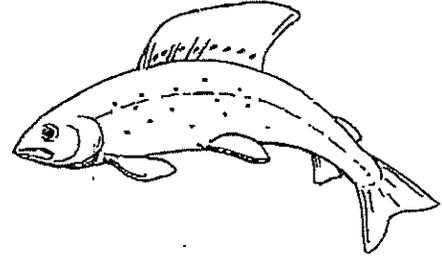




Fisheries
and Oceans

Pêches
et Océans



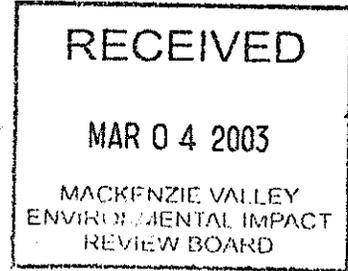
Fish Habitat Management
Suite 101, 5204 - 50th Avenue
Yellowknife, Northwest Territories
X1A 1E2

TO/A:

Mr. Alan Ehrlich
A/Manager of Environmental Assessment
Mackenzie Valley Environmental Impact Review Board
Box 938
200 Scotia Centre, 5102-50th Ave
Yellowknife, NT X1A 2N7
Fax (867) 920-4761

3 March, 2003

page 1 of 3



MESSAGE

Enclosed please find DFO-FHM comments on the following:

DFO-FHM File No. SC00188
MVEIRB File No. EA01-002/003

Canadian Zinc Corporation - Information Request Response, Environmental Assessment on the Canadian Zinc Corporation Underground Decline/Exploratory Drilling and Metallurgical Pilot Plant Developments

FROM/DE:

J. David Tyson
Area Habitat Biologist
Western Arctic Area

Telephone: (867) 669-4919
Facsimile: (867) 669-4940
Email: tysond@dfo-mpo.gc.ca

Canada



Fisheries
and Oceans

Pêches
et Océans

Fish Habitat Management
Suite 101, 5204-50th Avenue
Yellowknife, Northwest
Territories
X1A 1E2

Your file *Voire référence*
EA01-002/003

Our file *Notre référence*
SC00188

3 March, 2003

Mackenzie Valley Environmental Impact Review Board
Box 938
200 Scotia Centre, 5102-50th Ave
Yellowknife, NT
X1A 2N7

Attention: Todd Burlingame

**RE: Canadian Zinc Corporation – Information Request Response,
Environmental Assessment on the Canadian Zinc Corporation Underground
Decline/Exploratory Drilling and Metallurgical Pilot Plant Developments**

Dear Mr. Burlingame:

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) received and reviewed the Canadian Zinc Corporation (CZN) response to the Mackenzie Valley Environmental Impact Review Board (MVEIRB) Information Request (IR). DFO provides the following comments:

- 1) CZN's latest response to the MVEIRB IR has provided a more detailed proposal for an alternative water treatment plan. The proposal appears, in structure, to address the outstanding water and waste management issues outlined by DFO in the 10 June, 2002, letter appended to the Ministers' response to the MVEIRB Report of Environmental Assessment (REA). However, DFO defers to the expertise of Environment Canada and Indian and Northern Affairs Canada – Water Resources in the review of the proposal details.
- 2) DFO concerns regarding the tailings pond have not been addressed. The MVEIRB has not acknowledged the concerns raised by DFO in the 10 June, 2002, letter. DFO continues to see the environmental assessment of the tailings pond option as incomplete. Recommended Measures 1, 13, and 14 from the REA are requests for information that the MVEIRB should be using to assess the tailings pond. However, during the reconsideration of the project, the MVEIRB has not issued IRs to collect this information for consideration. DFO's similar concerns regarding the tank farm have also not been acknowledged by the MVEIRB.
- 3) In the response to MVEIRB question 8, regarding alternatives to the use of the existing tailings pond, CZN states, "...it is CZN understanding that the general

Canada

consensus was that that such use (of the existing tailings pond for containment of mine water and plant effluent), if approved, would be subject to geotechnical certification prior to use..." This is not the view of DFO. Geotechnical certification must precede consideration of the tailings pond as a water management method. In addition, because the tailings pond is located in an active flood plain and has experienced geological activity, DFO strongly recommends that a risk assessment of the use of the tailings pond also be conducted prior to consideration.

4) CZN introduced the concept of constructing a polishing pond in response to MVEIRB question 1. The primary function of the pond would be to treat water for zinc. Details of the location, construction, and operation must be provided prior to consideration by DFO. In addition, the catch pond at Harrison Creek is included in the water treatment plans but no information on the integrity and reliability of the catch pond has been provided for review.

5) In response to MVEIRB question 3, CZN provides a list of options to deal with ammonia loading. One option is the construction of wetlands in the treatment of ammonia and nitrogen compounds. Given the mountainous terrain, the only available area for wetland construct would be, as CZN has identified, the active flood plain of Prairie Creek. Though no details have been provided to DFO, it is likely that construction of wetlands would require works within the high-water mark of Prairie Creek. Therefore, a *Fisheries Act* Section 35(2) Authorization may be required in order for the proposed project. Consequently, the role of DFO under the Mackenzie Valley Resource Management Act for a review of a project including wetland construction is that of Regulatory Authority. DFO will require a detail proposal and drawings prior to the initiation of a review.

In general, the water management proposal submitted by CZN introduces new concepts for consideration. Concepts such as the construction of a polishing pond, the use of the catch pond, and the creation of wetlands will change the scope and regulatory requirements on the project.

If you have any questions, feel free to contact me at (867) 669-4919, or by fax at (867) 669-4940.



J. David Tyson
Area Habitat Biologist
Fish Habitat Management
Department of Fisheries and Oceans- Western Arctic Area

Copy. Julie Dahl, Area Chief, Habitat, DFO-FHM