



July 25th, 2014

Ms. Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

NWB File #: 8BC-NNF

Dear Ms. Beaulieu,

Re: Type B Licence Application for the Department of National Defence's Nanisivik Naval Facility

Thank you for your message of June 25th, 2014, providing interested parties an opportunity to comment on the Department of National Defence's (DND) Type B Licence application for the proposed Nanisivik Naval Facility (8BC-NNF). As the former operator of the past-producing Nanisivik Mine, CanZinco Mines Ltd. may potentially be affected by DND's undertaking as the proposed activities might impact CanZinco's past and present efforts to successfully reclaim the former mine site.

Consistent with the comments that CanZinco provided to the Nunavut Impact Review Board during the project screening, CanZinco is concerned that construction and operation of the Nanisivik Naval Facility has the potential to disturb a number of reclaimed mine components that overlap with the project footprint identified by DND. There are also areas actively undergoing reclamation that could also be affected. Consequently, to ensure that any future development proposed at Nanisivik does not negatively impact the reclamation efforts, CanZinco has identified the following exclusion areas for the NWB's consideration:

1. The Nanisivik Naval Facility is proposed to be constructed in an area where significant industrial activity took place for over 25 years, and during which a number of localized areas of contamination were generated or waste deposited. Over the past decade, CanZinco has made significant efforts to reclaim the site, and to date, the majority of the work has been completed. However, the information currently available on the NWB registry does not demonstrate how DND's project will interact with reclaimed mine components, which could become a source of contamination if disturbed. In fact these sites do not appear to be identified at all. For example, a key reclamation concept employed by CanZinco has been the use of engineered covers to isolate and encapsulate contaminants and waste from the environment. Without a good understanding of the unique characteristics and history of the mine site, an outside party might view these covers as a convenient source of aggregate for construction and by excavating into them, unknowingly compromising the thermal characteristics of the cover and expose contaminated materials to the environment.
2. In addition to previously reclaimed areas, there are certain areas undergoing active reclamation that need to be avoided, especially since those components are located in the direct footprint of the proposed facility. CanZinco's soil treatment areas, as well the vegetation trial test plot area directly adjacent to the biopiles must be avoided until soil reclamation activities are complete and laboratory test results have confirmed that the established soil quality remediation objectives are met.

Based on the considerations outlined above, CanZinco recommends that the NWB require DND to identify all areas of the Nanisivik Mine that should be excluded from undertaking work.

If requested, we are willing to work with DND to share our extensive knowledge of the site and conditions to be found there. We also note that this information is already available on the NWB's FTP site as part of the record of previous Nanisivik Mine water licenses. Monitoring reports documenting current conditions of the soil covers and soil remediation progress reports are submitted annually to the NWB.

We appreciate the opportunity to provide these comments and recommendations and look forward to participating in NWB's licence process.

Sincerely,

A handwritten signature in blue ink that reads "Johan Skoglund".

Johan Skoglund
CanZinco Mines Ltd.

Copied:

Geoff Claypool, BGC Engineering
Arlene Laudrum, SRK Consulting
Patrick Duxbury, RT Associates