



May 30th, 2013

Mr. Damien Côté
Executive Director
Nunavut Water Board
Gjoa Haven, NU

By email: damien.cote@nunavutwaterboard.org

Dear Mr. Côté,

Re: Renewal of Water Licence 1AR-NANA0914 (Reclamation and Post-Closure Monitoring of the Nanisivik Mine Site)

Background

On March 31st, 2014, CanZinco Limited's "Type A" water licence (1AR-NANA0914) for reclamation and post-closure monitoring activities at the former Nanisivik Mine will expire. A water licence renewal is required in order to complete the remaining reclamation work and to continue monitoring the site. CanZinco's parent company, Nyrstar Canada (Holdings) Ltd., has begun preliminary work in advance of its application to the Nunavut Water Board (NWB). Nyrstar anticipates submitting an application to the NWB in early August, 2013. A renewed licence would authorize Nyrstar to continue to:

- Discharge effluent from the West Twin Disposal Area;
- Conduct geotechnical and water quality monitoring; and
- Complete remediation of petroleum hydrocarbon (PHC) contaminated soil in the former fuel tank farm area.

The proposed scope and requirements of the new licence are likely to be similar to that of the existing licence. Specifically, the water quality monitoring program will most likely remain unchanged relative to the program implemented since 2009. With respect to geotechnical monitoring, there may be an opportunity to focus future geotechnical monitoring on the crucial active period of July to September as the winter and spring monitoring currently carried out has established stable geothermal trends.

Future Class of Water Licence

As part of our initial permitting preparations, we have evaluated what type of licence is most appropriate for the remaining reclamation and post-closure works at Nanisivik. This evaluation has included a comparison of proposed activities against Schedules 2 and 3 of the *Nunavut Water Regulations*. Based on this comparison, Nyrstar is of the opinion that a "Type B" water licence would be the most appropriate authorization. In particular, it should be noted that current and foreseen activities at Nanisivik do not include any uses or water or deposition of waste.

The form of licence issued should match the scale of the proposed undertaking. Type A water licences are appropriate for large-scale operations with a high potential to impact water resources. However, after 10 years of successful mine reclamation¹, the reduced administrative requirements and expedited timelines associated

¹ Including being recognized by Environment Canada as a closed mine under the Metal Mining Effluent Regulations on July 30, 2006

with a Type B water licence appear more appropriate in the case of Nyrstar's proposed undertaking. In this regard, it may also be useful to note that other reclamation projects of similar scale and nature, such as the various DEW Line Clean-Up projects, are carried out under Type B water licences.

Our review of the *Nunavut Water Regulations*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, and the *Nunavut Land Claims Agreement* has not identified anything that suggests that the NWB is prevented from issuing a Type B licence for the renewal of an undertaking that was previously authorized through a Type A licence.

In light of the foregoing, Nyrstar respectfully requests that the NWB consider this issue and confirm whether there are any obstacles that would prevent Nyrstar from proceeding with a Type B water licence application.

I thank you for your consideration of this matter and look forward to your response.

Sincerely,



Johan Skoglund
Group Environment Manager, Americas

Copied:

Phyllis Beaulieu, NWB Manager of Licensing
Arlene Laudrum, SRK Consulting
Patrick Duxbury, RT Associates