



Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

Your file - Votre référence
NWB file #: 2BE-HIG0712
Our file - Notre référence
File # / CIDMS #: 238362

July 21, 2008

Richard Dwyer, Licensing Administrator
Nunavut Water Board P.O. Box 119
Gjoa Haven, NU X0A 1J0
Ph: (867)360-6338 ext. 29
Fax: (867)360-6369
Email: licensingadmin@nunavutwaterboard.org

Re: 2BE-HIG0712 - Amendment 2 - Zinifex Canada Inc. - Type B Water License - High Lake Project

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of an application to amend Zinifex Canada Inc.'s NWB License # 2BE-HIG0712 – High Lake Project. Zinifex is requesting to expand the area of exploration activities, including drilling, noted in the existing license, to a group of claims further to the south and south-east of the existing site. All associated documents related to this license posted on your ftp site were included in my review.

As a result of the review INAC recommends that the Nunavut Water Board consider the following comments when approving this amendment application.

DRILLING OPERATIONS (number of comments)

- For drilling operations on ice, the proponent should ensure that all drill cuttings are placed in drill holes, sumps, or removed from the project area for appropriate treatment. All sumps shall be backfilled and contoured to prevent precipitation run-off collection prior to the end of the project field season.
- The proponent should explain how diamond drill return-water will be managed in a manner that will not pose a negative impact on the quality of nearby freshwater sources. The proponent is advised to consider using hot water rather than drill additives to support permafrost drilling operations as a means of protecting freshwater quality or explain how the salt water will be handled to minimize negative effects.
- Drill additives or mud should not be used with holes drilled through ice unless the mud is re-circulated and contained and all drill cuttings are removed from the ice surface.

CAMPS / WASTE WATER DISPOSAL

- All sumps, whether for the disposal of grey water or drilling wastes, should be positioned at least 30 m from the high water mark of nearby water bodies. Furthermore, all sumps should be backfilled, mounded to facilitate the shedding of water and contoured to match the surrounding landscape prior to the end of the projects field program.

SPILL CONTINGENCY / HAZARDOUS MATERIALS

- The Spill Contingency Plan should clarify that all fuel catches will be located above the high mark of any water body. Further, secondary containment, such as a self-supporting berm, is recommended when storing barreled fuel on-site.
- The Response Action, of the Spill Contingency Plan should make reference to the Nunavut Spill Report Line and include a copy of the Nunavut Spill Report Form. This form can be obtained from the Nunavut Water Board public registry at <http://www.nunavutwaterboard.org> . Please note that the 24-hour Spill Report Line telephone number is (867) 920-8130 and facsimile number is (867) 873-6924. Furthermore, INAC requests the proponent report all spills to Peter Kusugak, INAC Manager of Filed Operations, phone: 867-975-4295, fax 867-975-6445 as well as the Nunavut Spill Report Line.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at Culla@ainc-ianc.gc.ca.

Sincerely,

Original Signed By

Andrea Cull
Water Management Specialist

Cc: Kevin Buck- Water Resources Manager- INAC