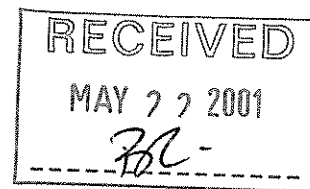




Indian and Northern
Affairs Canada
www.inac.gc.ca

Affaires indiennes
et du Nord Canada
www.ainc.gc.ca

Canzinc\comments-to-bd-ma15-1



Your file - Votre référence

Our file - Notre référence

Environment & Conservation
P.O. Box 1500
Yellowknife, NT, X1A 2R3

73927-A2-10

May 15, 2001

Mackenzie Valley Environmental Impact
Review Board
P.O. Box 938
Yellowknife, NT, X1A 2N7

Attention: Mr. Louie Azzolini:

RE: Comments on Draft Work Plan & Draft Terms of Reference for the Environmental Assessment of the Canadian Zinc Corporation Surface Exploration, Underground Decline and Metallurgical Plant Operation Development.

This refers to the request, dated May 4, 2001, from the Mackenzie Valley Environmental Impact Review Board (MVEIRB) for comments on the Draft Work Plan & Draft Terms of Reference for the Environmental Assessment (EA) of the Canadian Zinc Corporation (CZN) Surface Exploration, Underground Decline and Metallurgical Plant Operation Development.

First, I want to point out that the comments were requested by May 11, 2001. As we were uncertain that we could distribute the document within our organization and obtain all the necessary comments within the prescribed time, we requested a time extension to May 18, 2001. Although we have not received a reply to our request, we trust that this will not inconvenience your operations.

Our detailed, consolidated comments are given in the attachment. With reference to any report made under the Canadian Environmental Assessment Act (CEAA) and the Environmental Assessment and Review Process Guidelines Order (EARPGO), we are also enclosing a copy of a draft Guidelines for the *Environmental Assessment of the Prairie Creek Project, San Andreas Resources Corporation (June 1995)*.

.../2

The Guidelines were initiated by the Regional Environmental Review Committee (RERC), under EARPGO, and completed under CEAA, when the latter was promulgated into law in January 19, 1995.

Although the Guidelines were not acted upon by San Andreas at the time, as the company went into a reorganization, we think that several aspects of the document are still relevant to this assessment and may assist you in drafting your TOR. An electronic copy of these Guidelines are available by contacting Ranjit Soniassy.

Please note that it would be helpful if all the responsible ministers, and expert and specialist advisors for the project could be listed in the document. We also believe that the time line for the project is very compressed and suggest that the time frame be made more realistic, based on past projects.

I trust that this information is helpful to the MVEIRB in finalizing the Work Plan and the Terms of Reference. Should you have any question on the attached comments, please do not hesitate to contact us.

Sincerely,



Mary Tapsell
Regional Manager
Environment & Conservation

Encl.

ATTACHMENT

May 15, 2001

Comments on:

Draft Work Plan & Draft Terms of Reference

For the Environmental Assessment of the Canadian Zinc Corporation (CZN) Surface Exploration, Underground Decline and Metallurgical Plant Operation Development.

Prepared for: The Mackenzie Valley Environmental Impact Review Board (MVEIRB).

Prepared by: The Department of Indian Affairs and Northern Development (DIAND).

The Department of Indian Affairs and Northern Development (DIAND) is pleased to provide its technical knowledge and assistance to the Review Board on the above-mentioned proposal. The purpose of the comments is to assist the MVEIRB in finalizing the Work Plan and the Terms of Reference for the project. For ease of reference, our comments follow the same numbering system as given in the submission.

Section 1 - Purpose of the Work Plan

✓ It is understood from the wording in this paragraph that all three operations proposed by CNZ is being conducted under one EA. If this is the case, it would be helpful if this is explicitly stated to remove any misunderstandings. If this is not the case, some clear explanation should be given to remove any misunderstandings.

