



June 12, 2010

Chuck Hubert  
Environmental Assessment Officer  
Mackenzie Valley Review Board  
Yellowknife, NT

Dear Mr. Hubert,

The Chief and Council of the Nahzq Dehé Dene Band (NDDDB) have asked me to submit this brief critique of the Socio-Economic Impact Assessment for the Prairie Creek Mine. This document has been reviewed and approved by Chief and Council.

For the Board's information, the issues raised in this critique have been discussed with the author of the SEI Assessment and with Canadian Zinc Corporation (CZN). In fact, Chief and Council met with CZN representatives on June 10<sup>th</sup> to discuss this and other matters relating to the EA. Both the author and CZN have acknowledged that some comments in the Assessment may have been offensive to the community and have apologized accordingly. It has been agreed that future analyses of the community will be carried out collaboratively and that NDDDB will express its own interests and positions regarding the mine, not other parties.

Although some degree of resolution regarding the contents of the Assessment has been found, given that incorrect and unwarranted statements and conclusions in the Assessment are now on the record, Chief and Council wanted its own comments to also be on the record, which is why this critique has been submitted.

If you need further information regarding this matter, please contact Chief Fred Tesou at 867-602-2900.

Yours truly,

A handwritten signature in black ink, appearing to read "Peter Redvers", is written over a light blue horizontal line.

Peter Redvers

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**CRITIQUE OF THE SOCIO-ECONOMIC IMPACT ASSESSMENT  
OF THE PRAIRIE CREEK MINE PREPARED BY IMPACT ECONOMICS  
FOR CANADIAN ZINC CORPORATION**

**SUBMITTED UNDER THE AUTHORITY OF  
THE NAHŃA DEHÉ DENE BAND**

**JUNE 12, 2010**

**1. Summary**

The NahŃa Dehé Dene Band (NDDB) has reviewed the Socio-Economic Impact Assessment for the Prairie Creek Mine, published in March 2010 by Canadian Zinc Corporation (CZN) and Impact Economics, as Appendix 19 of the Developer's Assessment Report (DAR). NDDB has strong objections to various statements contained in this Assessment, and disputes both its overall approach and conclusions. Portions of the Assessment portray Nahanni Butte as a "bleak" community characterized by poverty, ignorance, crime, illness, and hopelessness for the future, while the Prairie Creek Mine is said to offer Nahanni Butte substantive economic, social, and political "freedoms." These negative characterizations of the community and redeeming characteristics of the mine are based on interpretations and assumptions that are not supported or substantiated by any factual information or survey results. As such, they are inappropriate and of no value to a socio-economic assessment.

Furthermore, although contradictory statements are made concerning NDDB traditional land use, the Assessment generally concludes that very little harvesting is currently done by NDDB members. The report, in fact, states that NDDB may actually need the mine access road in order to improve harvesting opportunities. Neither of these views are expressed in the NDDB's thorough and detailed study entitled 'Traditional Knowledge Assessment of the Prairie Creek Mine Operation', which documents a wide range of historical and ongoing land use activities in areas impacted by mine operations. These statements are also not supported by regional land use and harvesting data provided in the Assessment itself.

From an NDDB perspective, it is inappropriate for an assessment of this type to be prepared by a consultant who had never visited the community or met with any NDDB members. Many of the conclusions are based on ideologically driven assumptions as well as on statistical research that is clearly deficient. Moreover, interview notes prepared by a subcontractor and contained in Appendix 26 contradict the conclusions contained in the Assessment and DAR Executive Summary, revealing that NDDB members expressed more concern about potential impacts of the mine than concern about current socio-economic conditions.

Finally, the Assessment states repeatedly that Nahanni Butte "supports" or "endorses" the Prairie Creek Mine project. This statement is inaccurate, and it is inappropriate for CZN to imply that NDDB must take a position either supporting or opposing the project at this early stage of the environmental assessment process. NDDB reiterates that its support for the project is conditional on adequate environmental protection measures, as well as clear and reasonable benefits for the community to be negotiated through an IBA.

