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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

April 30, 2008

File No. 1AR-NAN0208/Renewal

Mr. Robert Carreau
Vice-President
CanZinco Limited
95 Wellington St. West,
Suite 950
Toronto, ON M5J 2N7
Email: bcarreau@breakwater.ca

Re: Application for Renewal

Dear Mr. Carreau,

On April 23, 2008, the Nunavut Water Board (NWB or Board) acknowledged receipt of your water licence application renewal dated February 21, 2008. In addition, as the application was incomplete, under separate cover of the same date, the Board requested confirmation of the following documentation necessary to form a complete application:

1. Water Licence Application Form (received February 21, 2008)
2. 2006 Annual Report, dated March 31, 2007; and
3. Quarterly Report (1st, 2nd, 3rd, 4th) for 2007

The Board also wrote to CanZinco Limited on February 14, 2008 with regards to the application for *amendment* of the water licence received September 26, 2006. The Board has decided to incorporate the request for amendment into the application for renewal. Preliminary comments on the original amendment request have been received from Environment Canada, Government of Nunavut-Department of Environment, and Indian and Northern Affairs-Nunavut and may be obtained from the board's ftp site at the following link. <http://nunavutwaterboard.org/ftp>

Significantly, the current water licence No. NWB1NAN0208 has expired May 1, 2008. Given the limited time available to process the application the Board reminds Canzinco Limited (CL) that the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWSRTA or Act)* Section 46 states:

The expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence.

As such, NWB1NAN0208 obligations remain in effect upon license expiry. The Board will complete the water licensing regulatory process and make a decision on the application. As you know, the options (or licensing decisions) facing the Board are to proceed with review of the Type A application and depending upon whether the license become a Type B and public concerns related to that, a determination on whether or not a public hearing is warranted.

By copy of this letter to the Nunavut Impact Review Board (NIRB) we are requesting confirmation of any jurisdiction it may have regarding decisions triggered by this application that are related to Article 12 of the NLCA. If NIRB does have jurisdiction, in order to streamline the process and improve efficiency, the NWB would support a joint review process and take advantage of the same review period with NIRB.

At this time by copy of this letter to interested parties and NIRB, the Board is requesting comments on the concerns raised by this letter and license options. Your comments are due **May 30, 2008** and should be sent to the attention of Phyllis Beaulieu, Manager of Licensing at licensing@nunavutwaterboard.org or the address provided above and as courtesy to the NIRB to Leslie Payette, Manager Environmental Administration at lpayette@nirb.ca .

Should any party require clarification please contact the undersigned.

Regards,

Original signed by:

Phyllis Beaulieu
Manager of Licensing

DF/pb

Cc: Leslie Payette, NIRB
Qikiqtani Distribution List
Hamlet of Arctic Bay