

INDUSTRIAL WATER USE INSPECTION REPORT

Date: October 4, 2002	Company Rep. (Name/Title): Bill Heath, General Manager
Licensee: Nanisivik Mine, CanZinco Ltd.	Licence No.:NWB1NAN0208

WATER SUPPLY

Source(s) East Twin Lake	Quantity used: 132,518 m3	Meter Reading: NI
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Indicate: **A** - Acceptable    **U** - Unacceptable    **NA** - Not Applicable    **NI** - Not Inspected

Intake Facilities: A	Storage Structure: NI	Treatment Systems: NI	Recycling: A
Flow Meas. Device: NI	Conveyance Lines: A	Pumping Stations: A	Modifications: NA

**Comments:** Water Intake Facility inspected sample of potable water taken from East Twin Lake, Water Storage and Treatment Facility not inspected.

WASTE DISPOSAL

**Tailings:**    Tailings Pond: X    Natural Lake:    Underground:  
**Sewage:**    Sewage Treatment System:    Tailings Pond:    Natural Water Body:  
                    Continuous Discharge: X    Intermittent Discharge:  
**Solid Waste:**    Open Dump:    Landfill: X    Burn & Bury: X    Underground:

Indicate: **A** - Acceptable    **U** - Unacceptable    **NA** - Not Applicable    **NI** - Not Inspected

Discharge Quality: Sampled	Decant Structure: A	Dyke Inspections: A
Conveyance Lines: U	Pond Treatment: Sampled	Runoff Diversion: A
Discharge Meas. Device: NI	Dams, Dykes: A	Erosion: A
Freeboard: A	Seepages: A	Spills: 02-260
Effluent Discharge Rate: A	<b>Samples Collected:</b> East Twin lake potable water, West Twin Decant Structure 159-4, Twin Creek 159-11, Twin Creek 159-10	

**Comments:** After Nanisivik Mine representatives were notified of chemical spill at lay down area and fuel oil spill at tank farm on September 18, 2002 Nanisivik Mine failed to provide a spill report as required under the Water Licence.

GENERAL CONDITIONS

Indicate: **A** - Acceptable    **U** - Unacceptable    **NA** - Not Applicable    **NI** - Not Inspected

Ore & Waste Rock Stockpiles: A	Records & Reporting: U	SNP: A
Geotechnical Inspection: A	Posting/Signage: A	Contingency Plan: U
Restoration Activities: U	New Construction: NA	Fuel Storage: U
Mine Water Discharge: Sampled	Chemical Storage: U	Annual Report: A

**Comments:** Two spills were observed during the inspection on September 18, 2002 by the WRO's. No spill reports have been filed in regards to the chemical spill at the lay down area, the fuel oil spill at the tank farm pump house; and no clean up or remediation of the spill sites has been initiated.

**Violations of Act or Licence:**    Failure to provide spill reports for unauthorized discharge of Ocean View wastewater to underground mine workings, wind blown tailings. Non compliance of ( Part B Item 2 ) of the Water Licence to provide \$12.6 million security bond by December 9, 2002.

**General Comments:**  
Spill reports have been filed with respect to the fuel oil spill at the tank farm pump house (02-538) and chemical spill at the lay down area (02-539) on October 9, 2002.

Constantine Bodykevich

Inspector's Name

Inspector's Signature