NDDB expects that, in the future, project proponents will ensure that community members themselves play a key role in all socio-economic assessments, and will allow NDDB an opportunity to review and verify any assessment report before it is published.

## 2. Portrayal of Life in Nahanni Butte Without the Prairie Creek Mine

The following statements are made in the Assessment about Nahanni Butte:

- “The social conditions are bleak in comparison to what an average Canadian might experience. Low education, poor health, inadequate housing and high crime are all well-known socio-economic realities in the Study Area communities. A survey conducted in Nahanni Butte found residents share these concerns, and are particularly concerned about the future for their children.” (140)<sup>1</sup>
  - *Community members do not experience life as “bleak,” do not perceive their crime rate to be high, and would not describe their “reality” as being defined by low education, poor health and inadequate housing. NDDB members feel positive about their future.*
  - *The survey conducted by Ethel Lamothe does not in fact support this description, as evidenced by the notes contained in Appendix 26. (see below)*
- Nahanni Butte is described on p. 124 as “relatively poor” in relation to the larger neighboring communities of Fort Liard and Fort Simpson, where there are “other things going on.”
  - *Quality of life in Nahanni Butte cannot be compared in a simplistic way to life in either Fort Liard or Fort Simpson (or the rest of Canada, for that matter), since Nahanni Butte has its own unique historical, cultural and environmental context. Furthermore, there is no data available for Nahanni Butte that would allow this type of comparison to be made.*
- “A thorough investigation into the Study Area’s economy does not reveal anything that might propel it forward... [this economy] hampers social progress and other important socioeconomic changes by limiting opportunities for the enduring population to expand their economic, social or political freedoms.” (56-7)
- “For most Study Area residents, this baseline [without the Prairie Creek mine] does not contain opportunities for advancing their economic freedoms.” (69)
- “Without proceeds from economic growth, progress in social conditions will be slow if at all, which, when viewed alongside present social conditions should be considered unacceptable.” (57)
  - *NDDB notes that the Band has been engaged for many years in community-based economic development planning, which certainly does not revolve around the Prairie Creek mine.*
  - *Relations with government are a major factor influencing socio-economic and political progress in Nahanni Butte. Significant progress could be made, for example, through completion of the Dehcho Land Use Plan, establishment of the Dehcho Resource Management Authority, and conclusion of the Dehcho Process.*
  - *To assume that ‘political freedoms’ or ‘economic freedoms’ are implicitly associated with mining development is to ignore Dene history and culture. Political freedom, as such, was implicit to Dene traditional culture prior to colonization and will be enhanced once a Dehcho Process Agreement has been concluded with Canada. Economic freedom (which is a vague term at best) would be more plausible regionally once the Dehcho First Nations have direct control over development decisions and direct access to royalty and other governance revenues.*
  - *The community already feels that it is on a healing path, and social progress is being made through the leadership and efforts of various community members. NDDB objects to an outside organization judging present conditions as ‘unacceptable’ and making the false assumption that no progress is taking place now and none will take place in the future.*

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<sup>1</sup> Since the Assessment does not contain any page numbers, the numbering refers to the pdf page as displayed in the electronic version of the DAR (Volume 4).

### 3. Exaggerated Predictions about Positive Effects of the Prairie Creek Mine

In sharp contrast to its portrayal of “bleak” current conditions in Nahanni Butte, the Assessment makes the following predictions about the community’s future if the Prairie Creek Mine goes ahead:

- “[T]here is every reason to believe the medium to long term economic and social impacts [from Prairie Creek mine] will be almost entirely positive.” (76)
- “The education levels of Study Area residents are expected to improve over the life of the Project.” (104)
- “Over the long run, one should expect that an increase in positive role models within the communities, greater education, improved financial wealth, and an overall healthier society will ultimately result in a reduction in addictions and STI rates.” (110)
- “[T]he opportunity exists over the 16 years of mine activities to alter the lives and livelihoods of Study Area residents forever.” (126)
- “For those living in the Study Area, the Prairie Creek Mine offers an opportunity for a generation of employment, leaving behind a population that is better educated, better trained and better able to cope with, adapt to and capture new opportunities in the future.” (140)

It is important to remember that CZN is proposing very little socio-economic mitigation aside from the economic stimulus provided by the mine itself. The Assessment predicts that up to 9 NDDB members may eventually be able to get jobs with the mine, with 4 to 5 jobs as a realistic estimate for the start-up of operations. This hardly qualifies as creating a “generation of employment.”

