

Louie Azzolini

From: Louie Azzolini
Sent: Friday, July 13, 2001 1:30 PM
To: Eddie Kolausok (E-mail)
Subject: Added to Canadian Zinc Corporation EA Distribution List



Recent Letter from
Experts to ...



Letter in response
to requests...



Canadian Parks and
Wilderness ...



GNWT CZN
formation Requests



CZN Information
Requests



FW: CZN Reminder
- Comments on...



RE: Clarification
regarding th...



Clarification
regarding the CP...



FW: EA Report -
Pilot Plant



FW: EA Report -
Pilot Plant (P...



FW: EA Report -
Decline

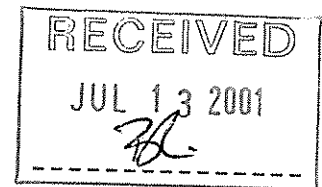


FW: CZN Reminder -
Comments on...

Mr. Blyth of Nahanni National Park has requested that I place you on the environmental assessment distribution list for the Canadian Zinc Corporation (CZN) Environmental Assessments for the Phase II Drilling Program EA01-003, and the CZN Decline and Metallurgical Test Plant EA EA01-002. Please let respond if you want to remain on this list. I have also attached recent correspondence for your information.

Sincerely,

Luciano Azzolini,
Environmental Assessment Officer,
Mackenzie Valley Environmental Impact Review Board,
Box 938, Yellowknife, NT. X1A 2N7
Phone (867) 873-9189; Fax 920-4761;
mveirb.nt.ca

**CANADIAN ZINC**
CORPORATION

July 13, 2001

Mr. Louie Azzolini
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
PO Box 938, 200 Scotia Centre, 5102 - 50th Ave.
Yellowknife, NT
X1A 2N7

By Fax: 1-867-920-4761

Dear Mr. Azzolini:

Re: Environmental Assessments - Prairie Creek Mine

- **Phase II Mineral Exploration Drilling Program**
(Land Use Application MV 2001C0022; MVEIRB File EA01-003)
- **Metallurgical Pilot Plant Program**
(Water Licence Application MV2001L2-0003; MVEIRB File EA01-002)
- **Underground Decline and Exploration Drilling**
(Land Use Application MV2001C0023; MVEIRB File EA01-002)

We are in receipt of correspondence to the MVEIRB from CPAWS, NNPR and DIAND raising issues pertaining to the current EA process on the abovenoted applications as they relate to requests for extensions to the timelines.

We have provided the attached comments on these issues for the Board's consideration. Please note that the issues raised have been included in *italics* and CZN's response in plain type.

Yours very truly,

CANADIAN ZINC CORPORATION

A handwritten signature in black ink, appearing to read 'Peter Campbell'.

J. Peter Campbell
VP Project Affairs

cc: Chief Leon Konisenta - Nahanni Butte Dene Band (Fax: 1-867-602-2910)
Bill Beaton - Northern Projects Inc. (Fax: 1-403-294-1162)

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CZN comments on issues raised by NNPR, DIAND and CPAWS**NNPR (July 6, 2001)**

The current timelines proposed by the Board for technical assessment of documents are unreasonable and may compromise the quality of reviews

- See CZN's comments in letters to the MVEIRB of July 9 and 13, 2001
- It is critical that the scope and complexity of the review process match the scope and complexity of the applications. The current applications before the Board are for standard advanced exploration work the associated impacts of which are well known to experienced reviewers and mitigation measures for which are common practice. The timelines as originally set should certainly have been able to accommodate the review process for the Phase II exploration program without compromising the quality of the review considering a comprehensive EA had already been completed for the Phase I program. Similarly, the other two applications are relatively straightforward and much of the information and many of the issues should be familiar to reviewers as a result of the previous and concurrent EA's.

There is a need to consider previous environmental reports to take into account any report made in relation to that proposal before the coming into force of this Part (MVRMA section 127) for related developments. The timelines that have been established preclude the reviewers from accessing previous documents. For this particular development, data from 1981 and 1995 need to be incorporated.

