



Indian and Northern
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MVEIRB File Number: 0405-02

Martin Haefele
Acting Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
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BY FAX: 766-7074

Re: Draft Terms of Reference and Work Plan for the Environmental Assessment of the Canadian Zinc Corporation Phase 3 Surface Drilling Exploration Program, Prairie Creek Mine

Dear Mr. Haefele:

Staff from the Department of Indian Affairs and Northern Development (DIAND) have reviewed the above-noted draft terms of reference, as well as the terms of reference for the Mackenzie Valley Environmental Impact Review Board's (Review Board's) environmental assessments of Canadian Zinc Corporation's Phase I and Phase II surface drilling programs, and offer the following comments.

DIAND agrees with the scope of the development, although we request clarification of the final bullet. By "efforts to reclaim disturbed areas," does the Review Board mean "efforts to reclaim areas disturbed by the above activities?"

The explicit clarification of what activities at the site the Review Board considers to be outside the scope of the development is very useful. For clarity, the second bullet should be changed to, "Drilling activities previously permitted within the area designated under LUP MV2001C0022." As shown in the Mackenzie Valley Land and Water Board's April 14, 2004 letter to the developer (included in Appendix A of the *Detailed Project Description*), the area designated in this permit does not include all areas "within a 1000 m radius of the mill."

The scope of assessment should clearly state the extent to which the Review Board intends to rely on the analyses undertaken in the environmental assessments of the two previous drilling programs. What is the geographical extent of the "areas potentially affected by transportation activities?" What transportation activities are included here?

DIAND appreciates the Review Board's efforts to use the *Detailed Project Description* and other existing information to focus the terms of reference. Table 1, "Summary Evaluation of Available Environmental Information" is useful and should be expanded to include the Review Board's evaluation of the acceptability of the *Detailed Project Description's* discussion of accidents and malfunctions, as well as the acceptability of the Fuel Spill Contingency Plan (Appendix B) and the Health and Safety Plan (Appendix D).

Comments on Section 4.2, Specific Items

4.2 B – DIAND suggests that the terms of reference ask CZN to show the area designated under LUP MV2001C0022 for the Phase II surface exploration drilling program on Map A in the *Detailed Project Description*.

4.2 B-1 b) and d) – DIAND suggests changing the phrase “uncertainties associated with mineral exploration” to “uncertainties associated with the exact location of mineral exploration drill sites.”

4.2 B-3 - DIAND notes that the sumps in question are steel tanks as per page 30 of the *Detailed Project Description*, not the type of ground-dug sumps used by the petroleum industry. The only things which normally escape into the environment are some return water and cuttings which will be collected in a small pit and backfilled at the end of the program by the saved overburden. Also, drilling multiple holes on one drill pad is generally a matter of rotating the drill or changing the angle of the drill head, and in general results in no changes to the size of the drill pad.

4.2 C - Please clarify if the Review Board is asking CZN to describe the actions it will take if it encounters steep topography, sensitive vegetation, et cetera, or if the Review Board is asking CZN to identify in advance the locations of these criteria within the proposed development area?

4.2 C – “Unique aesthetic quality” is a subjective criterion which is not defined in these terms of reference. It may therefore be of limited utility in identifying environmental sensitivities to the satisfaction of all parties.

4.2 E-1, 2 – The Review Board may wish to provide a definition of “major watercourse.” Does this item refer to the number of geographically distinct crossings of a major watercourse or to the number of repeat crossings at one point?

4-2 E-3 – The Review Board and CZN may wish to review experience and best practices with road construction and reclamation in mountainous areas of British Columbia and Yukon. DIAND can provide references on request.

4.2 E-3, a) – Since most of the proposed drilling sites and most of the existing road network are located outside the boundaries of Canadian Zinc’s surface leases, DIAND suggests the following wording: “Submit information on reclamation of roads and drilling pads, including reclamation requirements of the surface leases and CZN’s proposed reclamation of roads and drilling pads located outside the surface lease boundaries.”

4.2 E-3, b) – Is the Review Board asking CZN to identify areas of the existing road network that:
a) should not be used for the proposed development and considered for immediate reclamation, (i.e. no-go areas), or
b) should be considered for reclamation immediately after use for the proposed development?
In the latter case, CZN may not be able to identify such areas until after the development is well underway, given the previously noted uncertainties with the exact locations of mineral exploration drill sites.

4.2 G a) and b) – Land disturbances and watercourse crossings should be modified **below**, rather than **at**, the point(s) at which they could trigger unacceptably high sediment levels. Application of sensitivity criteria, as described in Section 4.2 C, should assist in preventing unacceptably high sediment levels. The development of the thresholds requested in these two items will likely involve many assumptions, and given that activities should be modified before

the levels at which unacceptable impacts may occur, the application of these thresholds in practice is unclear.

Comments on Section 5, Assessment Process

5.3 – DIAND supports the concept of a Roundtable Technical Meeting or Meetings in lieu of, or in addition to, the Information Request (IR) process. It will be important for the Review Board to provide guidance as to what issues may be brought forward at such a meeting or meetings, and appropriate supporting rationale, well in advance of the meeting(s). If possible, the final terms of reference and work plan should provide more certainty on whether a roundtable meeting will be held and if it will be held before, during, or after the IR process.

Editorial Suggestions

- 4.1, first paragraph, second sentence – for clarity, add “mineral” before “property”
- 4.2 B-1 b), first sentence - for clarity, add “existing” before “road”
- 4.2, B-3 c) - “associated” should be “association”
- 4.2, C, last line – add “of” after “description”
- 4.2, E-1, 2 – add “of” after “number”
- 4.2, E-1, 6, first sentence – for clarity, add “mineral” before “property”
- 4.2, E-2 b) – “ground-base” should be “ground-based”
- 4.2, E-3 c) – in first sentence, “pad” should be “pads,” period missing at end of first sentence
- 4.2, E-3 d) - “re-vegetation” should be “re-vegetated”
- 5.1, second paragraph, second sentence – add “to” after “considered”

If you have any questions about the above, please do not hesitate to contact Lorraine Seale by phone at 669-2590 or by email at sealel@inac-ainc.gc.ca.

Yours sincerely,

[ORIGINAL SIGNED BY]

Shannon Ward
Manager, Environment and Conservation