

Mackenzie Valley Review Board



EA0809-002: Canadian Zinc Corporation – Prairie Creek Mine

Meeting Report from the Fort Simpson Evening Scoping Session

Compiled by: Mackenzie Valley Review Board (“Review Board”) staff

Location: Fort Simpson Recreation Centre

Date: October 1, 2008

INTRODUCTION

Review Board staff hosted scoping sessions in several Dehcho communities between September 30 and October 3, 2008, to gather issues and concerns from all parties about the proposed Prairie Creek Mine, approximately 90 kilometres northwest of Nahanni Butte. The Review Board will be using this meeting report, reports from other scoping sessions (including a Technical Scoping Session in Yellowknife on April 9, 2008), all of the information on the Public Record (available at www.mveirb.nt.ca), and any follow-up scoping submissions from any interested parties (due October 14), to determine how to proceed with this Environmental Assessment.

While this meeting report is as comprehensive as Review Board staff could make it, this is not a verbatim document. It is based on notes by Review Board staff. Unlike the official statements made at Review Board hearings toward the end of the Environmental Assessment process, scoping sessions are less formal dialogues.

People’s names (other than developer’s responses) have not been associated with the individual statements they made at the session in this document.

Interested parties are reminded they can submit comments to be placed on the public record of the environmental assessment at any time.

A digital recording of the session is stored in the Public Record at the Review Board’s Yellowknife offices.

Contact Alistair MacDonald at the Review Board with any questions or comments:

Ph: (867) 766-7052

Fx: (867) 766-7074

amacdonald@mveirb.nt.ca

ATTENDEES

In attendance (only those people who signed in or made their names known):

Alistair MacDonald – MVEIRB
Nicole Spencer – MVEIRB
Jessica Simpson – MVEIRB
David Harpley – Canadian Zinc Corporation
Wilbert Antoine – Canadian Zinc Corporation
Chris Reeves – Canadian Zinc Corporation
Joel Holder – GNWT Environment and Natural Resources
Julie Jackson – Indian and Northern Affairs Canada
Lorraine Seale – Indian and Northern Affairs Canada
Krystal Thompson – Indian and Northern Affairs Canada
Dana Haggerty – Parks Canada
Gerd Fricke – GNWT ITI Dehcho
Wendy Groat – Dehcho Suites
Kirby Groat – Dehcho Hardware
Duncan Canvin – Village of Fort Simpson
Ryan Doty – Great Slave Helicopters
Danny Ragan – Great Slave Helicopters
Roch Matte – Attorney at law
Mary Jane Kazan – Interpreter
Lisa Moore – Parks Canada
Chuck Blyth – Parks Canada
Elizabeth Hardisty
Jim Antoine
Julia Tsetso

SUMMARY OF ISSUES RAISED

The following questions were identified by participants *(Review Board staff note: the developer is encouraged to provide submissions addressing these questions at any time):*

- (verbatim) Canadian Zinc Corporation (CZN) has indicated employment and NWT purchases targets. How will CZN report back on actual results achieved to all residents? What will be the frequency of those reports?
- (verbatim) Are the impacts of truck traffic on the Liard Highway going to be considered? Is the Liard Highway going to be within the scope of this project?
- How will hydrocarbons from machinery on site be kept out of the water system?
- What types of fish are located in the Prairie Creek and what shape are they in?
- What is baseline water quality like in the area?
- Does the developer have a long-term waste management plan and closure/reclamation plan?
- How will sewage be managed onsite during operations and what impacts will this have on the water?

