

**Zinifex** Canada Inc.

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1159 Alloy Drive  
Thunder Bay  
Ontario  
Canada P7B 6M8

Telephone 807 346 1668  
Fax 807 345 0284  
Email [info@zinifex.com](mailto:info@zinifex.com)

[zinifex.com](http://zinifex.com)

June 2, 2008

Phyllis Beaulieu  
Manager of Licensing  
PO Box 119  
GJOA HAVEN NU X0B 1J0

Dear Ms Beaulieu

**Amendment to Water License 2BE-HG0712**

Zinifex Canada Inc. (formerly Wolfden Resources) would like to apply for an amendment to our existing water permit (2BE-HG0712 exp. May 2012). We are just requesting to expand the area of work to a group of claims further to the south and to some claims to the south-east.

These areas are positioned on Inuit owned lands (surface rights only) and a portion sits on DIAND land. We have obtained a Land Use Permit for staking, prospecting and geophysics (KTL108C002) and will be applying to the KIA to amend the license to include diamond drilling. We will also be submitting an application to amend our existing DIAND permit (N2007C0009) to include these areas.

Please find attached:

- 1) The water application requesting an amendment to the existing permit.
- 2) Accompanying map detailing the areas of interest.
- 3) A cheque for \$60 to cover the \$30 application fee and \$30 water use fee.

I will forward a translated summary of the project as soon as I receive it. We have an existing Remote Camp Questionnaire on file with your office.

If you have any questions regarding this matter, please do not hesitate to call me at your convenience. I may be reached by phone in Thunder Bay at 807-346-1668, at the High Lake camp (403)450-1590 or by e-mail at [jason.rickard@zinifex.com](mailto:jason.rickard@zinifex.com).

Regards



Jason Rickard  
Project Manager

Tel: 807 346 1668  
Fax: 807 345 0284  
Email: [jason.rickard@zinifex.com](mailto:jason.rickard@zinifex.com)



**Zinifex** Limited  
ABN 29 101 657 309

Freshwater Place  
Level 29  
2 Southbank Boulevard  
Southbank Victoria  
Australia

**ZINIFEX CANADA INC.**  
 401 - 1113 JADE COURT  
 THUNDER BAY, ON P7B 6M7  
 Tel: (807) 346-1668 Fax: (807) 345-0284

**ROYAL BANK OF CANADA**  
 20 KING STREET W., LOWER LEVEL  
 TORONTO, ONTARIO M5H 1C4

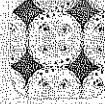
008497

05-31-2008  
 MM-DD-YYYY

PAY \*\*\*\*\* SIXTY AND XX / 100 \*\*\*\*\*

\$ 60.00

TO THE  
 ORDER  
 OF **Receiver General of Canada**  
 C/O Nunavut Water Board  
 P.O. Box 119  
 Gjoa Haven, NU  
 X0B 1J0



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ZINIFEX CANADA INC.

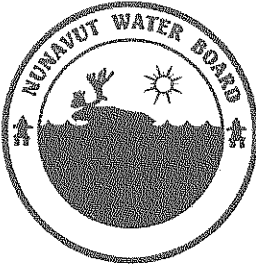
Vendor: 000120 Receiver General of Canada

31-May-2008

008497

Invoice	Invoice Date	Voucher	Description	Gross	Discount	Net
HL-WATER USE FEE	30-May-2008	08-001859		60.00	0.00	60.00

Total 60.00



P.O. Box 119  
 GJOA HAVEN, NU X0B 1J0  
 TEL: (867) 360-6338  
 FAX: (867) 360-6369

kNK5 wmoEp5 vtmpq  
 NUNAVUT IMALIRIYIN KATIMAYINGI  
 NUNAVUT WATER BOARD  
 OFFICE DES EAUX DU NUNAVUT

## WATER LICENCE APPLICATION FORM

Application for: (check one)

