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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File No.: 1AR-NAN0914/Amendment-Renewal

May 2, 2014

Johan Skoglund
CanZinco Mines Ltd.
c/o Nyrstar Canada (Holdings) Ltd.
2840 – 650 West Georgia Street
P.O. Box 11552 Vancouver, BC V6B 4N8
Email: johan.skoglund@nyrstar.com

Re: Licence No. 1AR-NAN0914, Type “A”; Nanisivik Mine Site Remediation Project - Notice of Application and Commencement of Technical Review

Dear Mr. Skoglund:

Further to the Nunavut Water Board’s (NWB or Board) January 19, 2014 and April 2, 2014 correspondence¹ regarding CanZinco Mines Ltd. (Licensee or Applicant) renewal-amendment application (Application) for Licence 1AR-NAN0914, issued for remediation of the Nanisivik Mine site, the NWB has reviewed the Application, interveners’ submissions² pertaining to Information Requests (IRs) and initial completeness of the Application, and the Applicant’s responses to interveners’ submissions³. Based on the Applicants’ submissions and the comments received, the NWB has determined that the Application can proceed to the next stage(s) of the licensing process, subject to the directions of the Nunavut Planning Commission (NPC) and the Nunavut Impact Review Board (NIRB) regarding pre-licensing considerations as indicated in the Board’s previous correspondence.

The comments received from interveners, the Applicant’s submissions, and all documents associated with the Application have been placed in the Board’s Public Registry and made available through the NWB’s FTP site using the following link (Username: **public** and Password: **registry**):

<ftp://nunavutwaterboard.org/1%20PRUC/1%20INDUSTRIAL/1A/1AR%20-%20Remediation/1AR-NAN0914/>

¹ Letter from P. Beaulieu, NWB, to J. Skoglund, Canzinc Ltd., Re: Licence No. 1AR-NAN0914; Amendment-Renewal Application by Canzinc Ltd. for Continued Reclamation and Post-Closure Monitoring Activities, Nanisivik Mine Site, January 19, 2014; and Letter from P. Beaulieu, NWB, to J. Skoglund, Canzinc Ltd., Re: Licence No. 1AR-NAN0914; Amendment-Renewal Application by Canzinc Ltd. for Continued Reclamation and Post-Closure Monitoring Activities at the Nanisivik Mine Site, April 2, 2014.

² Aboriginal Affairs and Northern Development Canada (AANDC) – Water Resources Division, March 3, 2014; Fisheries and Oceans Canada (DFO), March 3, 2013; Department of National Defence (DND), March 3, 2014; Environment Canada (EC), March 3, 2013; and Nyrstar Canada (Holding) Ltd., March 3, 2014.

³ Letter from J. Skoglund, CanZinco Mines Ltd., to P. Beaulieu, NWB, Re: Licence No. 1AR-NAN0914; Amendment-Renewal Application by Canzinc Ltd. for Continued Reclamation and Post-Closure Monitoring Activities at the Nanisivik Mine Site, April 13, 2014.

Based on the scope and nature of the undertaking, your application is deemed to be for the renewal and amendment of a Type “A” water licence, which will require a public hearing as per applicable provisions of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSTRA or Act). All public hearing matters will be carried out in accordance with the Board’s *Rules of Practice and Procedure for Public Hearing* dated 2005 (NWB Rules).

The NWB has determined, through its completeness and preliminary assessment, that the application and supporting information provided by CanZinco Mines Ltd. constitutes an administratively and materially complete application in accordance with the Guides⁴. However, it should be understood that, if it becomes necessary, the NWB retains the right to request additional information and studies pursuant to s. 48(2) of the Act or to issue guidelines for the provision of information pursuant to s. 48(3) of the Act.

The Proponent, in its cover letter accompanying the responses to interveners’ submissions, requested that the NWB provide clarification with respect to whether studies that the Proponent is considering for developing Tier 3 Soil Quality Remediation Objectives (SQRO) would constitute an amendment to the Application and whether a revised Abandonment and Restoration (A&R) Plan, as requested in some of the interveners’ submissions, is required for the Application.

The Proponent should note that the NWB may consider the studies in question as an amendment to the scope of the existing licence if those studies involve the generation of additional waste or use of additional waters in areas or for purposes not previously captured in the licence. With respect to the A&R Plan (Plan), the NWB intends to advise the Applicant at a subsequent stage in the review process whether an updated A&R plan will be required so as to prevent the submission of multiple updates of the same Plan during this review process.

As mentioned above, while the Board awaits the NPC determination and the direction of the NIRB regarding pre-licensing process for the Application, the NWB will continue with the initial processing of the Application to the extent possible and in the interests of ensuring that this Application may be dealt with in a timely manner, recognizing the limits on the Board’s actions under s. 38 and s. 39 of the Act.

