



September 5th, 2014

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU
X0B 1J0

Email: licensing@nunavutwaterboard.org

Dear Ms. Beaulieu,

Re: CanZinco's Response to Pre-Hearing Conference Decision List of Commitments

I am writing to you regarding CanZinco's response to the List of Commitments identified in Appendix C of the Nunavut Water Board's (NWB) *Pre-Hearing Conference Decision* for the renewal and amendment of Licence 1AR-NAN0914 for reclamation activities at the former Nanisivik Mine. The majority of the items identified in the list are identified as being the responsibility of CanZinco. CanZinco's response to those items is summarized as follows:

- **Commitment 1: Updated Abandonment and Restoration Plan**
As noted in CanZinco's August 29th, 2014, correspondence to the NWB, a short delay in the submission of the updated Abandonment and Restoration Plan (A&R Plan) will be incurred due to additional time required to process and analyze the last suite of soil samples taken from the hydrocarbon-contaminated soil at Nanisivik. CanZinco anticipates being able to submit an updated A&R Plan by September 15th, 2014.
- **Commitment 2: Landfill Design, Operation and Conceptual Closure Plan**
The plan is attached to this correspondence. In summary, the landfill is intended to contain non-hazardous wastes which may be generated during ongoing remediation and monitoring activities, including:
 - Metal reinforcement bars;
 - Non-reusable sheet metal and scrap steel; and
 - Geomembrane liners.

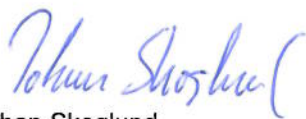
The total quantity of non-hazardous waste to be placed in the landfill is expected to be around 50 m³. The preferred location for the landfill is the former outdoor warehouse yard, located three kilometers south of the dock area. The waste will be covered by soil and a geomembrane liner to isolate it from contact with wildlife. The landfill will be shaped to prevent ponding of water and to conform to existing topography. As the materials are non-hazardous and permafrost aggradation into the landfill is not necessary, a 60 cm thick soil cover is proposed. The performance of the landfill installations will be monitored as part of the annual geotechnical inspection conducted at the mine site.

- **Commitment 3: Confirmation of Requirements for additional Land Use Permits for proposed Landfill**
The proposed landfill is located on land administered by the Government of Nunavut. CanZinco has made several attempts to contact the Lands Administration of the Government of Nunavut but has not received a response as to whether additional land use permits are required for the proposed landfill. Continued attempts to resolve this question will be done in preparation for the public hearing.

- **Commitment 4: Remediation Confirmatory Soil Sampling**
A description of the NWB-approved excavation confirmation sampling protocol is attached to this correspondence along with a recommended stockpile sampling protocol.
- **Commitment 5: Copy of Memorandum Of Agreement**
This commitment is the responsibility of the Department of National Defence and the Department of Fisheries and Oceans Canada.
- **Commitment 6: Update on Surrendered, Active and Renewed Land Leases**
The status of CanZinco's leases is detailed in section 6, 'Nature of Interest in the Land', of the Application for Water License Amendment dated November 14, 2013. At this time, there has been no change in the status of land leases associated with Crown Lands, Territorial Lands, and Commissioners Lands relative to the information provided in the Application. As stated previously, it is CanZinco's intention to update its leases to align with current land uses and needs and repeated attempts have made to progress this with the relevant government bodies. However, to date these attempts have not been successful which may partly be explained by changes in responsible personnel at both AANDC and the Government of Nunavut. Continued efforts to progress this item will be done in preparation for the public hearing.
- **Commitment 7: Updated Schedule for Implementation of Abandonment and Reclamation Plan**
The schedule for implementing the A&R Plan is dependent upon the final results of soils samples currently being processed and analyzed. A new schedule will be included in the Updated A&R Plan as noted in CanZinco's response to Commitment 2.
- **Commitment 8: Overview of Methodology used to Develop Site Specific Remediation Objectives**
An overview of the methodology used by CanZinco to develop site specific remediation objectives (SSROs) for the diesel component (F2) present in soil at Nanisivik is attached to this correspondence. The work uses soils from the dock site to develop a remediation objective that reflects the specific contaminant profile, soil characteristics and plant and soil invertebrate species that exist at the site. This is intended to produce a more accurate and relevant soil remediation objective than the generic guideline currently applied.

I hope that CanZinco's response to these items, including the attached documents, satisfies the NWB's requirements. Please do not hesitate to contact me should you require any clarifications or further information.

Sincerely,



Johan Skoglund
CanZinco Mines Ltd.

Attachments:

1. Nanisivik Mine Non-Hazardous Waste Landfill
2. Remediation Confirmation Soil Sampling Methodology
3. Overview of methodology/approach involved in developing Site Specific Soil Remediation Objectives for pre-determined project areas of the Nanisivik dock site