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May 12, 2003

Patrick Duxbury
Mine Reclamation Coordinator
Nunavut Water Board
P.O. Box 119
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Your file - Votre référence
NWB1NAN
Our file - Notre référence

Sent by email to:
nunavutwaterboard@nt.sympatico.ca

Dear Mr. Duxbury:

**Re: Request for scheduling of further steps prior to approval of Nanisivik reports
(Phase II ESA, HHERA, ERP)**

In your letter of April 11/03, you set forth (at pages 2-3) a series of steps and dates, definite and proposed, for the Board's process of approving the above-noted reports. This schedule gives CanZinco until May 19/03 to respond to the comments of the interested parties (i.e. the comments submitted by April 25/03). The schedule also refers to a proposed teleconference of the regulators, tentatively scheduled for May 23/03.

The schedule of post-April 25th steps has already been the subject of some further input by interested parties. In an E-mail of April 24/03, Susan Hardy wrote to the Board about this matter, on behalf of the Government of Nunavut. INAC itself, in its submissions of April 25/03, offered some comments on scheduling, at the bottom of page 3. Both Ms. Hardy and INAC suggested that it would be desirable to allow opportunities for comment beyond those which are provided for in the April 11th letter's schedule. INAC would now like to present the Board with more specific requests in this regard.

With respect to scheduling, INAC respectfully asks that the Board take account of the following considerations:

- The Soil Quality Remedial Objectives (SQROs) will be a critical element of the reclamation plan. It is essential that the Board and the other regulators determine appropriate figures for the SQROs, so that the ensuing work on site will in turn achieve appropriate levels of remediation.
- It is important that the concerns of all the regulators be responded to in a satisfactory manner, so that all regulators will be prepared to approve the SQROs.

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- Accordingly, the dialogue between CanZinco on the one hand, and the interested parties on the other, with respect to the setting of the SQROs, should be as full a dialogue as possible.
- It is desirable that INAC and the other interested parties have an opportunity to comment on the responses which CanZinco will provide by May 19/03. If that opportunity is to be a meaningful one, INAC and the other interested parties will need to have adequate time in which to review and analyze the responses, confer with their own consultants, and draft comments. Between May 19th and May 23rd there will be only three clear days, so it is unlikely that there will be an adequate opportunity to prepare comments on CanZinco's responses prior to the proposed May 23rd teleconference. Also, it is desirable that the comments on the response be provided in writing, rather than only orally via teleconference.
- As Ms. Hardy has indicated, a report by EBA Engineering Consultants Ltd., on behalf of the GN and INAC, is already being prepared. This report will focus on a comparison between the SQROs for Polaris Mine and proposed SQROs for Nanisivik Mine. Such a report was necessitated by issues which arose between CanZinco on the one hand and the GN and INAC on the other – issues identified in INAC's submissions of April 25th. It is anticipated that CanZinco will provide further information on those issues in its May 19th response; the report is intended to help the GN and INAC assess that further information, and to help them formulate their comments on the further information. At the same time, INAC expects that the EBA report will be valuable to the Board and to the other regulators, in the setting of the SQROs, and therefore proposes that post-May 19th comments from INAC would be accompanied by the report. Currently, INAC expects that it will be in a position to provide both the report, and the comments which make use of the report, on the same date.
- It would be fair for CanZinco to have a final opportunity to reply to the comments of interested parties.
- Following receipt of CanZinco's final comments, the regulators should meet to discuss approval of the SQROs.
- It is desirable that the SQROs be approved in time to allow appropriate delineation sampling to begin in the 2003 field season – sampling which takes due account of the SQROs.

INAC requests that the Board accommodate these considerations by scheduling further steps in its process for approving the above-noted reports. After further reflection, INAC believes that May 23rd, the date tentatively identified for a teleconference, may be too early to allow for a productive session. It is difficult to say, before receiving CanZinco's responses and any

other materials which may be provided, just how much time will be needed in order to comment upon them. However, INAC anticipates that the following might be reasonable components of the further schedule:

- By the end of May 30/03: Interested parties (including INAC and other regulators) to submit comments on CanZinco's May 19th response. EBA's report to be submitted by INAC and/or the GN.
- June 5/03: Teleconference among the Board, other regulators and interested parties, and CanZinco. In this teleconference, CanZinco would have an opportunity to ask questions aimed at obtaining any necessary clarification of the May 30th submissions, and would then indicate the amount of time which it requires in order to prepare its final response.
- Early to mid-June (exact date to be set during June 5th teleconference): CanZinco to submit its final response.
- Mid to late June (exact date to be set during June 5th teleconference): Within a week or two following CanZinco's final response, the Board and the other Regulators (GN, DFO and INAC) to meet to consider final approval of the SQRs.

Thank you for your attention to this matter. INAC looks forward to your reply.

Sincerely,

Original Signed By: Michael Roy

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