The following potential issues were identified by participants:

- A couple of participants felt that additional in-depth study of the mine is needless, nothing is likely to go wrong, given the amount of previous studies and environmental assessments
- There was a desire by some participants to expedite the EA process and excitement to take advantage of business and employment opportunities
- Impacts of increased truck traffic on the Liard Highway
- The ability of the developer to meet (and report on) its local/aboriginal employment targets
- There was a desire to see the maximum amount of regional economic spin-offs from the proposed mine
- Maximizing business opportunities to northern people and businesses
- Closure and reclamation issues included making sure that a proper reclamation bond is in place in case of bankruptcy
- Liabilities associated with the gravity drainage system in place at the mine and mine water release management post-closure
- The ability of paste backfill tailings to minimize mine water flow to surface post closure, and minimization of metals leaching from the paste backfill via water contact
- The scope of assessment should include potential metals leaching from stockpiles of rock, ore and concentrate on site, and analysis of how those materials are protected from runoff
- The need to assess cumulative effects from this mine in combination with upstream pollution sources like the Cantung Mine, especially on water, wildlife and fish
- Reliance on country foods of aboriginal people, and fear/public concern about changes in the quality of country food

MEETING REPORT

The meeting commenced at 7:15 pm.

A short presentation was given by Review Board staff member Alistair Macdonald regarding the role and goals of scoping sessions (NOTE: all scoping session presentations are available on the Review Board's website at www.mveirb.nt.ca). Alistair identified that the purpose of these meetings during the early "scoping" stage is to find information gaps in the work done so far, to identify the right questions to ask of the developer during the Environmental Assessment, and to identify any public concerns about how the development might impact the environment. Alistair noted that October 14 is an important date – the deadline for scoping submissions from interested parties.

Given the short timeline of the evening meeting, Alistair invited attendees to raise issues at the start. No issues came up at this point.

A presentation was then given by David Harpley of Canadian Zinc Corporation which provided an overview of the proposed Prairie Creek Mine. David focused on the proposed changes from the existing mine infrastructure which has been in place since 1980-2. David stated that this is not a typical environmental assessment for this reason,

and argued that most of the changes are designed to improve the environmental protection system in place at the mine.

The developer then provided an overview of its initial estimation of impacts from the Prairie Creek Mine. The developer's presentation focused on four different types of potential impacts (slides from this Valued Ecosystem Components presentation are available on the Review Board's website):

1. Air quality
2. Water quality and fish
3. Wildlife and habitat
4. Cumulative effects

Community members were invited to contribute to the discussion, which is summarized by issue rather than chronologically below.

Water Quality and Fish

The developer noted that it was difficult to establish a true baseline for water quality, since the mine has been issuing water since the early 1980s, but that they have collected some of the information from Cadillac's initial applications as well as setting up monitoring (along with Parks Canada) upstream and downstream of the mine.

The developer considers the gravity drainage system from the underground works to surface a major liability long-term. One of the reasons to use a paste cemented backfill is to minimize drainage to surface over time. When the developer was explaining the paste backfill process for underground disposal of tailings, a participant stated the opinion that this is a typical technology now with no real environmental issues associated with it. The developer noted that this technology has been used for about a decade. The developer stated its opinion that the pasted backfill, along with concrete bulkheads, will minimize or completely stop the flow of water via gravity drainage out of the mine after closure. The developer also felt that there would be minimal flow of water through the paste backfill underground, minimizing metals leaching.

A participant expressed concerns about how increased industrial development is impacting traditional hunting and fishing activities in general, and concerns that metals seeping out of the mine over time may contribute to direct and cumulative water quality effects, some of which will come from other upstream mines like Cantung. Cumulative effects on the Liard River were specifically noted as a concern. This participant also noted that the location and handling of stockpiled material needs to be considered.

The developer argued that water quality is their number one concern as well, but noted that after 25 years of mine water issuing directly into Harrison Creek and then Prairie Creek, it is difficult to even register any changes from background water quality anywhere downstream from the mine.

A participant noted public concerns that industrial development appears to be contributing to changes in fish and game meat (for example, white livers in northern river fish). She was concerned about any new development contributing to cumulative effects on fish and wildlife from industrial pollutants. She noted that a lot of aboriginal people are going back to hunting and fishing – country foods, but they are concerned about what

they hear about in Alberta associated with oil and gas and human and wildlife health effects.

Closure and Reclamation

A participant asked whether the developer has a concrete long-term closure plans in place? How is this company going to handle waste management long term? The developer replied that all cyanide has been dealt with (flown out). Asbestos may be in buildings; they will all be handled appropriately within regulations. The incinerator will be used for most waste. It was noted that during an EA, it is usually only a conceptual closure plan that is required and that is what the developer has at this time. In addition, there is now a bonding system in place as a result of situations like Giant and Colomac.