Therefore, in accordance with s.s. 55(1) of the Act, the Board gives notice of the Application and invites interested persons to make representation to the Board by no later than **June 2, 2014 (4:00 p.m., MST)**. Notice of the Application will also be forwarded to the council of each municipality in the area affected by the Application and shall be published in a newspaper of general circulation in the area affected or, if there is no such newspaper, in such other manner as the Board considers appropriate. Parties are advised that the consequences of failure to respond are outlined in s. 59 and s.s. 60(2) of the Act.⁵ Interested parties are also invited to provide comments pertaining to the type of Public Hearing (PH) to be held based on the NWB’s *Rules of Practice and Procedures* (2005), in person or in writing. **All submissions pertaining to this file should be provided to the NWB’s Manager of Licensing by email to licensing@nwb-oen.ca.**

By copy of this letter to the appropriate distribution list, all interested parties are requested to complete a thorough technical assessment of the Application for the renewal and amendment of Type “A” Water Licence 1AR-NAN0914, which is available from the NWB’s ftp site at the following link:

⁴ The minimum information requirements set out in the NWB Guidance Document- *Guide 7 – Licensee Requirements Following the Issuance of a Water Licence, April 2010*, see Table 3.

⁵ **Section 59:** In the circumstances described in paragraph 58(b), an applicant need not compensate the person under section 58 if the person fails to respond to the notice of application given under subsection 55(1) within the time period specified in the notice for making representations to the Board. **Section 60(2)** Subsection (1) does not apply in respect of a person referred to in that subsection who fails to respond to the notice of application given under subsection 55(1) within the time period specified in that notice for making representations to the Board.

<ftp://nunavutwaterboard.org/1%20PRUC/1%20INDUSTRIAL/1A/1AR%20-%20Remediation/1AR-NAN0914/> or by contacting Johan Skoglund directly, CanZinco Mines Ltd., c/o Nyrstar Canada (Holdings) Ltd., by email to johan.skoglund@nyrstar.com.

Interested parties are also asked to provide comments to the Board with respect to where the technical meeting and pre-hearing conference should be held and the form it should take, i.e. in person, via teleconference, or in writing.

Throughout the technical review phase, interested parties are encouraged to work cooperatively with CanZinco Mines Ltd. to discuss issues in advance of the Technical Meeting- Pre-hearing Conference (TM-PHC) that may be scheduled for within weeks following the deadline for technical review comments. The NWB, however, requests to be kept informed of any issues and agreements reached between the parties on specific topics. Further, the Board asks that the technical review comments, particularly for matters such as air quality, noise, and wildlife, be focused on only those aspects that involve the NWB's jurisdiction over the use of waters and the deposit of waste in waters or that may enter waters. In addition, interested parties are encouraged to consider, as part of their review, the information provided by the Proponent with respect to interveners' IRs and completeness submission for the Application. As stated above, all comments should be filed in writing to the NWB's Manager of Licensing.

Following the receipt of technical review comments, the following general steps will be carried out for the Application:

1. **Technical Meeting-Pre-Hearing Conference (TM-PHC)**

Rule 14 of the NWB Rules permits the Board, through its staff or in conjunction with staff, to hold a Technical Meeting (TM) and Pre-hearing Conference (PHC) with interested parties, either in writing, by teleconference, or in person.

The Board has directed the staff of the NWB to hold the TM-PHC, in accordance with Rule 14 of the NWB Rules. In advance of holding the TM-PHC, the NWB will issue correspondence to interested parties that include relevant details. A tentative date for the TM-PHC is the week of June 16, 2014.

2. **Pre-Hearing Conference (PHC) Decision**

Following the TM-PHC, the NWB will issue a PHC decision and may outline the technical commitments of the Applicant and the administrative and procedural requirements for a Public Hearing.

3. **Public Hearing (PH) Notice**

Sub-section 55(2) of the Act requires that a minimum notice period of sixty (60) days be provided for a Public Hearing (PH). As with the Technical Meeting and Pre-hearing Conference, the Board has the ability to conduct its Public Hearing in writing, by teleconference, or in person. Once the Board has received all information requested through this process and is satisfied that the Public Hearing should proceed, the type or place, date, and time of the hearing will be determined, and a notice will be published by the Board in advance of the public hearing and in a manner that promotes public awareness and participation in the hearing.

4. **Public Hearing Decision**

Following the Public Hearing, the Board will issue a final written decision with reasons (final decision). The final decision will be provided to the Minister of Aboriginal Affairs and Northern Development Canada (AANDC) for approval. Interested and intervening parties will also be provided with a copy of the of the Board's final decision.

If you have any questions regarding procedural matters related to the file, please contact Phyllis Beaulieu, Manager of Licensing, by phone at (867) 360-6338 or by e-mail to licensing@nwb-oen.ca. For inquiries related to technical matters, please contact Sean Joseph, Technical Advisor, by email to sean.joseph@nwb-oen.ca or David Hohnstein, Director of Technical Services, by e-mail to david.hohnstein@nwb-oen.ca.

Parties please note that the NWB will provide copies of this correspondence, in Inuktitut, upon request.

Yours truly,



Damien Côté
Executive Director
Nunavut Water Board

Cc: Qikiqtani Distribution