- Data from these baseline reports were incorporated into CZN's EA reports; pertinent sections of baseline reports were provided to expert advisors in support of the previous Phase I drill program and Cat Camp fuel recovery program (fisheries studies were provided to DFO; wildlife and vegetation studies were provided to GNWT-RWED)
- These comprehensive baseline studies were undertaken in support of full-scale mine development in 1981. The development underwent a comprehensive public review before the NWT Water Board and based on this information the mine was fully permitted for a full-scale 900 tonne per day mining and milling operation in 1982. Additional studies were undertaken in 1994 in support of further permitting activity at that time
- We are fortunate to have such an extensive baseline database which is not typically the case in support of advance exploration work and is not typically required in support of applications for such exploration work; as noted above, relevant information from the database was considered and incorporated into the EA reports and a further detailed review of these same reports should not be necessary

We have concerns that both these developments share common elements such as infrastructure, fuel storage, camp facilities which raises a number of interrelated environmental assessment questions (see attached). As such the scope of the applications are more extensive than one would have assumed

- The commonality of the applications should in fact make the review of each easier, not more difficult, since much of the information is the same
- Use of the existing facilities and sharing of common elements between the programs was considered and discussed in the EA Reports
- All of the infrastructure is existing and in place. It was constructed in 1981 in support of full-scale mining and milling operation; No new infrastructure is required in support of the developments
- The use and capacity of the support infrastructure was considered and assessed in detail in the previous EA's for the Phase I drill program and Cat Camp fuel recovery program

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Given the process to date we also have concern that the closure of the public registry prevents the Board from seeking clarification of issues raised through technical reviews

- CZN has also expressed concern (April 3, 2001) with respect to the lack of opportunity for the Company to counter incorrect assumptions or misleading statements made in the technical review comments put before the Board; the technical review comments currently being the final formal submissions in the process
- We recognize however that there has to be an end to the process and without provision for closure of the registry the process could be open to abuse and could be dragged on incessantly; the length of the process has already clearly shown itself to be a major concern and it certainly doesn't need to get any longer; careful consideration need be given to any change which would further compromise the timely and expeditious process required by the Act

We suggest an iterative, collaborative process for such exchange of information in the current EA process in order to support the Board in its deliberations. This would allow for a better quality assessment and a better process for both proponents and the board

- CZN also supports an iterative process as a means of ensuring that inaccurate assumptions or misleading statements which inadvertently find their way into technical review comments are corrected in advance, and only the most factual information is put before the Board upon which to make its determinations
- The Company certainly welcomes and encourages any enquiries or requests for further relevant information necessary to complete a quality assessment

There is a lack of consideration in each of the environmental assessment reports of the requirement to use the same infrastructure at the Prairie Creek Mine site. There is no analysis of the cumulative effects of increasing the number of staff using the same facilities for accommodation, and the use of ancillary facilities including the landing strip.

- The numbers of personnel, sharing of personnel and common elements of facilities were considered and discussed in each of the EA Reports; the use and capacity of the support infrastructure was assessed in detail in the previous EA's for the Phase I drill program and Cat Camp fuel recovery program as well
- The site infrastructure was developed in support of full mine operations and capable of housing up to 240 people; the current programs would only require about 35 people on-site at one time if all three programs were conducted at the same time; in all likelihood all three programs would not be conducted at the same time reducing the total number of people on site at one time

There is no description of the adequacy of those facilities meeting current environmental standards in the environmental assessment report. The report should answer the following questions: Does the existing wastewater treatment facility meet current standards? What standards are applicable and how are they met? What volume of treated effluent will be discharged to Prairie Creek? How does this volume compare to the total volume of flow in Prairie Creek, particularly in periods of low flow? What is the expected quality of the wastewater with respect to parameters such as BOD, suspended solids, pH, fecal and total coliform, phenols, oils and greases and phosphorus?

- Details of the existing sewage disposal system were provided in response to an Information Request submitted by GNWT-RWED in the matter of the Phase I Drill Program and Cat Camp Fuel Recovery program; the use and capacity were assessed at that time, and were assessed at that time
- Sewage disposal practices are the subject of regulation and simply a permitting issue; CZN will work closely with GNWT to ensure sewage disposal conforms with current standards and requirements