A participant was concerned about whether enough money would be set aside by the developer to deal with closure costs in case the developer goes bankrupt, so that taxpayers don't have to pay for the cleanup as seen with other NWT mines. Discussion ensued where Review Board and INAC staff explained that under the current NWT system, the Land and Water Boards build a reclamation bond into the water license and the developer has to put that money (the amount of which is typically recommended by INAC and set by the Land and Water Board) in the hands of a third party in case of unforeseen closure. The amount is totally dependent on the specifics of the site. That too is a public process that will occur after the EA is complete.

Transportation

A participant asked the developer where the 20 or so large trucks required for ore hauling during winter will be housed at the mine site? The developer indicated that there was sufficient room in the existing operations footprint to house these additional vehicles. One way more space will be made available is through the reduction in the number of separate accommodation trailers on site, being replaced by a more concentrated accommodation facility.

A participant asked how large the two transfer facility footprints are. The developer responded that they are approximately 350 metres long by 40 metres wide.

A participant asked whether the transfer facilities would be permanently manned. The developer stated that the transfer facilities are currently planned to be unstaffed except during the winter road season. The concentrate tents will remain but not be manned.

A participant asked where the Liard Transfer Facility would be. The developer noted it is approximately 2 kilometres north of Lindberg Landing on the Liard Highway.

A participant asked where the product will be getting on rail. The developer noted the proposed railhead was Fort Nelson.

Socio-economic Issues

A participant made the following comments about the Prairie Creek Mine:

- The "impact" that is most relevant is new jobs and business opportunities, and that is a beneficial impact. It will provide some 220 "non-government" jobs, large numbers in an area that is highly reliant on government jobs at present
- There is a lot of excitement among residents and the business community about direct and indirect employment and business spin off opportunities from the mine

A participant asked how much money has been spent so far. The developer noted that Cadillac spent about \$65 million in 1980, \$100 million in today's money.

A participant asked whether the positive socio-economic impacts will be included in the scope of the assessment. Review Board staff noted that environmental assessment is a balancing act of impacts and benefits, an assessment of trade offs. Interested parties are encouraged to identify beneficial aspects of the proposed development, not simply adverse ones.

A participant noted that the proposed 220 jobs are commendable, but the real objective is to have healthy spin off effects. The participant argued that there is a 7:1 multiplier associated with new development – e.g., seven new jobs elsewhere that come from one direct mining job. The developer should commit to providing local spin offs from the mine.

A participant argued that, business wise, he would like to see First Nations have the first opportunity at all big contracts. The developer noted they have a policy to prioritize local businesses.

Other Issues

Other questions and comments about the proposed mine included the following:

- Where is the potable water coming from?

The developer identified that there is an existing groundwater well on site that would still be used for potable water.

- Where will the sewage go?

The developer stated that there is an existing sewage treatment facility on site that would still be used and then sewage would be pumped into the minewater containment pond. It is such a small amount of water that it would not make any measureable change to that water.

A participant asked whether the developer had looked at any alternative energy sources. The developer stated they had looked at solar, wind and run-of-river hydro, but that none of these would come close to generating their power requirements on site so they are going with diesel generators.

A participant asked whether the product needs reprocessing and what it looks like and the developer indicated yes it needs reprocessing and that might occur anywhere there is a smelter – for example, Flin Flon, Manitoba; Trail, BC; or overseas. The product size is like coarse sugar, but black in colour.

EA Process Issues

Concerns and questions about the speed and necessity of an environmental assessment, and the role of government departments in that assessment, was a major theme of this scoping session.

A participant asked the developer if many of the studies required to assess the impacts of the mine had been completed already. The developer replied that they thought they had completed most of the required work to assess the impacts of the mine. The participant asked "Then why are we here". Review Board staff addressed the previous

question of “why we are here”. The Review Board has asked what elements of previous studies should be considered during this EA exactly so that “we don’t reinvent the wheel”. Review Board staff also noted that in addition to the Nahanni Butte Dene Band and INAC, the Review Board also received referral letters from the Department of Fisheries and Oceans and Environment Canada, all of whom have specific questions they want to see assessed further during this EA.

