



P.O. Box 119
Gjoa Haven, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᓅᓂᓕᓪ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

Item: NWB1NAN0208/Part H/Item 30

March 30, 2005

By Email

To: Robert Carreau
Corporate Manager, Environmental Affairs
Breakwater Resources Limited
Suite 2000, 95 Wellington Street West
Toronto, ON. M5J 2N7

Subject: Review of 1st and 2nd Quarter 2004 Effluent Monitoring Reports

Dear Mr. Carreau,

The Nunavut Water Board ("NWB") has completed its review of CanZinco Limited's 1st and 2nd Quarter 2004 Effluent Monitoring Reports (the "Reports"), which were required pursuant to Part H, Item 30 of water licence NWB1NAN0208 (the "Licence"). The NWB distributed the Reports for review by Interested Parties. One submission, in response to the 2nd Quarter Report, was submitted to the NWB by Indian and Northern Affairs Canada – Water Resources, Iqaluit. That submission, and other correspondence associated with the Reports can be located on the NWB's FTP site at:
<http://ftp.nunavut.ca/nwb/NWB1%20MINING/NWB1NAN0208%20Nanisivik/H%20Monitoring/>

The following items of concern were identified in the review of the Reports:

1. That information required under Part H, Section 30(i), with respect to *Daphnia magna* and rainbow trout effluent lethality testing, was absent from the 2nd Quarter Report.
2. That between June 25 and 28, 2004, the concentration of zinc in effluent discharged from the West Twin Disposal Area ("WTDA") exceeded the water quality parameter proscribed in the Licence.
3. That, in the 2nd Quarter Report, the monitoring results for Radium 226 was not available at the time of the report's submission.
4. That, in the 2nd Quarter Report, CanZinco Limited only reported the quantity of water pumped from East Twin Lake for the entire quarter instead of reporting the quantity of water pumped daily, as required per Part H, Item 30(v) of the Licence.

The NWB recognizes that CanZinco Limited and Environment Canada have been in discussion concerning the absence of lethality testing as identified in item 1. The NWB understands that this issue has now been resolved and, as such, the NWB has no further concerns with this item.

In regards to item 2, the NWB received a letter from Murray Markle, dated July 16, 2004, which provided details concerning the discharge of non-compliant effluent from the WTDA. The NWB is satisfied with the explanation provided and has no further concerns with this item.

In regards to the other outstanding issues, the NWB provides the following direction:

- a) That CanZinco Limited provides, in its forthcoming Effluent Monitoring Reports or 2004 Annual Report, the Radium 226 monitoring results that were absent from the 2nd Quarter Report.
- b) That CanZinco Limited, during the period of active reclamation, report upon its water consumption from East Twin Lakes in cubic metres per day as pursuant to Part H, Item 30(v) of the Licence. If this cannot be accomplished, then a explanation should be provided to the NWB.

The NWB has no other concerns related to the Reports. If you have any questions regarding the aforementioned, please do not hesitate to contact me at your convenience.

Yours truly,

Original signed by:

Dionne Filiatrault
Senior Technical Advisor
Nunavut Water Board

DF/pb