



Mackenzie Valley Land and Water Board
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November 29, 2010

File: MV2008L2-0002

Mr. Joe Acorn
Dehcho First Nations
PO Box 53
Yellowknife, NT X1A 2N1

E-mail: joeacorn@theedge.ca

Dear Joe:

Response to Information Request – EA0809-002, Prairie Creek Mine

We received your information request (IR) regarding the application of our draft *Water & Effluent Quality Management Policy* (the draft Policy) and specifically the use of initial dilution zones at the Prairie Creek mine site. We would like to emphasize that the draft Policy still requires approval by the full Mackenzie Valley Land and Water Board (the Board) as defined under Section 106 of the *Mackenzie Valley Resource Management Act* before it will be adopted and implemented in practice. The Board will be reviewing the draft Policy at its next meeting during the week of December 7, 2010, and any decision by the Board will be followed up with corresponding actions by staff. Please don't hesitate to contact me if you have any questions about the Board's decision.

In response to your IR, we have undertaken two actions:

1. We met with representatives from Canadian Zinc Corporation (CZN) on November 18, 2010 to discuss the draft Policy. During this meeting, the relationship between effluent quality criteria (EQC) and water quality standards (WQS) as presented in the draft Policy was reviewed. The draft policy describes a process whereby EQC will be set to ensure that WQS for the receiving environment are met. The WQS would be set on a case-by-case basis as no standards have been set for the NWT. Since the activities proposed by CZN are undergoing environmental assessment at this time, the MVLWB cannot provide specific details describing future regulation of effluent discharge at the Prairie Creek mine site.

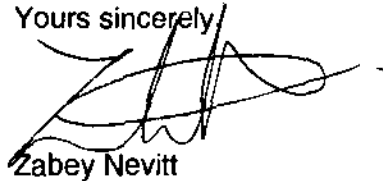
With regard to your specific questions about initial dilution zones (IDZs), we emphasized to CZN that the draft Policy clearly states that Board may define an

initial dilution zone but only on a case-by-case basis. The Board has not yet adopted specific guidelines regarding how IDZs will be defined for a project and, thus, we are unable to give any specific information about if or how such zones will be prescribed in future. Note that following any decision of the Review Board, the MVLWB would use the findings and conclusions of the environmental assessment as well as evidence collected during its own regulatory process to determine the specific approach to regulating effluent discharge.

2. Initiated conversations with staff of the Mackenzie Valley Environmental Impact Review Board about the need for specific types of information to be collected during environmental assessments that will assist the regulatory process, including the application of policies adopted by the Board. This is an ongoing endeavour and will be at the whole process level rather than project specific.

We appreciate your proactive questions and invite you to meet with us to discuss the draft Policy or any policies and guidelines begin developed or adopted by the Board. This invitation extends to all interested parties that may be affected by the implementation of any policy or guideline.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Zabey Nevitt', written over a horizontal line.

Zabey Nevitt
Executive Director