



REASONS FOR DECISION ON THE SCOPE OF THE ENVIRONMENTAL ASSESSMENT

Prairie Creek All Season Road and Airstrip Project – EA1415-01

BACKGROUND

The Canadian Zinc Corporation (CanZinc) has proposed to construct an all season road and airstrip to access the Prairie Creek Mine. The Prairie Creek Mine is located in the southern Mackenzie Mountains, approximately 90 km northwest of Nahanni Butte. The mine is surrounded by the Nahanni National Park Reserve, and approximately half of the 184 km access road passes through the park. CanZinc is currently authorized to access the Prairie Creek Mine via a winter road that follows approximately the same routing as the proposed all season road.

The proposed all season road and airstrip project was referred to the Mackenzie Valley Environmental Impact Review Board (the Review Board) for an environmental assessment (EA) on May 22, 2014.

1.1 Requirements under the Mackenzie Valley Resource Management Act (MVRMA)

The Review Board's mandate is outlined in the MVRMA. Section 117(1) of the MVRMA requires that “[e]very environmental assessment of a proposal for a development shall include a determination by the Review Board of the scope of the development, subject to any guidelines made under section 120”. Once a referral to EA has taken place the Review Board has sole responsibility under Part 5 of the MVRMA to determine the scope of a development.

Under section 157.1 of the MVRMA, certain undertakings permitted or licensed prior to June 22, 1984 may be exempt from part 5 of the Act, including an EA. If such historic undertakings are sufficiently related to the current undertaking, and if the current undertaking does not involve abandonment, decommissioning or significant alteration the development will be exempt from EA.

1.2 Objective

The purpose of this document is to provide the Review Board's decision on the scope of the development for the current EA. Specifically, it describes which components will be included or excluded from the scope of the development.

2 ASSESSMENT AND REGULATORY HISTORY OF THE DEVELOPMENT

The exploration which led to Prairie Creek development was initiated in 1974 by Cadillac Explorations Limited (Cadillac). In 1980 Cadillac proposed to develop an underground mine at the Prairie Creek site. This development included construction and operation of a 160 km winter road from the Liard Highway to the mine. The winter road was subject to an environmental evaluation¹ and was permitted in 1980

¹ This took place before modern environmental assessment requirements were made law by the Federal Government.



by the Department of Indian Affairs and Northern Development (now Aboriginal Affairs and Northern Development)². The land use permit for the road (LUP), N80F249³, was issued in 1980 and was renewed annually for use during the 1981 and 1982 winters. Cadillac went bankrupt before it began operating the mine.

In 1991, the corporate predecessor of CanZinc (San Andreas Resources Corporation) acquired the assets of the Prairie Creek Mine. The current lease between CanZinc and the Government of Canada was signed in 2003. The lease incorporates a Release granted to Cadillac⁴ in 1987 which released Cadillac and “its successors and assigns” from obligations associated with the restoration of the “winter road at Prairie Creek...pursuant to ...Permit #N80F249”⁵.

In 2007 CanZinc was granted a LUP by the Mackenzie Valley Land and Water Board (LUP MV2003F0028⁶) for use of the winter road in order to support site clean-up and exploration activities.

In 2008, CanZinc proposed to develop and expand the mine and mill and construct the winter access road for the purposes of mining. The project was referred to the Review Board for an environmental assessment (EA0809-002⁷). The scope of the development for EA0809-002 included all physical works and activities associated with the winter access road and the mine site.⁸

CanZinc currently holds LUPs with both the Mackenzie Valley Land and Water Board (MV2003F0028) and Parks Canada (Parks2012_L001⁹) for use of the winter access road for the purpose of mining.

The Review Board considered the 1980 evaluation, the Reasons for Decision on the Scope of the Development for EA0809-002, the Report of EA for EA0809-002, and the previous and existing LUPs while making this determination.

