

**BREAKWATER RESOURCES LTD.**

95 Wellington Street West, Suite 2000, Toronto, Ontario M5J 2N7  
Tel: (416) 363-4798 Fax: (416) 363-1315

September 10, 2002

Mr. Thomas Kudloo  
Chairman  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut  
X0E 0J0

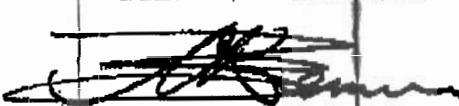
Dear Mr. Kudloo:

In his letter to you dated August 30, 2002 my colleague, Bill Heath, committed that Breakwater Resources Ltd. would contact you regarding its possible guarantee of any reclamation costs for the clean up of CanZinco's Nanisivik Mine. Please accept this as written confirmation that Breakwater Resources Ltd. will guarantee to the Nunavut Water Board any reclamation costs beyond those secured pursuant to the existing water license, to a maximum of CanZinco's estimate of the reclamation costs as submitted to the Board during your recent public hearing.

I trust that this clarifies the position of Breakwater Resources Ltd. in this matter. If there are any questions or concerns arising from this guarantee, please feel free to call upon the undersigned.

Yours truly,

**BREAKWATER RESOURCES LTD.**

  
Colin K. Benner  
President and Chief Executive Office

cc. Bill Heath (Vice President - CanZinco Ltd.)

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