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As a second example, do the fuel storage tanks that will be used on the site for power generation, gasoline storage, etc. meet current codes for safe storage? This is particularly important in light of the fact that a diesel oil spill at Prairie Creek resulted in the loss of 24,000 gallons of fuel of which only approximately 8,400 gallons were recovered in 1981. In a follow-up review of the reports related to the spill by the Department of Environment, several deficiencies at that time were raised as follows: "the operator had no spill contingency plan, no personnel trained in fuel recovery procedures and no equipment on-site for recovery operations. Since this was the case, it raises serious questions about the nature of licence conditions imposed upon the operator, compliance with these conditions, and inspections given operations of this nature." It was recommended that a contingency plan be developed, that personnel be trained in spill emergencies and that equipment be placed on-site to reduce the impact of future spills that could occur. The environmental assessment report needs to include a copy of the contingency plan (identification of who will be responsible for the reporting of spills, to whom will reports be made, a description of procedures to follow, a description of the type of training that will be provided and to whom, a description of the equipment that will be on-site, etc.

- Details of the fuel storage facility were supplied to GNWT-RWED in response to an Information Request submitted in the matter of the Cat Camp Fuel Recovery Program; its use and capacity were assessed at that time; recommendations with respect to the continued use and operation of the facility, including an inspection of the facility were made at that time
- Fuel storage is the subject of regulation and simply a permitting issue; CZN will work closely with GNWT to ensure that the facility conforms with the required standards
- The tank farm and contained fuel are currently in place at the minesite; they will be there whether the proposed program go ahead or not; proceeding with the programs will, in fact, reduce the risks by using up the stored fuel volume
- The information relating to a spill in 1981 is not relevant to the current applications; The spill reportedly occurred from an older bolted tank in service prior to construction of the current welded steel tank farm and no longer in use; the spill reportedly occurred during construction of the mine which at the time was owned by a different operator, not CZN
- CZN's Spill Contingency Plan has been filed with DIAND and was submitted in support of our EA Reports

There are other deficiencies in the environmental assessment report with respect to the provision of accommodation at the mine site including solid waste management, water supplies, the use of the airstrip, etc.

- CZN discussed each of these items in its EA Report and is aware of no deficiencies in terms of the information provided
- The use and capacity of the support infrastructure was assessed in detail in the previous EA's for the Phase I drill program and Cat Camp fuel recovery program as well

Although the environmental assessment reports addresses the headings as required under the Terms of Reference, the report lacks the detail to make the information meaningful. As an example the report states that monitoring will be conducted for a number of different aspects. However no information is provided on who will be responsible for conducting the monitoring, what exactly will be monitored (will it be compliance with established procedures, and if so, what are the procedures), when it will be conducted (frequency), etc.

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- In actual fact, the environmental management plan incorporated into each of the EA reports does discuss monitoring frequency and aspects to be monitored
- The purpose of the environmental assessment process is to determine whether or not there will be significant adverse effects or impacts associated with a given activity and whether or not proposed mitigation measures will adequately prevent such adverse effects or impacts from occurring; the purpose of monitoring is to confirm such conclusions and the details of such monitoring are typically incorporated in respective permits and licences
- Monitoring details should be part of an iterative process in developing a surveillance network program as part of the licencing process; finalization of such details would seem to have little bearing on the environmental assessment process itself

DIAND (July 6, 2001)

Current timelines proposed by the Board for technical assessment of documents are unreasonable, compromising the quality of reviews. For example, our Water Resources Division has informed me that it requires a minimum of four weeks from receipt of the last document required to complete a technical review.

- See CZN's comments in letters to the MVEIRB of July 9 and 13, 2001
- It is critical that the scope and complexity of the review process match the scope and complexity of the applications. The current applications before the Board are for standard advanced exploration work the associated impacts of which are well known to experienced reviewers and mitigation measures for which are common practice. The timelines as originally set should certainly have been able to accommodate the review process for the Phase II exploration program without compromising the quality of the review considering a comprehensive EA had already been completed for the Phase I program. Similarly, the other two applications are relatively straightforward and much of the information and many of the issues should be familiar to reviewers as a result of the previous and concurrent EA's.

The need to consider previous environmental reports (MVRMA section 127) for related developments. For example, while there is an extensive history concerning past applications and environmental assessments for mining activity around the Prairie Creek site, it does not appear that the Board obtained and reviewed these reports prior to reaching its decision on the Cat Camp Fuel Cache Recovery Program proposal.