Section 2 - Chronology of Events

✓ Mention is made in this section that the Nahanni National Park Reserve (NNPR) referred the development proposal. It would be helpful if it could be stated whether such referral has also been made by other agencies or organizations.

It would be helpful if all the responsible ministers, and expert and specialist advisors for the project could be listed in the document.

The foot note at the bottom of pages 2 to 11 makes reference to the cat camp and fuel cache. This is confusing and should be removed. Presumably this refers to a template from a previous environmental assessment (EA).

Section 3.2.3 - Review Board Functions

✓ In this section, reference is made to two (2) EA's. In section 1, we indicated that we understand that all three operations proposed by CNZ are being conducted under one EA and requested confirmation by the MVEIRB. The mention of two EA's, without any detail on what each entails need be clarified.

Section 4 - EA Work Plan

Table 1 provides an estimate of the time line for the completion of the EA. The time line is very compressed for a development of this nature. Since the front end of the process was delayed, it may not be possible that all the review comments can be provided to finalize the EA work plan and ToR by May 18/01.

✓ We suggest that the time frame be made more realistic, based on past projects. Further, with summer approaching, the overall time lines for completion may be too short.

In section 5.1.2, paragraph 2, pre-scoping meetings and discussions with the RA is mentioned. The time frame for such activities has not been included in the table.

Section 5.1 - Assessment Process

✓ The second last paragraph (where a hearing is held...it it complements...) requires re-writing as its meaning is not clear.

✓ The last paragraph makes reference to "The time allocations and information requirements for each milestone will vary with each EA...". As indicated previously, the number of EA's need be clarified.

Section 7 - Scope of the Development

✓ In the first paragraph, mention is made that "the Review Board has decided to combine the proposed developments". We believe that this is the right approach; in which case statements like the one in section 5.1 need correction.

Section 7.2 - Exploratory, Underground, Metallurgical

Exploratory Drilling

- Should identify drill type used during exploration (Longyear Super 38 diamond drill);
- ✓ • Consider including the transportation of diesel fuel, and fuelling of the drill rig as an accessory undertaking;
- Will borrow material be required for the construction of additional tote roads for the exploratory drilling phase of the project? If so, this should be included as an accessory development and activity (i.e. borrow pit development, excavation, transportation etc.).

Underground Decline and Drilling

- ✓ • Will water be used during exploration drilling? If so, from what source and where will it be disposed of?
- Use of explosives should be included as an accessory activity (i.e. transportation, storage and use).

Metallurgical

- ✓ • Some information is missing in the third bullet. The sentence should read "Processing a **total of 1-2000 tonnes of rock** taken from the surface stockpile and possibly rock from the decline development"

Section 8.1 - Previous Screening and Reports

Reference is made to a report made under the Canadian Environmental Assessment Act (CEAA) and the Environmental Assessment and Review Process Guidelines Order (EARPGO).

In June 1995, this department issued a draft *Guidelines for the Environmental Assessment of the Prairie Creek Project, San Andreas Resources Corporation*. The Guidelines were initially prepared by the Regional Environmental Review Committee (RERC), under EARPGO, and finally completed under CEAA, when the latter was promulgated into law in January 19, 1995.

This draft Guidelines was developed for a full scale mine development. A copy is attached and may provide some assistance to the Board in developing the TOR for the project.

The last sentence in the 1st paragraph states that "the site is maintained under a land lease issued by DIAND that was transferred to the present owners, Canadian Zinc". To clarify, the site was maintained under two land leases issued by DIAND that were transferred to the present owners, Canadian Zinc. Both of the CZN leases expired in March 1997. At the present time CZN is an overholding tenant. DIAND has continued to accept annual lease payments on both leases and by doing so, has created a tenancy at will situation, allowing CZN to remain on the property. CZN has not yet entered into lease renewals on the terms and conditions stipulated by Land Administration .

Section 9.2 - Alternatives

- ✓ It is suggested that a shortlist of the alternatives be given to the proponent, including project or activity alternatives, location alternatives, process alternatives, scheduling or timing alternatives, mitigation alternatives.

