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NWB1NAN0208
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July 12, 2004

Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0E 1J0

Via electronic mail to:
licensing@nwb.nunavut.ca

Re: NWB1NAN0208 - Nanisivik Mine 2003 Annual Water Report

On behalf of Indian and Northern Affairs Canada (INAC), I would like to thank the Nunavut Water Board (NWB) for the opportunity to provide comment on the Nanisivik Mine 2003 Annual Water Report (the Annual Report) submitted by CanZinco Ltd. (the Licensee) in accordance with Part B, Item 6 of Water Licence NWB1NAN0208 (the Current License).

The Licensee has set out the Annual Report in a manner that clearly addresses each of the requirements of Part B, Item 6 of the Current License. While our review of the Annual Report found that information was provided in each of the areas required by the Current License, INAC would like to take this opportunity to provide comment on the information content therein:

Part B, Section 6, Item vi

1. INAC acknowledges that the Licensee has included a revised budget in Appendix F. As this budget was the product of 2004 activity, it will not be reviewed as part of the 2003 Annual Report. INAC looks forward to the submission of the Licensee's quarterly and annual reclamation reports, and will undertake review of reclamation progress and budgetary considerations at that time.

Part B, Section 6, Item viii

1. Constantine Bodykovich is an INAC Water Resources officer, and did not represent Fisheries and Oceans Canada
2. Ken Russell and James Leo Noble are INAC Resource Management Officers, and did not represent Environment Canada

Part B, Section 6, Item ix a

1. Part C, Section 2 of the Current License permits the Licensee to obtain not more than 180,000 m³ water from East Twin Lake, unless otherwise approved by the NWB.
2. Part C, Section 3 of the Current License provided the Licensee thirty (30) days from the issuance of the License to submit a revised water quantity estimate to the Board. This estimate was to provide the anticipated water quantity requirements, based on the scope of the Current License. INAC's records indicate that, while Breakwater Resources Ltd. submitted a letter to the NWB on November 7, 2002, with respect to the recently issued Water License, no revised water quantity estimate under Part C, Section 3 was included therein. If the Licensee has since obtained NWB approval for the draw of >180,000 m³ /year water from the East Twin Lake, INAC requests that this documentation be referenced in the Annual Report.
3. The Licensee reports drawing 187,172 m³ water from East Twin Lake in 2003. In the absence of the documentation requested above, this is in excess of the water quantity authorized by the Current License. The Annual Report notes that all of the water used was directed to the town site, and that no was water used for industrial purposes. INAC therefore requests that:
 - a. The Licensee provide an explanation of the excessive quantity of water used, given that the Nanisivik town site was largely uninhabited in 2003.
 - b. The Licensee provide the NWB with a revised water use estimate, accounting for the increased water use that would be anticipated with the commencement of reclamation activities.

Please do not hesitate to contact me if there are any questions or concerns.

Best regards,

Original signed by:

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