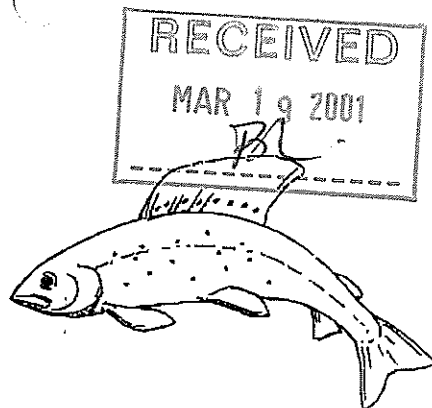




Fisheries
and Oceans

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et Océans

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



TO/A:

Mr. Louie Azzolini
Regulatory Officer
Mackenzie Valley Environmental Impact
Review Board
Box 938
200 Scotia Centre, 5102-50th Ave
Yellowknife, NT X1A 2N7
Fax (867) 920-4761

12 March, 2001

page 1 of 4

MESSAGE

Enclosed please find DFO-FHM comments on the following:

DFO File No. – SC00062

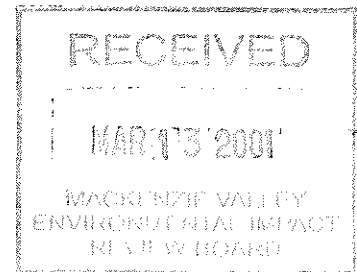
MVEIRB File No. – EA00-002
Conformity Review – Canadian Zinc Corporation Cat Camp/Fuel Cache Retrieval Development,
Prairie Creek Mine, NT

MVEIRB File No. – EA00-002a
Conformity Review – Canadian Zinc Corporation Drill Program Development, Prairie Creek
Mine, NT

FROM/DE:

J. David Tyson
Area Habitat Biologist
Western Arctic Area

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Your file / Votre référence

EA00-002
EA00-002a
Our file / Notre référence

SC00062

12 March, 2001

Chair
Mackenzie Valley Environmental Impact Review Board
Box 938
200 Scotia Centre, 5102-50th Ave
Yellowknife, NT
X1A 2N7Attention: Mr. Gordon Lennie**RE: Canadian Zinc Corporation Cat Camp/Fuel Cache Retrieval Development, Prairie Creek Mine, NT, Environmental Assessment Report, EA00-002, and Canadian Zinc Corporation Drill Program Development, Prairie Creek Mine, NT, Environmental Assessment Report, EA00-002a**

Dear Mr. Lennie;

The Department of Fisheries and Oceans, Fish Habitat Management – Western Arctic Area (DFO) has conducted a technical review of the Canadian Zinc Corporation Cat Camp/Fuel Cache Retrieval Development, Prairie Creek Mine, NT, Environmental Assessment Report, EA00-002, and the Canadian Zinc Corporation Drill Program Development, Prairie Creek Mine, NT, Environmental Assessment Report, EA00-002a.

The DFO is participating in the Environmental Assessment (EA) as an Expert Advisor, providing specialist information and/or advice. DFO's assessment takes into consideration primarily fish and fish habitat related concerns. As such, I have reviewed each Environmental Assessment Report (EAR) with respect to water quality and quantity, general water, and aquatic habitat.

Prior to the decision that these projects undergo an EA, DFO had determined that the projects as described in the original Land Use Application would likely result in the harmful alteration, disruption or destruction of fish habitat. A Letter of Advice (LoA) was sent to the proponent and copied to the MVLWB. The LoA listed additional mitigation measures that, if incorporated into the project designs, would likely mitigate any potential effects on fish and fish habitat.

Having completed a technical review of these projects, I find that given the amount of aquatic information from the project site and the proposed extent of the

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project activities, the EARs adequately address the potential effects of the proposed activities. The original LoA (2 October, 2000) should be consulted prior to initiation of project activities.

However, I am concerned from a regulatory perspective that there is a potential for a piecemeal permitting of the Prairie Creek Mine. Particularly, the Cat Camp/Fuel Cache Retrieval Program could be viewed as a required stage in recommissioning of the greater mine operation. Though potential impacts of the Retrieval Program on its own can be mitigated, there currently exists a 90 to 95% completed mine at the project site. DFO supports the retrieval of the Cat Camp fuel cache but the presence of that fuel cache is a legacy of the original construction at the Prairie Creek Mine.

From my review of the history of the Prairie Creek Mine and the published intentions of CZN regarding the mine, the project has progressed well beyond the exploration stage, having completed a scoping study and entered the bankable feasibility stage. Proponents base their decisions to apply for the appropriate mining permits based on the outcome of the bankable feasibility study. In the scoping study (*Prairie Creek Mine Northwest Territories Scoping Study Report*; erroneously dated January 29, 2000, it should be dated 2001) CZN states that it intends to convert this study into a bankable feasibility study, with a view to placing the mine into production.

CZN has been up front about their intention to bring the Prairie Creek Mine into operation and in the process, establish an all-weather road connection to Fort Simpson. In the Executive Summary and Conclusions of the *Scoping Study Report*, CZN states that "...in early 2000, a new management team took over at CZN with a view to placing the mine into production..." and that CZN "...continues to work on the re-permitting of the operation..." Prior to this, CZN and the Nahanni Butte Dene Band (Nahanni) negotiated and executed the Prairie Creek Development Cooperation Agreement (PCDCA) in 1996. In this agreement, Nahanni proclaimed its support for the mine and the establishment of the access road. Nahanni also undertook to assist CZN in "...procuring permits, approvals and licenses necessary to bring the mine into production, as well as grants, guarantees or other financial assistance from Government towards the establishment of the access road..." Therefore, there is no question that CZN intends, pending favourable results from the bankable feasibility study, to bring the Prairie Creek Mine into production. Given the importance of the access road both in the PCDCA and the *Scoping Study Report*, it appears that the construction of an all-weather access road is integral to the CZN's development plans.

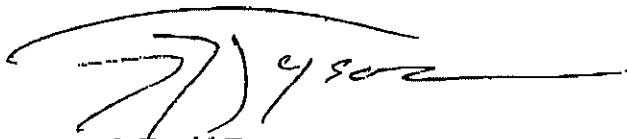
The construction of an all-weather road from the mine to recover the fuel at Cat Camp will accomplish 24% of CZN's goal for an all-weather to Fort Simpson. The need for an all-weather road to Cat Camp is rationalized mainly through improved safety. The fuel, of low market value, would be useful at the mine. Once this section of road is constructed, it can only be rationalized that the fuel at Grainger Camp also be recovered. If the same reasoning for the all-weather road

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to Cat Camp is used, the recovery of fuel at Grainger camp will result in the construction of a significant portion of the all-weather road. As such a major component of the mine plan could be permitted piecemeal.

DFO supports the efforts of CZN to recover the fuel cache at Cat Camp. However, in light of significant mine infrastructure already in place, the construction of even a portion of an all-weather road to Fort Simpson risks a piecemeal permitting of not only a major mine plan component, but of an operating mine. Therefore, DFO requests that the Board consider any upgrading of current mine infrastructure or new construction that has direct links to placing the mine in production as a part of the mine assessment as a whole, rather than allowing components to be separated for individual assessment. As such, DFO may reserve comments on future project components until a more completed proposal is presented. This will allow DFO to conduct an efficient review under a greater environmental perspective for the recommissioning of the mine.

If you have any questions, please 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. Ron Allen, Area Director, Western Arctic Area, DFO
Julie Dahl, Area Chief, Habitat, DFO-FHM

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