

CIDMS 240624

Water Resources Division Nunavut Regional Office Indian and Northern Affairs Canada Idaluit, NU X0A 0H0

August 1, 2008

Robert Carreau Vice President CanZinco Ltd. Toronto, ON M5J 2N7

Re: 1AR-NAN0208, CanZinco Ltd., Nanisivik Lead-Zinc Mine, Renewal and Amendment Application, July 14, 2008 Site Visit

Dear Mr. R. Carreau,

As you are aware, representatives of the Indian and Northern Affairs Canada Nunavut Regional Office (INAC-NRO) conducted a site visit of the Nanisivik Lead-Zinc Mine on July 14, 2008. This site visit was to review the progress on the closure and reclamation plan activity and to assist in the review of CanZinco Ltd.'s water licence 1AR-NAN0208 amendment and renewal applications dated September 26, 2006 and February 21, 2008 respectively.

As a result of the site visit, comments / recommendations were provided to the Nunavut Water Board (NWB) for their consideration in the processing of these applications. A copy of these comments / recommendations are provided for your information.

During the site visit it was noted that closure and reclamation activity was progressing in a satisfactory manner. However, the comments / recommendations provided to the NWB indicate that there are further considerations required by CanaZinco Ltd. Therefore, I am requesting that CanZinco Ltd. provide a plan of action which addresses the comments forwarded to the NWB. These items are related to the approved 2004 Closure and Reclamation Plan (with the exception of item 8). Please note that these items will also likely be a factor in the determination of the Nanisivik Lead-Zinc Mine's final reclamation status and release of any financial security amounts. I anticipate your reply to this request by August 15th, 2008.



Please contact me should you have any questions or comments with regards to the comments referenced above. I can be reached by telephone at (867) 975-4555 or email at AbernethyD@inac-ainc.gc.ca.

Regards,
Original signed by

David W. Abernethy Regional Coordinator

Carbon copy:

Kevin Buck, Manager of Water Resources, INAC-NRO
Bernie MacIsaac, Manager of Field Operations, INAC-NRO
D. Filiiatrault, Executive Director, NWB
Helen Yeh, Acting Manager, Land Use and Environmental Assessment,
Government of Nunavut, Department of Environment
Ken Wasylyshen, Regional Lands Administrator, Government of Nunavut,
Department of Community and Government Services

Attachments