The Assessment is basically claiming that an infusion of money generated through employment of 4 to 9 people for up to 16 years is expected to create positive change in the community “forever” in terms of both educational achievement and mental, physical, and sexual health. It is difficult to believe this scenario is likely, especially given that neither the company nor government agencies have committed to improving core education or health programs and services. Moreover, the Assessment fails to provide any data or case studies that would support such a cause-and-effect relationship.

Instead, it seems that these exaggerated predictions are based on the questionable ideological assumptions that money equals freedom, and economic “growth” (ostensibly based on large-scale industrial activity) is a panacea for all social problems:

- “Financial well-being affords families the freedom of choice. The income earned will raise the standard of living for these families...” (106)
- “Greater financial wealth is an important factor in influencing all aspects of one’s social welfare including education, health, and safety, all of which provide for improved family and community living.” (125)
- “[I]ncidents of crime should begin to decline and ultimately improve as a result of the increase financial, social and political freedoms associated with a region experiencing strong economic growth.” (116)
- “History shows that in almost all cases, economic growth is necessary for positive social change to occur.” (124)

This kind of ideological rhetoric is clearly inappropriate for a socio-economic impact assessment. Assessment of mine impacts should be directly focused on specific and measurable indicators such as employment rates, business revenue, provision of training opportunities, increase in services, etc., and community-level assessment should be based on community-specific data. Valid community data, comparative studies, or case studies should be provided rather than generalizations where broader social impact conclusions are being made (see Deficiencies below).

#### 4. Contradictory Statements about Traditional Land Use

In the DAR Executive Summary on pages 151-154, CZN includes an edited four-page excerpt from NDDDB's detailed traditional knowledge study published confidentially in April 2009, describing NDDDB traditional land use throughout the project area. In Table 7-2 (p. 256), CZN cites this study in noting "high traditional use of the wetland valleys running north from S Nahanni, Tetcela River, and on both sides of the Nahanni Range." CZN also cites the NDDDB TK study on page 71; however, in this case CZN mistakenly claims the study shows traditional land uses are mostly near the eastern-most portion of the access road.

It is therefore unclear why the Socio-Economic Impact Assessment ignores the TK study, stating: "There is little baseline information on harvesting in the area surrounding the realigned Access Road. This is in part because while it was traditionally an area used for harvesting game animals, fur bearers and fish, it is not used extensively for those purposes today. A primary reason being access by snowmobile to trapping in the area is too difficult and too costly." (121)

In the DAR Executive Summary, CZN makes the false claim that the TK study describes land use in the *past only*. CZN describes *present* land use by citing the following comments from one NDDDB elder, interviewed in January 2010:

- no caribou have been harvested by NDDDB members for 20 years;
- moose are rarely harvested now;
- no Dall's sheep are harvested now;
- there has been no trapping for 6 years; and
- plant/berry harvesting is only done near the village. (157-8)

CZN also mentions on p. 158 a survey of 11 harvesters conducted by another NDDDB member in February 2010, but states that data from this survey "largely concurs" with the elder's comments. The actual survey notes, contained in Appendix 26, reveal however that NDDDB members are actively hunting and trapping in all of the areas between Cat Camp and the community. Nowhere are these findings mentioned in the Executive Summary or in the Socio-Economic Impact Assessment.