☐ New      ☐ Renewal      ☒ Amendment      ☐ Assignment      ☐ Cancellation

**LICENCE NO:**  
 (for NWB use only)

<p><b>1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE</b></p> <p>Zinifex Canada Inc.          Suite 200, 1159 Alloy Drive          Thunder Bay, Ontario, P7B 6M8</p> <p>Phone: <u>807-346-1668</u>          Fax: <u>807-345-0284</u>          e-mail: <u>jason.rickard@zinifex.com</u></p>	<p><b>2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)</b></p> <p>Zinifex Canada Inc.          Suite 200, 1159 Alloy Drive          Thunder Bay, Ontario, P7B 6M8</p> <p>Phone: <u>807-346-1668</u>          Fax: <u>807-345-0284</u>          e-mail: <u>jason.rickard@zinifex.com</u></p>
<p><b>3. LOCATION OF UNDERTAKING</b> (describe and attach a topographical map, indicating the main components of the Undertaking)</p> <p>Latitude: (67°22'42" N)      Longitude: (110°50'30" W)          NTS Map Sheet No. <u>76M/7</u> Scale: <u>1:50,000</u></p>	
<p><b>4. DESCRIPTION OF UNDERTAKING</b> (attach plans and drawings)</p> <p>Zinifex currently has a Water License (2BE-HG0712 exp. May 2012) covering exploration activities based out of the High Lake camp.</p> <p>Zinifex is applying for an amendment to the existing Water License to include an expanded area of work. The areas of work are a group of claims further to the south and to some claims to the south-east of the current area covered by the permit. The main water using components of the undertaking include the supply of water to 3 diamond drills. The attached map shows the locations of the existing High Lake camp and the areas for proposed diamond drilling. Proposed drilling in these areas will total about 20,000m. Surface geophysics and prospecting will also be conducted in the region. Personnel for both of these undertakings as well as the appropriate support staff will be based from the 35 man camp at High Lake.</p> <p>Other planned activities for the field season include:          Transport and storage of fuel to the High Lake site for operations          Transport of drill core to camp for logging, sampling and storage          Inspection and reclamation of drill set-ups upon drill hole completion</p>	

**5. TYPE OF PRIMARY UNDERTAKING** (A supplementary questionnaire must be submitted with the application for undertakings listed in "**bold**")

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Industrial</b>  | <input type="checkbox"/> <b>Agricultural</b>                    |
| <input checked="" type="checkbox"/> <b>Mining and Milling</b> (includes exploration/drilling) | <input type="checkbox"/> <b>Conservation</b>                    |
| <input type="checkbox"/> <b>Municipal</b> (includes camps/lodges)                             | <input type="checkbox"/> <b>Recreational</b>                    |
| <input type="checkbox"/> <b>Power</b>   | <input type="checkbox"/> <b>Miscellaneous</b> (describe below): |

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

**6. WATER USE**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> To obtain water                 | <input type="checkbox"/> Flood control                                    |
| <input type="checkbox"/> To cross a watercourse                     | <input type="checkbox"/> To divert a watercourse                          |
| <input type="checkbox"/> To modify the bed or bank of a watercourse | <input checked="" type="checkbox"/> To alter the flow of, or store, water |
| <input type="checkbox"/> Other (describe):                          |   |

Water will be used to supply the drills and camp (showers, kitchen, laundry, rock saw). This will necessitate the temporary storage of water in large tanks located at the drills, the camp and the core shack.

**7. QUANTITY OF WATER INVOLVED** (cubic metres per day including both quantity to be used and quality to be returned to source)

- Water use** ☒ 100m<sup>3</sup>/day or less  
☐ Greater than 100m<sup>3</sup>/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

**Water returned to source**  
90 m<sup>3</sup>/day

**8. WASTE** (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Sewage                  | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste             | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous               | <input checked="" type="checkbox"/> Sludges   |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Other describe):     |

Sewage – Pacto toilets are used containing all human waste in doubled plastic bags which are collected daily and incinerated along with other burnable solid and semi solid wastes.

Greywater – approx. 5m<sup>3</sup> per day. Grey water is settled in tanks then pumped to a natural sump behind camp and approximately 100m from the nearest water body. This water is from the kitchen sink, dry sinks, and showers and will contain at times small food particles, animal fats and soap/shampoo residues.

Sludges – approx. 75m<sup>3</sup> of water is circulated through the 3 drills during a day of drilling. Cuttings will be disposed of in a properly constructed sump or an appropriate natural depression located at a distance of at least thirty (30) metres from the ordinary high water mark of any adjacent water body. A long drill hole may produce up to 1m<sup>3</sup> of this material for disposal. Salt used occasionally down the hole to prevent freezing is sufficiently diluted by water to be insignificant as a constituent of these sludges.

Waste oil – waste oil is collected and stored in sealed 45 gallon drums clearly marked as to their contents and removed from site by aircraft to be disposed of in Yellowknife at the incineration facility.

