

**Reclamation Activities Quarterly Report
(4th Quarter 2005)
(PER Water License NWBNAN0208)**

Submitted to:
The Nunavut Water Board

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1.0 INTRODUCTION

The Nanisivik Mine is located on northern Baffin Island in the Nunavut Territory. It is an underground zinc-lead mine owned by CanZinco Ltd. and was in continuous operation from 1976 to 2002 when it ceased production permanently.

CanZinco Ltd. was issued Water License **NWB2NAN0208**, by the Nunavut Water Board (NWB) on October 1, 2002 for the Closure and Reclamation of the Nanisivik project. A requirement of the License, under *Part G, Items 3 to 9*, was to submit a final Reclamation and Closure Plan to the NWB, which was approved by letter on July 6, 2004 ("Approval Letter").

Condition 2 of the Approval Letter states the following:

The Licensee shall, during the Reclamation Period, provide the NWB for its review, Quarterly Reclamation Reports ("Quarterly Reports"), which are to be submitted not later than 45 days after the end of the quarter (i.e., February 14, May 14, August 14, and November 14). The quarterly reports shall include, but not be limited to: a summary of remediation work completed to date; expenditures to date; documentation regarding waste disposal, including volumes and final location; and a revised implementation schedule, as referred to in Item 2 of this Letter of Approval. It is recommended that the Licensee should submit, with the Quarterly Reports, the effluent monitoring requirements as noted in Part H, Item 30 of the Licence.

The information contained herein is submitted as the Quarterly Report covering the months of October through December 2005.

2.0 REMEDIATION WORK

2.1 Earthworks

A summary of the work completed in each area follows.

2.1.1 West Twin Disposal Area

Shorelines: The sediments from the polishing pond were excavated during partially frozen conditions.

West Twin outlet structure: The cement work at the WTDA outlet structure was completed in late September. The completion of the structure (final excavations and riprap fill) and the reinforcement of the West Twin diversion dike were completed in October.

2.1.2 Land Fill

There were 900 cubic metres of Twin Lakes sand and gravel excavated and hauled to the landfill area. The final sloping of the sand and gravel armour material was finished early in the fourth quarter and the design cover is now complete.

2.1.3 West Open Pit

Shale placement on the recently backfilled West Open Pit commenced in October. Haulage operations were halted for the winter on the 18th of October. The remainder of the cover (including the armour rock) is scheduled for 2006.

2.1.4 Portals

No portals were closed during the quarter. The lower adit and 9 South portal remain open to facilitate underground waste disposal throughout the winter.

2.1.5 Quarries/Borrow areas

Fuji: This borrow area has been reclaimed. No additional quarrying activity took place in this area during the period.

Area 14: This borrow area has been reclaimed. No additional quarrying activity took place in this area during the period.

Shale Hill: This borrow area has been reclaimed. No additional quarrying activity took place in this area during the period.

Landfill: This borrow area has been partially reclaimed. A small amount of work needs to be done to contour a road and berms adjacent to the top of the pit. Material that was blasted earlier in the year was excavated, hauled and placed as final cover on the West Open Pit.

* All stated totals are estimates based on truck counts

2.2 Building Demolition

2.2.1 Mill

Vendetti Construction, (the contractor for Wolfden Resources) continued dismantling the mill and related infrastructure. The wash bay, warehouse and office areas have been completely dismantled. Dismantling of the mill operations area commenced during the quarter. Reclamation activities ceased in December due to the cold weather and lack of daylight. A skeleton crew remained on site to operate the power plant and perform general site maintenance.

2.3 Waste disposal Summary

A total of 400 cubic metres of demolition debris and abandoned equipment were disposed of in the mine during the quarter. The waste disposal summary is tabled below. In addition to the on site disposal, PCB containing materials and laboratory chemicals were shipped to off-site facilities for disposal.

[illegible]

3.0 EFFLUENT MONITORING

No effluent was released from any of the final discharge points during the 4th quarter.

4.0 PROJECT COSTS

The following is a list of costs attributed to 4th quarter reclamation activities at Nanisivik Mine.

Description	Oct-05	Nov-05	Dec-05	Total 4th Quarter 2005
Water Quality Monitoring	5,517.53	2,941.45	417.16	8,876.14
Geotechnical Monitoring West Twin Dyke	8,837.70	52,965.43	6,844.54	68,647.67
Outside Services/Closure Studies	8,455.00	1,924.85	0.00	10,379.85
Tailings Impoundment & Dump Ponds	8,064.81	0.00	47.22	8,112.03
Spillway	982.54	3,427.90	0.00	4,410.44
Tailings Cover	6,194.71	391,381.03	10,149.93	407,725.67
Material Haulage	68,525.00	0.00	4,620.20	73,145.20
Open Pits & Waste Rock	31,101.83	8,279.76	-4,983.54	34,398.05
Buildings & Equipment	-225,102.52	14,558.57	0.00	-210,543.95
Tank Farm & Dock	0.00	0.00	0.00	0.00
Townsite	11,931.58	1,569.23	7.50	13,508.31
Landfill Site	268.82	0.00	0.00	268.82
Mine Closure(Sealing entrances)	22,213.21	0.00	0.00	22,213.21
Hazardous Material Disposal	0.00	35,536.46	13,326.94	48,863.40
Tailings & Water Line Recovery	0.00	0.00	0.00	0.00
Access Road Cleanup, Culvert Removal	0.00	0.00	0.00	0.00
Vehicle Maintenance/Operating labour	45,193.21	68,630.98	6,797.84	120,622.03
Inventory Adjustments				0.00
Total	-7,816.58	581,215.66	37,227.79	610,626.87

5.0 APPENDICES:

5.1 Photos

- Excavation of sediments from the West Twin Lake Polishing Pond
- Shale Placement in progress at the West Open Pit
- Curious onlooker of reclamation activities
- Backfill placed inside the mine opening adjacent to the West Open Pit
- Finishing touches on the sand and gravel armouring at the Landfill site
- Hazardous materials packaged and ready for shipment to disposal facility
- Mine Equipment ready to be shipped South
- Final discharge Spillway outlet

APPENDIX 5.1

Photos



Excavation of sediments from the West Twin Lake Polishing Pond.



Shale Placement in progress at the West Open Pit



Curious onlooker of reclamation activities



Backfill placed inside the mine opening adjacent to the West Open Pit



Finishing touches on the sand and gravel armouring at the Landfill site



Hazardous materials packaged and ready for shipment to disposal facility



Mine Equipment awaiting the ship's arrival for deployment to other Breakwater operations



Final discharge Spillway outlet