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February 24, 2004

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

Via electronic mail to: exec@nwb.nunavut.ca

Re: Nanisivik Reclamation and Closure Plan

On behalf of Indian and Northern Affairs Canada ("INAC"), I would like to thank Patrick Duxbury of the Nunavut Water Board ("NWB") for his letter of February 16, 2004. outlining the NWB's proposed timeline for the review of CanZinco Limited's ("CanZinco") Nanisivik Mine 2004 Reclamation and Closure Plan (the "Final Plan").

Although INAC appreciates the need for Final Plan review to occur in an efficient and timely fashion, it must be emphasized that decisions based on these processes will have long term implications on the human and environmental health of Arctic Bay, Nanisivik, and the surrounding environs. To this end, it is critical that all interested parties be given the necessary time and documentation required to exercise appropriate due diligence in their review and comments on the Final Plan. In order that this may occur, the following items are presented in response to Mr. Duxbury's letter:

1. INAC will not consider the Final Plan to be complete for review until such time as all documents, including the West Twin Disposal Area Closure Plan ("WTDACP") and the revised Nanisivik Mine Waste Disposal Plan (the "Waste Disposal Plan") (as per Item G16 of Water License NWB1NAN0208), have been submitted. In his February 16 letter, Mr. Duxbury accommodated only the anticipated submission of the WTDACP in delaying the start of the review period. The existence of a previous Waste Disposal Plan was cited to be sufficient documentation to allow the review period to commence prior to the submission of the revised Waste Disposal Plan. It must be noted that the original Waste Disposal Plan, submitted by CanZinco on August 1, 2003, was technically deficient to the extent that it holds no value as a surrogate reference document to the pending revised Waste Disposal Plan. The substantive shortcomings of the





original Waste Disposal Plan, in addition to the importance of this document as an integral component of the Final Plan, are reflected in the 18 conditions prescribed for the revised Waste Disposal Plan in the January 6, 2004 letter from Philippe di Pizzo (NWB) to Robert Carreau (Breakwater Resources Ltd.)

- 2. The proposed 30-day period between the submission of the complete Final Report and the initiation of technical meetings is insufficient for interested parties to exercise the necessary due diligence in their review of the Final Plan. As per the NWB Rules of Practice and Procedure for Public Hearings (the "NWB Rules"), a hearing includes "...a pre-Hearing conference, a written hearing, or a public meeting". Therefore, as per the NWB Rules, Section 8.3, and Bill C-33, Section 55(2), the technical meeting and pre-hearing must be scheduled at least 60 days after submission of the latter of the WTDACP or the Waste Disposal Plan. INAC requires the full 60 days to properly review and comment on the complete Final Plan prior to conducting technical meetings and pre-hearings.
- 3. INAC is in full agreement that participation from the community of Arctic Bay is to be encouraged and included at each appropriate opportunity. It is necessary, however, that technical meetings be held in a central location with sufficient amenities to allow for the participation of dispersed parties involved in Final Plan review.

I hope that these points clarify our present concerns with the Final Plan review process. Please do not hesitate to contact me if there are any further questions or comments.

Best regards,

Stephen Traynor

Director, Operations