



**Izok Project  
ANNUAL REPORT  
for  
2BE-IZ00712  
Zinifex Canada Inc.**

## Table of Contents

Table of Contents .....	2
1 Project Summary .....	3
2 Water Use.....	3
3 Unauthorized Discharges .....	4
4 Spill Contingency Plan / Abandonment and Restoration Plan .....	4
5 Reclamation Work .....	4
6 Other Details Requested by the NWB .....	4

## Appendixes

- Appendix 1 – Table of Drill, Water Source, and Sump Locations
- Appendix 2 – Map of Drill, Water Source, and Sump Locations
- Appendix 3 – Abandonment and Restoration Plan  
Spill Contingency Plan

## 1 Project Summary

Zinifex Canada Inc. is a mining development company that has acquired the mineral rights for the Izok property, and portions of the Hood property from Wolfden Resources Inc.

The Hood property contains copper and zinc deposits, and consists of two mineral leases surrounded by Inuit Owned land (surface and subsurface rights; CO-40: Sub-areas A, B, and Open).

The Izok property contains copper and zinc, and consists of three mineral leases and three claims (currently being processed). The leases are located on Crown and Inuit Owned Land (CO-05; surface rights).

Zinfex is proposing a 2007 airborne geophysics and exploratory drilling program in the vicinity of Izok Lake and on the Hood and Gondor properties, located in Nunavut. These programs will begin in April 2007 and operate for about six to eight months. The scope of the drilling program will be finalized once the results of the geophysics have been analyzed.

In addition to mineral exploration activities, we anticipate that environmental baseline work and engineering studies will be carried out concurrent with the planned diamond drilling and prospecting.

The planned activities are necessary to increase the technical understanding of the nature of the mineral deposits. The long-term objective of any mineral exploration program is to progress the project towards feasibility studies and eventual development of a producing mine. In addition to the mineral exploration work, environmental baseline studies will be undertaken to obtain the necessary background data and to improve the knowledge of the physical environment of the property. This is in preparation for a future submission of an Environmental Impact Statement in support of permit applications for mine development and operation.

## 2 Water Use

Water use on the Izok project is resultant from two activities; diamond drilling and camp operations. Diamond drilling began May 18, 2007 and concluded November 23 2007, and consisted of only one drill. Water pumped to the drill is calculated by average pumping rates of supply pumps and is 25m<sup>3</sup> per drill per day. Of this an estimated 30% is used by the drill for drilling operations, the remainder, which is clean unused water is allowed to flow back to the water table. A summary of the water source and sump locations is provided in Appendix 1. A map is provided in Appendix 2 indicating the locations of water sources and sumps.

The Ham Lake Camp utilizes water from Ham Lake. The water consumption was calculated by keeping record of the number of times the storage tanks were filled. The known volume of the storage tanks was multiplied by number of times each was filled.

The camp consumed an average of 750 gallons of water per day during operation. A water meter was purchased for the camp but critical parts for the meter did not arrive on site to properly install the meter. This coming 2008 season a water meter will be installed at the Ham Lake camp.

### **3 Unauthorized Discharges**

No spills or unauthorized discharges occurred during the exploration program and reporting period.

### **4 Spill Contingency Plan / Abandonment and Restoration Plan**

The Izok Spill Contingency Plan was updated at the conclusion of the reporting period, with minor changes to personnel listed and contact numbers provided. Additional materials were added to the MSDS sheets where needed. The updated Spill Contingency plan is attached to this report.

### **5 Reclamation Work**

Reclamation work occurs at each diamond drilling site on an ongoing basis during the exploration program. Each site is returned to its natural state with as little disturbance as possible at the conclusion of each drill hole. No reclamation work was carried out at the Ham Lake camp site during the reporting period.

### **6 Employment**

Zinifex has been pleased to employ locally wherever possible, and has hired employees from the nearby communities of Cambridge Bay, Bathurst Inlet and Kugluktuk. During the 2007 field season the Izok Project employed the following Inuit employees,

John Himiak (Heavy Equipment Operator)  
John Koadloak (Heavy Equipment Operator)  
Kirk Kapakatoak (geo-technician)  
Doug Ivarluk (geo-technician)  
Robert Ayaligak (geo-technician)  
Fred Koahina (Bear Monitor)  
Gord Ailanak (Bear Monitor)

### **7 Other Details Requested by the NWB**

No other details were requested by the Board during the exploration program and reporting period.