Bulky Items/Scrap Metal – All scrap metal is collected and stored in 45 gallon drums which are wired shut and then removed from site by aircraft to be disposed of in Yellowknife at the refuse facility.

Solid Waste – All burnable solid waste is incinerated in a diesel fired forced air furnace located onsite and capable of disposing 64 Kg of waste/hour (rating as listed on furnace supplied from Westland Incinerators). This waste includes kitchen wastes, sewage, paper, cardboard, any fuel or oil soaked materials and plastics. An estimated 6 large garbage bags of waste are incinerated on a daily basis. Ashes and any un-burned material are removed on a daily basis and put in 45 gallon drums for removal from site.

Hazardous Materials – No hazardous materials are stored or made use of onsite with the exception of lead-acid batteries and petroleum products. Lead-acid batteries are removed from site for disposal in

Yellowknife.

**9. OTHER PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING** (give name, mailing address and location; attach if necessary)

**Land Use Permit**

DIAND

☒ Yes    ☐ No    If no, date expected \_\_\_\_\_

Regional Inuit Association

☒ Yes    ☐ No    If no, date expected \_\_\_\_\_

Commissioner

☐ Yes    ☐ No    If no, date expected \_\_\_\_\_

**10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES** (direct, indirect, cumulative impacts, etc.)

The region in question does not fall along migration routes and therefore does not directly impact the wildlife that make use of these routes. High Lake itself has shown to be void of fish by independent environmental studies conducted by Gartner Lee limited in 2004. This corresponds to historical records of the property dating back to the initial occupation of the present camp location in the 1950's. Nonetheless, water intakes are equipped with screens. Large mammals and other species of birds are rarely seen in the vicinity of the camp. Geophysics will occur predominantly during the winter months and so will have a minimal impact on local vegetation. Apart from the localized activity surrounding the immediate area of the camp and drill sites, vegetation will not be greatly impacted. Direct impacts on the environment would therefore be fairly limited.

Removal of water volume from proposed water bodies would of course be one direct impact. Some local noise around the camp (from generator), around the proposed drill sites, and from the helicopter and occasional aircraft is to be expected.

NIRB Screening    ☒ Yes    ☐ No    If no, date expected \_\_\_\_\_

**11. INUIT WATER RIGHTS**

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

No.

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

**12. CONTRACTORS AND SUB-CONTRACTORS** (name, address and functions)

Major Drilling  
337 Old Airport Rd.  
PO Box 1377  
Yellowknife, NT  
X1A 2P1

-contracted to provide all diamond drilling  
Phone 867 873-3358

Gartner Lee Limited  
840 7<sup>th</sup> Ave. SW. suite 1605  
Calgary, Alta.  
T2P 3G2

-contracted to perform environmental base line studies  
Phone 403 262-4299

Great Slave Helicopters  
Bag 7500  
Yellowknife, NT  
X1A 2R3

-contracted to provide helicopter transportation on site  
Phone 867 873-2081

5136 Nunavut Ltd  
Box 34 - #9 Nanook Road  
Cambridge Bay, NT  
X0B 0C0

-contracted to provide cooking staff and first aid  
Phone 604 736-8142

Discovery Mining Services  
101-487 Range Lake Rd  
PO Box 2248  
Yellowknife, NT  
X1A 3R9

-contracted to provide expediting services  
Phone 867 920-4600

**13. STUDIES UNDERTAKEN TO DATE** (list and attach copies of studies, reports, research, etc.)  
The reader is referred to the Project Proposal submitted to the Nunavut Impact Review Board and all involved parties, including the Nunavut Water Board for the High Lake mine development project for a comprehensive listing of the environmental baseline studies, impact assessments and monitoring and mitigation plans for the site. A CD copy of this document is attached to this application.

**14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN**

Supplementary Questionnaire (where applicable: see section 5) ☐ Yes ☐ No If no, date expected \_\_\_\_\_

Inuktitut and/or Inuinnaqtun/English Summary of Project ☐ Yes ☒ No If no, date expected June 9

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected \_\_\_\_\_

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected \_\_\_\_\_

**15. PROPOSED TIME SCHEDULE** (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: April 1, 2007 Completion Date: April 1, 2012

Jason Rickard  
Name (Print)

Project Manager  
Title (Print)

  
Signature

June 2, 2008  
Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ \_\_\_\_\_ Pay ID No.: \_\_\_\_\_

WATER USE DEPOSIT Amount: \$ \_\_\_\_\_ Pay ID No.: \_\_\_\_\_





