

March 20, 2002

Mr. Godfrey W. McDonald  
Vice-President  
BREAKWATER RESOURCES LTD.  
95 Wellington St. West, Suite 2000  
Toronto, ON  
M5J 2N7

AND to: NIRB Distribution List

Dear Mr. McDonald and Parties:

**Re: Screening of the Closure and Reclamation Plan for the Nanisivik Mine**

The Nunavut Impact Review Board (NIRB) is in receipt of the two-volume Nanisivik Mine Closure and Reclamation (A&R) Plan, prepared by Gartner Lee Ltd, February 2002. The NIRB is seized with jurisdiction pursuant to Article 12 of the Nunavut Land Claims Agreement (NLCA) for reasons explained below.

As NIRB screens this project in Nunavut, several issues must be addressed. First, the project must fall within the definition of "project" in the NLCA, which as per section 1.1.1 is:

'Project proposal' means a physical work that a proponent proposes to construct, operate, modify, decommission, abandon or otherwise carry out, or a physical activity that a proponent proposes to undertake or otherwise carry out, such work or activity being within the Nunavut Settlement Area . . . ."

As a general rule, the project can be subject to the exemptions from screening (see NLCA Schedule 12-1, attached), the project needs to be consistent with an approved land use plan under Article 11 of the NLCA, and there must be an underlying authorization that triggers NIRB, such as the water license under Article 13 of the NLCA. From what we know at this point, the project is not exempt from screening under Schedule 12-1, the project is in conformity with the appropriate Land Use Plan (see letter of NPC faxed March 13, 2002), and finally, the Nunavut Water Board (NWB) has forwarded the application to NIRB for formal screening, thus there is an Article 12 NLCA authorization required which is at least the NWB water licence renewal for the A&R.

Accordingly, NIRB is asking all parties, governments, Breakwater and others on our distribution list, for your input into the screening process, i.e., to advise NIRB in its screening decision of the A&R Plan. In particular, NIRB would like your input and answers to the following questions:

1. Should the A&R Plan be the subject of a (public) review under the NLCA?

In answering this question, please see section 12.4.2 of the NLCA (attached). And, when you review CanZinco's A&R Plan to determine if a public review is required, NIRB must choose from the four decision points of section 12.4.4 of the NLCA, which are:

- No review is required; 12.4.4(a)
- A review *is* required; 12.4.4(b)
- The A&R Plan is not sufficiently developed and should be *returned*; 12.4.4(c) or
- The impacts are unacceptable; the Plan should be modified/abandoned 12.4.4(d)

So, to summarize question 1, do you think a review (public hearing) is required and if so, why? If not, which of the other three procedural options listed above (12.4.4(a)(c) or (d)) would you suggest to the Board, and why?

2. Second, the Board needs to know if there are *any other* relevant permits, certificates, licences, or other government approvals (authorizations) that CanZinco may require to implement the A&R Closure Plan?

To illustrate, there may, or may not, be authorizations required by:

- Fisheries and Oceans (DFO) re habitat alteration or other approvals;
- GN Mine, Health, Safety, re: cessation of Mining Work;
- DIAND, re: letter of clearance of CanZinco's work;
- NRCan and Transport Canada, re: hazardous materials and explosives;
- Etcetera

In short, NIRB's second question for which we need your input, and especially that of the territorial and federal governments, relates to the need to identify any other authorizations required by government that might trigger NIRB's screening jurisdiction. Again, by the word 'authorization' we mean any permit, certificate, licence, or government approval.

Since CanZinco intends to stop mineral production this fall (Sept. 2002, see p. 1-2 of A&R Plan), NIRB would like written replies to these two questions from all parties **on or before April 10, 2002**. In answering these two procedural questions, please review at least Volume 1 of the A&R Plan; it is relatively short and sets out the history including consultations (Chapter 2), Baseline information (Chapter 3), Recent Studies (chapter 5), Closure Activities (Chapter 6), and Community Benefits (Chapter 7). If any person does not have a copy of the A&R Plan, please contact CanZinco immediately at the above address.

Once NIRB has received and reviewed your submissions, NIRB will make a decision under Article 12.4.4 of the NLCA, in writing, and will communicate it to all of you and to Minister Nault, hopefully, by the end of April.

If you have any questions, please do not hesitate to call me.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Stephanie Briscoe', written in a cursive style.

Stephanie Briscoe  
Executive Director

cc. Minister Nault