A participant made the following comments about the Prairie Creek Mine:

- Nobody wants to monitor impacts more than the developer, because they don’t want anything to go wrong in the future because they are liable, so there is trust that they will monitor effectively. Monitoring should continue forever, but there is faith that the developer will be using 2008 technology on a 30 year old mine, and work with the bands to figure
- There has already been 6 EA’s, how many more issues can there be that haven’t been studied already? What questions have not been asked and answered in the past 6 EAs? When Review Board staff noted that there were a variety of questions about new elements proposed, the individual noted that all of these new aspects are likely to be better for the environment than the older elements
- Parks Canada seems to be “fairly well onside”, and they have studied the potential impacts of the mine with high priced consultants over time
- The mine has been in place since 1982, and no major environmental impacts have been recorded. So what is left to study?

A participant noted that when Parks Canada was determining whether to expand the Nahanni National Park Reserve, the community of Fort Simpson was not consulted about whether they were in favour of the park or the mine.

Largely in response to questions about whether an additional environmental assessment was required, a participant stated that given industry’s history of resource exploitation, we need to have organizations like the Review Board to provide certainty that outcomes bad for the environment do not occur. Another participant felt that developments are held to a higher standard by the EIA and permitting process in the Mackenzie Valley than anywhere else in the country. Discussion of the Review Board’s relationship to the responsible ministers and decision making powers (four options in a Report of Environmental Assessment) ensued.

David Harpley of Canadian Zinc Corporation responded to some of the concerns about why an EA was necessary, stating that in some ways “we brought this EA on ourselves”. The developer’s opinion is that if it applied for the same operation Cadillac wanted, it could have avoided environmental assessment altogether. However, Canadian Zinc felt obliged to improve the mine to current environmental standards. Canadian Zinc is not opposed to the proposed development going to EA, but wants the EA to focus on new aspects of the development rather than old ones that will be kept, such as the mill facility, the winter road and the underground workings. David asked that the EA “judge us on what’s new, not what old and in place and has stood the test of time.” The rationale of the developer was stated as putting 2008 technology in place at a 1982 mine, to reduce impacts on the environment. The developer noted that the winter road is already permitted and that the developer feels the winter road is exempt from environmental assessment.

An opinion was expressed that the current environmental assessment process takes too long and “goes too far”. A couple of participants were concerned about how long the environmental assessment might take, given previous experience with long environmental impact assessments. When the developer identified some of the previous studies it has done in support of the Prairie Creek Mine site operations, one participant asked what we were doing here if all the studies have been done in the past. Review Board staff identified that the reasons there is an environmental assessment of the mine is because it was referred by Indian and Northern Affairs Canada (on behalf of the Nahanni Butte Dene Band), the Department of Fisheries and Oceans, and Environment Canada. Review Board staff also noted that the Review Board has specifically asked the developer and interested parties to identify any relevant previous environmental assessments, studies, developer commitments or management plans that should be considered during this environmental assessment. And the scoping phase is when all interested parties get to have their say on these and other issues.

A participant asked what input those departments had received from people who actually live in the region; challenging the right of federal government “bureaucrats” to refer the mine to EA. Review Board staff stated that getting concerns and positive feedback about a development from communities is exactly what scoping sessions are all about. Both are relevant – the Review Board does not only look at adverse impacts; it is a balancing act.

One participant asked why INAC hadn’t referred the proposed development itself, rather than on behalf of the Nahanni Butte Dene Band. The participant also felt strongly that INAC had not properly consulted with other communities, and that Fort Simpson residents are largely on-side with the proposed Prairie Creek Mine and are concerned that there be no delays in the development moving forward, as seen with other large projects in the region. Review Board staff reiterated that they were there to hear about any concerns related to the proposed development.