Section 9.3 - Environmental Impacts

It is suggested that reference be made to the guidelines developed in June 1995, by the RERC, for the Prairie Creek Project, San Andreas Resources Corporation. Although the guidelines were prepared for the full scale development of the project, several environmental issues and impacts remain the same for this project.

- ✓ The TOR should also state explicitly that CZN is responsible for addressing NNPR's specific reasons for referring the development:
- the ecological integrity of the park reserve;
 - transboundary wildlife such as grizzly bears, dall's sheep and woodland caribou;
 - water quality and fish habitat in both Prairie Creek and the South Nahanni River.

These requirements should be incorporated into sections 9.3.1 through 9.3.11.

Section 9.3.1 - Air Quality and Climate

- ✓ It is suggested that consideration be given to potential climate change events, including impacts, mitigation and adaptation.

Section 9.3.4 - Water Quality and Quantity

This section should include the potential impacts and the effects of water withdrawal from the aquifers and other sources, as well as the water quality in the tailings ponds.

The project description (p.10) states that water quality and quantity impacts are expected to be negligible. More analysis is needed, including sump and tailings pond stability and effluent quality. The sump may require a liner, rather than ex-filtration.

The discharge (to Harrison Creek) will be regulated under the water licence, and water quality information will be required. Potential eutrophication of Harrison Creek resulting from the dewatering of the decline operations following blasting activities should be discussed.

Clarification regarding the operation of the tailings impoundment is required. The project description indicates that no process water from the operation of the metallurgical plant will be discharged. If the process water requires release at a much later date, it should still be considered as an accessory undertaking for this project. If however there are controls in place that restrict the impoundment from overflowing, they should be identified. For example, does evaporation exceed precipitation, is the process water able to percolate through the base or berms of the impoundment? Should this be the case, groundwater monitoring should be considered down-gradient of the tailings impoundment.

Information on permafrost will be required, especially where vegetation is to be cleared, or streams crossed.

Should drill muds be required, their trade names, chemical compositions and toxicities should be provided.

Section 9.4 - Cumulative Impacts Assessment

Table 3 seems to imply that cumulative effects on the natural environment have been addressed in sufficient detail for the Drill program, but not for the Test Mill or Decline and Drill operations. In a determination of cumulative impacts all three operations should be addressed together. It is not sufficient to assess one component independently of the others.

The spatial boundaries for the cumulative effects assessment should include the Nahanni and Flat River watersheds. The CZN operations, in combination with upstream developments (i.e. mining), may result in measurable impacts to water quality in the south Nahanni River.

Cumulative impacts on a local scale may not have been sufficiently addressed. Consideration should also be given to the following: methodology for cumulative impacts assessment; time and spatial boundaries and the rationale; identification of significance and uncertainties.

Other comments

Editing Comments

A number of typos have been identified and are provided for ease of editing, as follows:

Section 2 - Chronology of Events: In the second sentence of the reasons for referral, "include effects" is written twice.

Footer (throughout Work Plan): References incorrect project.

Pg. 4 (first bullet under "The Metallurgical includes"): "thee" should be replaced with "the".

Section 3.2.1 (last sentence): Does not make sense. Insert "reviewed" after "is"?

Section 3.2.3 (first sentence): References "these two EA's". This should be revised or clarified.

Section 3.2.3 (last bullet): Insert "in accordance with ss. 128(4) of the MVRMA" at the end of the sentence.

Section 4 (first sentence): References "two" projects again.

Section 5.1 (second sentence): Should read "The RAs".

Page 7 (first sentence): "it" is repeated twice, and "thee" should be replace with "the".

Section 9 (third last bullet): Should end sentence with a semi-colon.

Section 9.3 (last sentence): Should read "holes" not "hoses" and omit "so" from the sentence.

Section 9.3.1 (contents inside brackets): "Contaminants" should not be capitalized.