



Crown-Indigenous Relations
and Northern Affairs Canada

Relations Couronne-Autochtones
et Affaires du Nord Canada

Executive Summary

Public Hearing
Renewal Application

Water Licence #1AR-NAN1419
Nanisivik Mine Site
Canzinco Mines Ltd.
Nyrstar Canada (Holdings) Ltd.
Qikiqtani Region, Nunavut

November 18, 2019

Executive Summary, Public Hearing
Water Licence #1AR-NAN1419, Renewal Application

The Nanisivik Mine Property is a past-producing zinc mine located in Canada's High Arctic approximated 30 km East of Arctic Bay, Nunavut. The mine operated from 1976 until 2002. Since closure, Canzinc Ltd., a wholly owned subsidiary of Breakwater Resources Ltd. has implemented its closure and reclamation plan (approved 2004), including water quality and geotechnical monitoring for the Nanisivik Mine Site. As of August 26, 2011, Breakwater Resources Ltd. was purchased by Nyrstar Canada (Holdings) Ltd., a wholly-owned subsidiary of Nyrstar NV., however, the reclamation activities continue to be carried out by Canzinc Ltd. During the last five years Canzinc Ltd. has continued to carry out its water licence monitoring requirements and has remediated the remaining contaminated soil from past operations.

Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) is an interested party in the Nunavut Water Board's review of Canzinc's application to renew and amend its Type A Water Licence #1AR-NAN1419 for the Nanisivik mine site property which will expire on December 22, 2019. The proposal is to renew the Type A Water Licence for a period on 10 years.

To demonstrate that the Nanisivik mine site is physically and chemically stable the Canzinc Ltd. has proposed with this water licence renewal and amendment to undertake:

1. Six monitoring events of the Nanisivik mine site over the next 10 years;
2. A reduction on their current geotechnical monitoring frequency to a single monitoring event per year;
3. A reduction in monitoring stations and analytical parameters; and,
4. An update of the closure cost estimate.

CIRNAC is satisfied with the renewal application, and the geotechnical and water quality monitoring plan that was submitted with the application for the next 10 years.

The licensee has proposed a reduced security holding of \$800,000, which includes \$600,000 for monitoring (\$100,000 per monitoring event) and \$200,000 for contingencies. CIRNAC has proposed a different amount for reduced security holding of \$1,000,000. This would include \$600,000 for monitoring (same as licensee) and \$400,000 for contingencies, such as site stability.

CIRNAC confirms at this time that the remaining buildings on the former mine site are on Commissioner's land, which is administered by the Government of Nunavut.