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Mr. Philippe di Pizzo
Executive Director
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0E-1J0

Dear Mr. di Pizzo:

Re: Nanisivik Mine – Water Licence NWB1NAN0208: Submission of requests for clarification concerning CanZinco Ltd's Phase II Environmental Site Assessment (ESA II), Human Health and Ecological Risk Assessment (HHERA) and Emergency Response Plan (ERP)

As part of the approval process for the above captioned reports, the Nunavut Water Board (NWB) has solicited and received commentary and questions from a number of interested parties. The submissions which were filed on or before April 25th, 2003 with the NWB, were then forwarded to CanZinco Ltd. for response.

Speaking on behalf of CanZinco Ltd., please accept this letter and attachments (identified herein) as the requested response to the following documentation:

- Dillon Consulting Ltd. (Dillon), Bryan Leece and Ulysses Klee, "*Peer Review Human Health and Ecological Risk Assessment for the Nanisivik Mine*", March 24, 2003 (includes comments by Ramli Halim, Acres International Limited), conducted on behalf of the Nunavut Water Board.
- EBA Engineering Consultants Ltd. (EBA), Brent Murphy, "*Final Report - Review Of Nanisivik (CanZinco) 2002 Phase II Environmental Site Assessment & Human Health And Ecological Risk Assessment*", conducted on behalf of Indian and Northern Affairs, March 27, 2003.
- Nunavut Tunngavik Inc. (NTI), Stefan Lopatka, letter dated April 9, 2003 (with attachment "*A Review of the Phase II ESA and the HHERA of the Nanisivik Mine*", AMEC Earth & Environmental Limited, no date).
- Environment Canada (EC), Colette Meloche, letter dated April 24, 2003.
- Indian and Northern Affairs Canada (INAC), Michael Roy, letter dated April 25, 2003;
- Government of Nunavut (GN), Susan Hardy, letter dated April 30, 2003 (with attachment "*6.0 Environmental*", FSC Architects and Engineers, no date).
- Nunavut Water Board (NWB), Patrick Duxbury, "*Summary of the April 17th Public Meeting in Arctic Bay*", no date.

We have organized this response to capture the reviewer's comments under the headings of each of the three reports. **Attachment 1** addresses all requests for clarification which were directed at the **HHERA** report. Jacques Whitford Environmental Ltd. (JWEL) has compiled the contents of Attachment 1. **Attachment 2** clarifies issues related to the **ESA II** report, and has been compiled by Gartner Lee Limited. **Attachment 3** is a revised submission of the Nanisivik **ERP** which has considered all reviewer inputs and incorporated these accordingly.

In developing the responses we have considered all information provided by the Water Board (listed above), as well as comments and questions which we collected while attending both the recent Technical Meeting in Iqaluit and the Public Meeting in Arctic Bay. We have also relied heavily on our collective experience as both mine operators and residents at Nanisivik for more than 25 years. Not surprisingly, we have developed a significant understanding and appreciation for the region that serves us well during these considerations.

This being said, we would like to single out what we believe to be the most significant change brought forward in our response; that being revised determinations of Soil Quality Remediation Objectives (SQROs). As indicated in the original HHERA submission and discussed further in the attachments herein, it is our intention to maintain a conservative approach in the determination of the Nanisivik SQROs. In keeping with this, in several instances along the way, we have deviated from the CCME approved process of eliminating certain elements from further consideration and have opted instead to carry these elements through the process. Likewise, we have incorporated modifications to the process which were brought forward by reviewers but may have been arguably discounted. Both of these aforementioned processes impart additional conservatism into an already protective-by-design methodology.

Following the Board's conclusion of the review process, it is our intention to issue a revised HHERA report which will contain the modified SQRO values appearing below.

Townsite Area

	Metal		
	Cadmium	Lead	Zinc
Human Health SSTL	120	600	10,700
Ecological SSTL	2,800	4,600	44,000
Final SQRO	120	600	10,700

General Mine Area

	Metal		
	Cadmium	Lead	Zinc
Human Health SSTL	205	850	22,000
Ecological SSTL	2,800	4,600	44,000
Final SQRO	205	850	22,000

SSTL = site specific threshold level or "safe concentration in soil"

We trust that this submission appropriately addresses all the points which have been raised by reviewers. We have in good conscience considered all input, incorporated much of it, and made several beneficial changes to the reports along the way.

In closing, as part of the review process we were asked by one participant "If the proposed soil remediation levels were achieved, could future users of the land safely perform any and all activities that were performed before the Nanisivik project was developed?". The answer to that question was (and is) "yes".

As always, should you wish to discuss any matters relating to the Nanisivik closure, please feel free to contact Bill Heath, or myself, directly.

Yours sincerely,

Robert Carreau
Corporate Manager, Environmental Affairs - Breakwater Resources Ltd.

cc. Bill Heath, Vice President, CanZinco Ltd.