- Data from these baseline reports were incorporated into CZN's EA reports; pertinent sections of baseline reports were provided to expert advisors in support of the previous Phase I drill program and Cat Camp fuel recovery program (fisheries studies were provided to DFO; wildlife and vegetation studies were provided to GNWT-RWED)
- These comprehensive baseline studies were undertaken in support of full-scale mine development in 1981. The development underwent a comprehensive public review before the NWT Water Board and based on this information the mine was fully permitted for a full-scale 900 tonne per day mining and milling operation in 1982. Additional studies were undertaken in 1994 in support of further permitting activity at that time
- We are fortunate to have such an extensive baseline database which is not typically the case in support of advance exploration work and is not typically required in support of applications for such exploration work; as noted above, information from the database was considered and incorporated into the EA reports and a further detailed review of these same reports should not be necessary

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With regard to CZN's applications (underground decline, phase II drilling, metallurgical pilot plant), representatives expressed concern regarding the Board's decision to carry out two separate EA's when both these developments share common elements such as infrastructure, fuel storage, camp facilities etc. The representatives are of the view that the Board should consider a single EA process that addresses all the common and directly related elements of these projects.

- The commonality of the applications should in fact make the review of each easier, not more difficult, since much of the information is the same; all of the support infrastructure is in place and in use in support of routine care and maintenance; no new infrastructure is required for any of the programs
- There would seem to be little justification for linking of the EA's on the basis of shared infrastructure since the same infrastructure is in place in any event
- Each of the applications is for a separate program of advance exploration work and should be assessed on its own merits; linking of the programs into one EA would only serve to delay all while issues relating specifically to one are resolved; for example, the phase II drilling program should be able to be assessed relatively quickly since a comprehensive EA has already been completed on the Phase I program

The group is concerned that premature closure of the public registry prevents the Board from seeking clarification of issues raised through technical reviews. This matter has been previously brought forward to the Board as a concern. Closing the public registry before the Board has had an opportunity to analyze the technical comments appears to limit the Board's ability to seek further clarification from the proponent or expert advisors on any deficiencies.

- CZN has also expressed concern (April 3, 2001) with respect to the lack of opportunity for the Company to counter incorrect assumptions or misleading statements made in the technical review comments put before the Board; the technical review comments currently being the final formal submissions in the process
- We recognize however that there has to be an end to the process and without provision for closure of the registry the process could be open to abuse and could be dragged on incessantly; the length of the process has already clearly shown itself to be a major concern and it certainly doesn't need to get any longer; careful consideration need be given to any change which would further compromise the timely and expeditious process required by the Act

There is strong support for facilitating an iterative, collaborative process for information exchange to support the Board in its deliberations. The group noted that opportunities should be developed at the early stages of an EA and where deemed appropriate during an EA, to resolve matters and to bring all interested parties together to share information, build consensus, and to work together toward a final EA.

- CZN supports DIAND's recommendation for a more iterative process and in fact made this same recommendation to the Review Board in our letter of April 3, 2001 as a means of ensuring that inaccurate assumptions or misleading statements which inadvertently find their way into technical review comments are corrected in advance, so that only the most factual information is put before the Board upon which to make its determinations

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CPAWS (July 4, 2001 & May 11, 2001)

The EA Workplan schedule is too short, and does not allow for full participation due to the tight timelines.

The draft workplan as currently set out appears to be unrealistically short in duration. Two recently completed EAs, on the 6-7 hole drill program and tote road re-establishment/fuel cache clean-up applications from Canadian Zinc, were originally scheduled to be approximately 6 months in length, and actually took around 7 months to complete.

- See previous comments in response to DIAND and NNPR and CZN letter to the MVEIRB dated July 9 & 13, 2001.
- The fact that the EA process for a 6-7 hole exploration program took 7 months to complete is not exactly a glowing endorsement of a functional, timely and efficient process nor a valid justification for extension of the existing timelines; in actual fact from the time of application to receipt of the Land Use Permit took 11 months
- Similar programs in the NWT have been approved by the MVLWB within the 42 day screening period without being subjected to a comprehensive EA process; elsewhere in Canada similar programs are typically approved within weeks to a month; such precedents would suggest the timelines should have been more than sufficient
- The length of time taken to approve the 6-7 hole drill program is a classic example of the scope of the review process being totally out of proportion to the scope of the activity applied for

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