It is entirely inappropriate for CZN to claim that comments from one NDDDB member supersede a collectively-authored TK study that involved many months of research and data gathering and included a community verification process. This is disrespectful and a breach of community TK protocols.

The Socio-Economic Impact Assessment includes an unreferenced statement that the entire Band is "of the opinion that the Access Road has the potential to improve their harvesting activities through improved access and the positive impacts on wildlife related to the small clearing of land." (122) Aside from the fact that this statement is illogical, the community has never taken such a position.

Moreover, the Assessment's conclusion about the infrequency of current NDDDB land use contradicts the statistical data presented on page 32, which show that 58.5 % of the Nahanni Butte population hunt or fish, 11 % trap, and 33.3 % of households consume country food most or all of the time. As further testament to the community's cultural integrity, in 2004, 83.5 % of the population reported that they spoke an Aboriginal language (Table 5-1).

The Assessment also makes grossly misleading generalizations about traditional land use in the entire Dehcho region, stating "the Dehcho region is not home to a lot of trappers" and "few Dehcho residents hunt and fish on a regular basis." (54-55). Meanwhile, the statistics presented on page 55 show that 240 Dehcho residents trap, and 1088 Dehcho residents hunt or fish, with 44 % of these residents hunting or fishing frequently or more than day-trips or weekends. The Assessment also notes that "Dehcho communities are more active hunters and fishers than the average for the territory and that the use of Aboriginal languages is more prevalent." (53)

## 5. Deficiencies in Research Methods and Analysis

The Assessment claims that, while research was primarily based on statistical data gathering, it was verified and supported by “community visits, comments from community members, and general knowledge of these communities.” (22) It claims further that CZN has developed over the past 15 years a “deep understanding of the socio-economic realities of the potentially impacted communities.” (22)

It is not mentioned that the primary consultant who wrote the Assessment had never visited the community or met any members of NDDDB. The “survey” of NDDDB members was conducted by another consultant, Ethel Lamothe, who appears to have simply asked one open-ended question (“How do you think Canadian Zinc mine will impact you?”) and submitted to CZN a list of the responses offered, without conducting any analysis of the data.

This list of responses was published by CZN in Appendix 26, along with the researcher’s interview notes. NDDDB questions the ethics of publishing interview results with people’s names written beside their comments, without obtaining permission from interviewees.

Ms. Lamothe herself noted that she felt “a much more detailed report is required” (p. 417, Vol 4). It seems, however, that instead of getting Ms. Lamothe to prepare such a report, the primary consultant went ahead and interpreted the raw interview data himself, apparently taking considerable liberty in drawing conclusions consistent with his other assumptions.

The Assessment claims that comments from NDDDB members “speak to a society that is concerned about their present and future quality of life, especially that of their children. They suggest that life in Nahanni Butte is without many freedoms and without the resources or capacities to change that fact...these challenges faced by Nahanni Butte residents can escalate quickly... creating a vicious circle of decline” (35-36). The Assessment claims that “most comments were directed toward their concern for youth,” including education, employability, and work ethic (35-36), and NDDDB members expressed concern about “low education, poor health, inadequate housing and high crime”. (140)

These statements are blatantly inaccurate, since the actual interview notes in Appendix 26 reveal:

- Most of the comments express concern about *potential social and environmental impacts of the mine*, not concerns about *current* social conditions;
- Out of 15 comments about the environmental assessment process or the mine development in general, 14 expressed concern about the mine or how the process was being handled by CZN and governments;
- There were no statements of overall support for the mine, and not one person said they expected greater wealth or freedom from the mine;
- Numerous suggestions for socio-economic mitigation were offered, such as: training Nahanni residents as environmental monitors, supporting counseling programs, documenting traditional teachings, and conducting a human resources inventory. None of these suggestions were mentioned in the Assessment or included in CZN’s mitigation strategy.

