder from any outstanding obligations imposed under the licence. If there are any obligations under the expired Type "A" Water Licence No. 2AM-LUP0914 that remain outstanding (such as obligations in relation to payment of water use fees, filing of plans for approval and restoration, etc.), the Authorized Entity remains responsible for addressing these obligations.

This Approval has been posted to the NWB's Public Registry and FTP site and is accessible from the following link:

ftp://ftp.nwb-

oen.ca/1%20PRUC%20PUBLIC%20REGISTRY/8%20MISCELLANEOUS/8WL/8WLC%20-%20Camp/8WLC-LUP1415%20Lupin/

Sincerely,

<Affix Chair Signature>

Thomas Kabloona Nunavut Water Board Chair

TK/sj/ri

Enclosure: Approval No.: 8WLC-LUP1516

cc. Kitikmeot Distribution List



NUNAVUT WATER BOARD APPROVAL WITHOUT A LICENCE

APPROVAL DECISION

APPROVAL NUMBER: 8WLC-LUP1516

This is the decision of the Nunavut Water Board (NWB) with respect to an application for Approval for the use of Waters and deposit of Waste without a licence, dated May 13, 2015 made by:

LUPIN MINES INCORPORATED

to authorize the use of Waters and deposit of Waste during inspection and maintenance activities at the 2015 Environmental Health and Safety Program Project carried out at the Lupin Mine Site, located within the Kitikmeot Region, Nunavut, in the Queen Maud Gulf Watershed (30), generally at the following geographical coordinates:

Project:

Latitude: 65° 47' 23" N

Latitude: 65° 47' 16" N

Latitude: 65° 40' 50" N

Latitude: 65° 40' 05" N

Longitude: 111° 20' 43" W

Longitude: 111° 08' 03" W

Longitude: 111° 07' 41" W

Longitude: 111° 20' 07" W

Camp:

Latitude: 65° 45' 54" N Longitude: 111° 14' 05"W

DECISION

After ensuring that the application satisfied the requirements of Articles 11 and 12 of the *Nunavut Lands Claim Agreement* (NLCA) regarding land use plan conformity and development impact assessment; that the application satisfied the requirements of section 3 of the *Nunavut Waters Regulations* (NWR or *Regulations*); that the undertaking satisfied the requirements of sections 4 and 5 of the *Regulations* and that the applicant agreed to comply with sections 4(3), 5(4), and 6(1) of the *Regulations*, the NWB determined that:

Approval No. 8WLC-LUP1415 has been renewed as Approval No. 8WLC-LUP1516, subject to the conditions of Schedule 1 contained therein (Motion # 2015-WL-017).

SIGNED this 11th day of June, 2015 at Gjoa Haven, NU.

<CHAIR SIGNATURE>

Thomas Kabloona Nunavut Water Board Chair

TK/sj/ri



NUNAVUT WATER BOARD APPROVAL WITHOUT A LICENCE

APPROVAL NO. 8WLC-LUP1516

Pursuant to the Nunavut Waters Regulations, Nunavut Waters and Nunavut Surface Rights Tribunal Act and the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada, the Nunavut Water Board hereinafter referred to as the Board, hereby grants to

LUPIN MINES INCORPORATED

#1204 – 700 WEST PENDER STREET VANCOUVER, BC V6C 1G8

Hereinafter called the Authorized Entity, the right to the use of Waters and/or deposit of Waste for a period of one (1) year after the day on which the Board approved the Application, subject to the conditions contained in Schedule 1 attached to this Approval:

Project Name:	2015 ENVIRONMENTAL HEALTH AND SAFETY PROJECT
Location:	KITIKMEOT REGION, NUNAVUT
Water Management Area:	QUEEN MAUD GULF WATERSHED (30)
Classification of Undertaking:	OTHER – MINE SITE INSPECTION & MAINTENANCE
Purpose:	USE OF WATERS AND DEPOSIT OF WASTE
Approval Criteria:	LESS THAN 50 CUBIC METRES PER DAY
Effective Date of Board Approval:	JUNE 11, 2015
Expiry of Approval:	JUNE 10, 2016
Dated this11 th day of	June 2015, at Gjoa Haven, NU
<chair signature=""></chair>	
Thomas Kabloona Nunavut Water Board Chair	



SCHEDULE 1 CONDITIONS FOR USE OF WATER OR DEPOSIT OF WASTE WITHOUT A LICENCE

General

1. In the case of an Authorized Entity who has a mineral right and who intends to use Waters or deposit Waste in relation to that right, the Authorized Entity shall respect the priority conferred on Inuit by section 62 of the *Act* as if that applicant had a licence for the use or deposit.

Use of Waters

2. The Authorized Entity shall take measures prior to the use of Waters to minimize any alteration to the bed or banks of a watercourse whose Waters are to be used, and the measures shall be maintained during the operation of the undertaking.

Deposit of Waste

- 3. The Authorized Entity shall not deposit Waste to surface water or within thirty-one (31) metres of the ordinary high water mark of any body of Water.
- 4. The waste must not contain more than 15 milligrams per litre of petroleum or petroleum product and must not have a visible hydrocarbon sheen.

Abandonment and Restoration

5. Prior to the closure or abandonment of the undertaking or end of the period authorized for the use of Waters or deposit of waste without a licence, whichever occurs first, the site shall be restored — to the extent practicable — to the state in which it was before the use of Waters or the deposit of Waste.^a

Record Keeping

- 6. The Authorized Entity shall:
 - a. maintain accurate and detailed books and records of:
 - i. the quantity of Water, in cubic metres, used each day,
 - ii. the quantity, in cubic metres, of Waste deposited each day,
 - iii. the type of Waste deposited each day,
 - iv. where the Waste is deposited including GPS coordinates in Latitude and Longitude,
 - v. the concentration of the substance, or substances, in the deposited solid or liquid that has the effect of making the deposit waste,
 - vi. the methodology used to calculate or determine the information referred to in items (i) to (v), and
 - vii. the measures that were taken to avoid or mitigate any adverse impacts of the deposit of waste.

WATER BOOK

SCHEDULE 1 (Cont.)

- b. keep the books and records on the site of the undertaking during the period of its operation and make them available during that period to an inspector on request;
- c. submit to the Board a report containing a summary description and supporting photographs of the restoration of the site of the undertaking within thirty (30) days after the earliest of (i) the day on which the undertaking is closed or abandoned, and (ii) the last day of the period authorized for the unlicensed use or deposit;^b and
- d. keep the books and records for two years after submitting the report describing the restoration of the site and undertakings.

- a) A site need not be restored prior to the end of the period authorized for the use of Water or the deposit of Waste without a licence, as required by Item 5, if the Board issues a licence for the use of Water or deposit of Waste on that site prior to the end of that period.
- b) The Authorized Entity need not submit the report referred to in Item 6 (c) if the Authorized Entity obtains the Board's renewed approval for a use of Water or deposit of Waste without a licence, or a licence for a use of Water or deposit of Waste on the same site within thirty (30) days after the last day of the period previously authorized.