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KAVAMATKOT APIKHOIYIT
DEPARTMENT OF JUSTICE
MINISTÈRE DE LA JUSTICE

June 23rd, 2003

Mr. Philippe Di Pizzo
Executive Director
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

BY FAX 1 867 360 6369

Dear Mr. Di Pizzo:

Re: Licence NWB1NAN0208 – 2003 Proposed Interim Reclamation

As requested by the NWB on June 16th, 2003, these comments are submitted on behalf of Government of Nunavut regulators, regarding a request by Breakwater Resources Ltd., ("Breakwater") to carry out certain interim reclamation activities this summer.

Also, as background to these comments, please find attached, a media announcement issued by Wolfden Resources Inc., regarding the acquisition agreement referenced in item 5 of Breakwater's proposal letter dated June 13th 2003.

GN Regulators have the following comments regarding this proposed activity:

1. The Licensee should take note that a variety of GN regulatory regimes apply to the proposed activity. Even though these may not directly impact the water license approval process it is important to keep in mind:

- applicable regulators' interests, such as those exercised under the *Mine Health and Safety Act and Regulations*; the *Environmental Protection Act*, etc...and
- certain authorizations may require Breakwater or its wholly owned subsidiary CanZinco Ltd., to perform reporting or to update their authorization to reflect newly proposed activities. For example, the current GN Quarrying Permits held by CanZinco Ltd., provide conditions limiting their term, and the amount of material authorized to be removed. Without periodic renewal or adjustment of these stated terms, the proposed interim activities may fall outside the scope of current permits.

2. Regarding the proposed contouring of tailings, there is a concern about diversion/displacement of waste water in the tailings pond, as a result of the proposed interim contouring operations. NWB should ensure that Breakwater addresses this concern, and satisfies Regulators that contaminants will not escape from the tailings pond except as authorized by Licence NWB1NAN0208.

3. Several GN regulators have permits attaching specifically to CanZinco Ltd. rather than the site itself. In carrying out the proposed interim activities involving dismantling and transporting mine infrastructure, and any related activities such as quarrying or infilling, GN Regulators require feedback from CanZinco Ltd. indicating whether Wolfden Resources Inc., will be under subcontract to CanZinco Ltd., or made subject to the requirements imposed on CanZinco by various Regulators (including the NWB) in some other manner. Depending on the nature of the relationship between CanZinco Ltd. or Breakwater, on the one hand, and Wolfden Resources Inc., on the other, these proposed activities and presence of Wolfden Resources Ltd. employees or agents on site at Nanisivik, could provoke independent permit or license requirements.

4. Adjustments to the Emergency Response Plan may also be needed to reflect the activities and participants identified in item 5 of Breakwater's proposal letter. Breakwater should pursue this with applicable Regulators, including Mine Safety (WCB), Environmental Protection (DSD) and Emergency Response officials (CGT).

5. Finally, GN Regulators observe that the activities proposed in item 5 of Breakwater's proposal letter of June 13th, 2003, are not entirely consistent with the Abandonment and Reclamation Plan submitted last year, particularly the proposed decontamination and transportation off-site of industrial assets of the mine. With regard to this item, we find that the information provided by Breakwater is not sufficient for regulatory assessment. We submit that the Board should request at least the following additional information.

- A confirmed list precisely identifying the buildings or other assets that will be dismantled and moved this summer. E.g. what is included in "administration offices"? Which generators are referred to by the words "power plant"? When will the electrical generators be moved, and which ones are included in the transfer?...
- A list of the substances of concern associated with each building or and asset that is to be dismantled or transported this summer;
- The interim and final proposed destination(s) for each building or and asset that is to be dismantled or transported this summer;
- An explanation of the proposed decontamination of each building or and asset that is to be dismantled or transported this summer including, "pressure cleaning" or other processes, and the reasons indicating whether, and how, and to what degree the proposed decontamination is expected to be successful?
- Perhaps most central to the mandate of NWB, what is CanZinco proposing to do to contain and dispose of contaminated effluent or other by-products of the proposed "pressure cleaning" (and any other decontamination processes to be applied)?
- Will the transfer involve any transportation of dangerous goods of which specialized regulators should receive notice and/or permit applications?
- What will be done with any hazardous construction debris such as asbestos wallboard, pipe insulation, PCB-amended dielectric fluids, etc.?

- If power generators are to be moved before the Nanisivik reclamation is complete, what alternative energy sources will be used to support reclamation at Nanisivik?

Thank you for the opportunity to provide these comments.

Sincerely,

Susan Hardy,
Legal Counsel