



BREAKWATER RESOURCES LIMITED

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December 18, 2002

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

Dear Mr. di Pizzo:

Re: Schedule of Submissions Required for Water License No: NWB1NAN0208 - Nanisivik Mine

In reply to the Nunavut Water Board's letter dated December 14, 2002 and in fulfillment of the obligation under *Part G, Item 2* of the Water License, I would like to offer the attached schedule of submissions, on behalf of CanZinco Ltd. The schedule has been presented in tabular form and is organized in the order that the submission requirements appear in the License. While I believe no further information is required to understand the schedule, I would like to preface this submission with a general update on the reclamation and closure plans for the site, to provide some additional perspective.

It is our intention during 2003 to concentrate our resources almost exclusively on completing the 12 larger studies and reports required under the License. Most of these are underway currently with completion dates which span from January through to the culmination of the Final Closure and Reclamation Plan (*Part G, Item 3*) in December 2003. In this way, we would expect to have the required approvals in place during the first quarter of 2004, which would then allow us to put the Plan into action.

The timeline for completion of the reports/studies, and ultimately the submissions, is largely driven by fieldwork scheduled during the year, much of which will not proceed until the snow cover has left. Assimilation of the fieldwork data and observations into the correlating studies will be the next step in a logical sequence, followed by report writing, peer review and finally submission. Implicitly, reclamation work should not proceed prior to completing these steps and in fact cannot proceed prior to receiving the NWB approval.

We do not however, see this timeline as a negative factor in the reclamation process. The postponement of de-commissioning work until 2004 will allow the on-going discussions on the continued use of the site facilities with the Government of Nunavut (GN) to resolve themselves. As you may be aware, the GN has recently indicated a strong interest in the tankfarm and associated infrastructure and we are in the process of formalizing this transaction. This occurs in addition to our continuing discussions with the GN, on the transfer of extensive infrastructure assets to their control. In addition to these developments with the GN, we have also recently been in discussion with several independent third parties who have expressed interest in the industrial assets in place at the site. With these common interests in mind, it appears that by maintaining the infrastructure in place for an additional year, we may be in a better

position to reach our mutual objective of having the site provide enduring benefits to the citizens of Nunavut.

Throughout this period, all required environmental monitoring would continue to be carried out in to ensure that there will not be an increased risk of impact to the environment. The environmental management systems which were in place while Nanisivik was operating and annually producing 100,000 tonnes of zinc and lead concentrates, and 900,000 tonnes of tailings material, will remain in place during this care and maintenance period.

As a final point and somewhat aside, we would like to reiterate our commitment in previous discussions to meet on a scheduled basis, with the technical advisors to the stakeholder group. In this way we would be able to provide technical updates and to collect input for consideration on the developing studies.

As always, should you wish to discuss any of the items contained in this letter, please contact me directly at (506) 546-1999 (ext 2263).

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

SCHEDULE OF SUBMISSIONS FOR WATER LICENSE NO: NWB1NAN0208 - NANISIVIK MINE

LICENSE REFERENCE (SECT / ITEM)	REQUIREMENT	SUBMISSION DATE
C/3	The Licensee shall, within thirty (30) days of issuance of the Licence, submit to the Board for approval a revised Water quantity estimate which represents the required volume in cubic metres based on the scope of this Licence.	January 25, 2002 (previously submitted)*
E/1	The Licensee shall submit to the Board for approval within thirty (30) days of issuance of this Licence, a revised Emergency Response Plan . This plan shall be prepared in accordance with the Nunavut Water Board's, "Guidelines for Contingency Planning" (1987) and shall also include the standard operating procedures for the decontamination and disposal of fuel containment infrastructure and equipment.	December 18, 2002
G/3	The Licensee shall submit to the Board for approval a Final Closure and Reclamation Plan which shall include.....	December 15, 2003
G/4	The Licensee shall submit to the Board for approval a report assessing the proposed covers which shall include but not be limited to.....	September 30, 2003
G/5	The Licensee shall submit to the Board for approval a report assessing the postulated Talik in the surface tailings cell and the test cell which shall include but not be limited to.....	August 31, 2003
G/6	The Licensee shall submit to the Board for approval a report assessing all quarries required for cover construction which shall include but not be limited to.....	October 31, 2003
G/7	The Licensee shall submit to the Board for approval a report on the proposed spillway which shall include but not be limited to....	August 31, 2003
G/8	The Licensee shall submit to the Board for approval a report assessing all waste rock which shall include but not be limited to.....	September 30, 2003
G/9	The Licensee shall submit to the Board for approval a report on monitoring requirements which shall include but not be limited to.....	February 28, 2003
G/13	The Licensee shall submit to the Board for approval a report on a Phase II Environmental Site Assessment to conform to at least <i>CAN/CSA-Z769-00 Phase II Environmental Site Assessment- A National Standard of Canada (approved July 2002)</i> .	January 30, 2003
G/14	The Licensee shall submit to the Board for approval a Human Health and Ecological Risk Assessment conducted in accordance with Canadian Environmental Quality Guidelines and/or other acceptable industry standards	January 30, 2003
G/15		October 31, 2003

	The Licensee shall submit to the Board for approval a West Twin Disposal Area Closure Plan, which shall include but not be limited to....	
G/16	The Licensee shall submit to the Board for approval an Underground Mine Solid Waste Disposal Plan which shall include but not be limited to....	March 30, 2003
G/17	The Licensee shall submit to the Board for approval a Landfill Closure Plan which shall include but not be limited to....	October 31, 2003

* *Part C, Item 3* of the License, identifies an obligation for the Licensee to submit “*a revised water quantity estimate which represents the required volume in cubic metres based on the scope of this License*”. We would ask the Board to review our License Renewal application submitted in January 2002, for this information. While the License grants us 180,000 cubic metres consumption per annum, we requested only half that volume in our application for the first year (90,000 cubic metres), followed by a reduction to 45,000 cubic metres the second year, and a final reduction to 20,000 cubic metres per annum for the remainder of the License. This information may have been overlooked while processing the application.