Aside from ideological assumptions, the Assessment relies heavily on statistical data produced by the NWT Bureau of Statistics. The Assessment acknowledges that some statistics are not available for smaller communities, but states categorically that this does “not hinder the assessment of socio-economic conditions.” (22) It is unclear, however, how the Assessment can conclude that Nahanni Butte has poor health when only NWT-wide health statistics are cited, or that NDDDB has high crime rates, when statistics can only be collected from RCMP detachments in Fort Liard and Fort Simpson. Family income data were similarly not available for Nahanni Butte.

In section 6, the Assessment discusses socio-economic effects from the diamond mines in the Tlicho / Akaitcho regions; however, only NWT-wide statistics are provided in relation to education, health, crime, and single parent families. The Assessment notes a sharp territory-wide increase in crime levels since the diamond mines began operating, but minimizes the significance of this data by labeling the spike a ‘period of adjustment’. It concludes: “over time, similar to

observations in the Tlicho and North Slave region, incidents of crime should begin to decline and ultimately improve as a result of the increase financial, social and political freedoms [sic].” (116) There is no reference to back up this statement and no statistics provided specifically from the Tlicho or North Slave regions. In fact, a cursory review of crime data from the NWT Bureau of Statistics reveals that both violent crime and total criminal incidents in the Tlicho region have risen sharply between 2005 and 2008. In 2008, total crime in Lutselke was at its highest level since 1991, and violent crime has fluctuated but remained relatively high from 2005-2008.<sup>2</sup>

Based on experience from the diamond mines, the Assessment concludes that net medium to long term impacts on health (addictions and STI rates) will be negative (109-110). However, on the same page a contradictory claim is made that “over the long run” the mine will create “an overall healthier society.” No basis or evidence is provided to support this inexplicable prediction.

## 6. Claims of NDDB “Support” or “Endorsement”

The Assessment makes multiple references to NDDB’s so-called ‘letter of support’ for the Prairie Creek project, “sent to the MVLWB December 12, 2008” (141, footnote 35). This letter is used to back up claims that include the following:

- “It is worth noting that the First Nations people of Nahanni Butte, Fort Liard and Fort Simpson have given they support [sic] to Canadian Zinc and its Prairie Creek Mine through formal letters.” (36-37)
- “The Nahanni Butte Dene Bands [sic] have endorsed the project and are interested in participating.” (124)
- “[Nahanni Butte’s] proximity, the strong local support, and the lack of alternatives will likely mean the participation rate of Nahanni Butte residents will be greater than elsewhere in relative terms.” (123)

Footnote 110 of the Assessment states that NDDB’s ‘letter of support’ is attached as an Appendix to the DAR; however, this letter is nowhere to be found in any of the appendices. Neither is the letter posted on either the MVLWB or Review Board website.

The Assessment seriously misrepresents NDDB’s participation in the environmental assessment process, stating: “In their support of the proposed Project, the Nahanni Butte Dene Band has looked at the potential impacts on their harvesting activities...” (122; also quoted in the Executive Summary on p. 327). It is NDDB’s *right* under s35 of the Constitution and under the MVRMA to ensure impacts on NDDB members are properly assessed; this should not be interpreted as support for the mine. Similarly, the Assessment claims that, by signing an MOU with CZN, NDDB “understands their plight and recognizes the opportunity presented to them through the Prairie Creek Mine.” (37) The MOU is by no means a final endorsement of the project; it is a means of establishing structured communication links between CZN and NDDB in order to further explore potential impacts and benefits of the mine. In fact, the MOU acknowledges that NDDB can freely and independently advance and protect its Aboriginal rights and interests in current and pending environmental assessment and regulatory processes.

NDDB reiterates that its support for the project remains *conditional* on adequate environmental protection measures, as well as clear and reasonable benefits for the community to be negotiated through an IBA. For this reason, NDDB continues to engage in the EA process as well as in direct IBA negotiations with CZN.

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<sup>2</sup> NWT Bureau of Statistics, “Number and Rates of Incidents by Detachment - 1991-2008”, accessed June 4, 2010 at: <http://www.stats.gov.nt.ca/justice/police-reported-crime/index.html>