A participant asked “who monitors enforcement of the MVRMA”. This participant voiced specific concern about the amount of time some environmental assessment decisions spend with the federal and responsible ministers after the reports are issued by the Review Board. Discussion ensued about the different ways in which the MVRMA is periodically audited, the McCrank Report, a study by the Auditor General, and changes to the Act that have most recently occurred as a result of the Tlicho Self Government Agreement.

One participant asked whether the Review Board sets timelines around how long the environmental assessment will last and provide specific milestones. Review Board staff noted that when the Review Board issues draft Terms of Reference it also issues a draft Work Plan, identifying key milestones with estimated timelines. Interested parties can comment on these proposed timelines prior to them being finalized in a Final Work Plan for the EA. The participants concerns with timing and next steps were related to his opinion that business people need to be considered as well – they need to plan and invest to take advantage of development when it comes – business investments are very time sensitive.

A participant asked how big in the scope of things this EA is, and as such how long the timelines might be based on prior experience. Review Board staff indicated that EAs

take between 6 months and 2 years to complete based on prior experience. Factors that can alter the timelines is the complexity and breadth of issues, the availability of existing data, and the ability of the developer to expedite answering the Terms of Reference for the EA. Review Board staff again noted that the EA is at the early scoping phase, and rough timelines will be issued with the Work Plan that comes along with the Terms of Reference.

A participant asked whether the Review Board ever reports back on the progress of the EA to communities like Fort Simpson, just the “Coles Notes” version. Review Board staff noted that individuals or organizations can sign up for the distribution list, that all activities in an EA are open to the public, that our website is searchable, and that the Review Board issues a monthly newsletter detailing the status of all ongoing environmental assessments.

A participant asked how the Review Board ensures that questions are not asked several times during an EA; how the Review Board tracks whether a question has been “asked and answered”. Review Board staff noted that the Review Board controls what Information Requests are issued and will eliminate questions that have already been dealt with or are deemed outside the scope of assessment.

Alistair MacDonald concluded with a note of thanks to all participants and a re-iteration that this is only the start of the EA process and that there are many more avenues for dialogue and public input along the way. It was reiterated again that October 14 is the deadline for scoping submissions from the developer and interested parties.

The scoping session adjourned at approximately 10:20 pm

MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD

PUBLIC SCOPING MEETING SIGN-IN SHEET

Canadian Zinc Corporation – Prairie Creek Mine

Location:	Fort Simpson Fort Simpson - Evening	Meeting Date:	October 1, 2008
Facilitator:	Mackenzie Valley Environmental Impact Review Board	Place/Room:	Community Hall
Name	Organization		
19. JULIE JACKSON	INAC (YK)		
20. KRYSTAL THOMPSON	INAC (YK)		
21. LORRAINE SEALE	INAC (YK)		
22. Nicole Spencer	MVEIRB.		
23. GERD FRICKE	GNWT ITI DEHCHO		
24. Wendy Groat	Dehcho Siny		
25. Kirby Groat	Dehcho Handmade		
26. JAMES GANN	VILLAGE OF FORT SIMPSON		
27. Ryan Doty	Great Slave Helicopters		
28. DANNY RAGAN	GREAT SLAVE HELI		
29. Dana Haggarty	Nahanni National Park Reserve		
30. Rachna He -	Attorney at Law.		
31. Jessica Simpson	MVEIRB.		
32. Mary Jane Razon	Interpreter.		
33. Lisa Moore	Parks Canada		
34. Elizabeth Hardesty	Personal generational concern.		
35. Al MacDonald	MVEIRB		
36. Jim Antoni			

MACKENZIE VALLEY ENVIRONMENTAL IMPACT REVIEW BOARD

PUBLIC SCOPING MEETING SIGN-IN SHEET

Canadian Zinc Corporation – Prairie Creek Mine

Location:	Fort Liaison <i>Simpson Evening</i>	Meeting Date:	October 1, 2008
Facilitator:	Mackenzie Valley Environmental Impact Review Board	Place/Room:	Community Hall
Name		Organization	
37.	Julia Tbetso		
38.			
39.			
40.			
41.			
42.			
43.			
44.			
45.			
46.			
47.			
48.			
49.			
50.			
51.			
52.			
53.			
54.			

