

Nanisivik mill moving to High Lake in Kitikmeot

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Kugluktuk/Coppermine

Wolfden Resources has signed an agreement with CanZinco, a wholly-owned subsidiary of Breakwater Resources Ltd., to acquire the Nanisivik mill.

After disassembly, Wolfden plans to move the facility to its High Lake property.

Wolfden's High Lake property is

located within the Kitikmeot region of Nunavut, approximately 550 kilometres northeast of Yellowknife, NWT, with the closest population centre being Kugluktuk, 175 kilometres west of it. CanZinco reports the acquisition agreement was struck on June 17.

Wolfden has agreed to reclaim, to the satisfaction of CanZinco and the regulators involved, the industrial complex site at Nanisivik.

"In return, Wolfden will receive

the milling equipment and related structure, four of the five diesel-electric generators on site, the ship-loading facility and the concentrate-storage shed.

"Wolfden will dismantle the DMS plant and prepare it for shipment for CanZinco. Wolfden must post \$2 million of financial security prior to commencing with the dismantling of the facility.

The security is to be released when

CanZinco and the regulators are satisfied that the necessary reclaim work has been completed," states a recently-released CanZinco report.

Ewan Downie, president of Wolfden Resources, confirmed the mill acquisition.

The High Lake property contains what Downie describes as "a massive sulphide zone with gold and silver ore bodies that are higher than a lot of the open-pit gold mines in the world.

"We made the discovery about a month-and-a-half ago," said Downie. Wolfden is in the process of conducting their baseline environmental work on the High Lake property and Downie added if all goes well in the environmental review process, they expect to be up and running by 2006. The proposed mine is expected to have a shelf life of 12 to 14 years, employing between 80 and 100 people.