

BREAKWATER RESOURCES LIMITED

P.O. Box 26, Bathurst, NB, E2A 3Z1

Fax: (506) 548-1100 Telephone: (506) 546-1999 (ext 2263)

bcarreau@nb.breakwater.ca

January 30, 2003

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

Dear Mr. di Pizzo:

Enclosed is the 2002 Phase II Environmental Site Assessment, Nanisivik Mine, Nunavut. This report is submitted on behalf of CanZinco Ltd. in accordance with Section G, Item 13 of Water License NWB1NAN0208.

The report documents the environmental investigation program conducted to characterize background concentrations of elements of concern and identifies the types, concentrations, approximate extent and distribution of contaminants in the environmental media at the Nanisivik site. The assessment was conducted according to protocols established in federal and territorial guidelines and incorporated regulatory and community concerns.

The report has been prepared by:

Gartner Lee Limited 4912-49th Street P.O. Box 98 Yellowknife, NT X1A 2N1 (867) 873-5808 www.gartnerlee.com

under the direction of Mr. Eric Denholm, B.Sc. (Project Manager, Senior Mining Consultant) and reviewed by Mr. Stephen Morison, M.Sc. (Senior Geoscientist).

As always, should you have any questions or comments regarding the enclosed report, please direct these to me via the contact information given above.

Yours sincerely,

Breakwater Resources Ltd.

Robert Carreau Manager, Environmental Affairs

c.c. Mr. B. Heath, Vice-President, CanZinco Ltd.
Mr. S. Keenan, Environmental Superintendent, Nanisivik Mine