

5/12

AGENDA ITEM

11.1.3

TITLE: Canadian Zinc

ISSUE: Prairie Creek mine

BACKGROUND: Members of the Canadian Zinc board met with staff from departments and agencies on Aug. 16, 2000. The company explained their planned work for this fall and their long term hopes for the lead/zinc mine.

This fall the company plans to clean-up 30,000 litres of diesel stored along the road to the mine. The diesel was cached in the 1980s and the company wants to consolidate the barrels on site. It is not clear who is the owner of the diesel. The Crown land on which the diesel sits was not part of the purchase of the mine when it went bankrupt. The owners may be DIAND. The company also wants to up-grade a road into an existing site which is being explored.

This winter the company wants to undertake scoping studies to evaluate what it would take to open operations at the mine, including costs and then evaluate if the operation could operate under current lead/zinc prices.

There was considerable discussion of the challenges being faced by the company including the proposed expansion of Nahanni National Park, the Deh Cho claims process, and the structural integrity of the mine's current tailings pond.

The company has filed a land use permit for this fall's work and the Land and Water Board is still considering it for completeness. Given the 30 day consultation period, it is currently doubtful if the company will receive the permit before winter arrives in the Deh Cho.

**ACTION/
DECISION:** Information item.