3 REASONS FOR DECISION ON THE SCOPE OF THE ASSESSMENT

3.1 Excluded from the scope

The scope of the development excludes components which have been previously assessed and are currently permitted. An Environmental Evaluation was completed for the winter road in 1980 and the road was the subject of an EA approved by the federal Minister in 2012 (EA0809-002). Activities and developments considered during these assessments will not be re-assessed.

² Refer to the [1980 Preliminary Environmental Evaluation for Winter Access Road](#)

³ Refer to [N80F249 LUP](#)

⁴ The release specifically pertained to Cadillac Explorations Ltd, Procan Exploration Company Limited, Procan Exploration Company, Nelson Bunker Hunt, William Herbert Hunt, and Lamar Hunt. Procan sold the assets to San Andreas Resources which took the benefit of the release.

⁵ Refer to the Lease and Release within the [CanZinc Letter to the Mackenzie Valley Land and Water Board](#)

⁶ Refer to the [MV2003F0028 LUP](#) and the supporting [LUP Application](#)

⁷ Refer to [EA0809-002 REA](#)

⁸ Refer to the [Ruling on Scope of Development](#) for EA0809-002

⁹ Refer to [Parks Canada LUP](#)



The existing LUPs (MV2003F0028 and Parks2012_L001) permit winter road use for the Prairie Creek Mine. The current MVLWB LUP was based on the terms of the 1980 LUP granted by the Department of Indian Affairs and Northern Development (N80F249). Permit N80F249 stated, *“the Permittee shall not conduct any overland movement of equipment and vehicles from Mile 23.4 [km 37.4] to the Liard Highway between March 31 and December 20, unless otherwise authorized by the Land Use Inspector in writing”*. This permit therefore allowed for all season use from the mine to km 37.4. During EA0809-002, the road was considered to be an all season gravel bed to km 16.8 and natural gravel and snow from km 16.8 to 39.5¹⁰. The winter road was considered to be the portion of the right-of-way located east of km 33 in the Parks Canada LUP.

The Review Board will not be assessing construction impacts of already built structures or components which are exempt under section 157.1 of the MVRMA. Given the existing LUPs, the 1980 evaluation, and EA0809-002, the existence of an all season road from km 0 to 37.4 will therefore not be assessed as a part of this project during this EA, subject to the inclusions outlined in the following section.

3.2 Included in the scope

This EA will consider any changes to the assessed and permitted project and components which have not yet been constructed. Both the 1980 evaluation and EA0809-002 specifically assessed a winter road. The 1980 preliminary environmental evaluation specifically stated that *“because the access road is to be constructed for winter use only, many of the environmental considerations relative to all-weather routes are not pertinent”*. EA0809-002 assessed the winter road and stated that use beyond *“the winter road operating season could have significant adverse impacts”*.

This EA will assess the potential impacts from any upgrades over and above what was previously constructed under N80F249 from km 0 to 37.4. Design considerations (as listed in section 6.2 of the Terms of Reference) will be applicable to the entire project (including the first 37.4 km).

These include, but are not limited to:

- road design standards
- upgrades to any features
- any realignments
- any stream crossings.

The scope will consider the construction, operation, closure, and post closure for the project components (see section 3 of the Terms of Reference and the considerations above).

The Terms of Reference applies in whole for the portion of the project east of km 37.4.

¹⁰ Refer to Table 1 of [CanZinc's IR2 Responses](#) for EA0809-002



4 OTHER MVRMA CONSIDERATIONS

4.1 Consideration of previous EA material - section 115(2)

Under Section 115(2) of the MVRMA, the Review Board is required to consider, and may rely on, material from previous EAs of the same development. As stated in section 1.5 of the *Terms of Reference*, relevant materials from the public registry of EA0809-002 can be used to support EA1415-01.

4.2 Cumulative effects

Although previously assessed components will not be re-assessed, they will be considered through the cumulative effects assessment which considers how the effects of the currently proposed development interact with those of past, present, and reasonably foreseeable human activities and developments.

5 CONCLUSION

The reasons above explain the scope of development decided on by the Review Board. The EA process will assess the impacts of the proposed development and outline potential mitigation steps. It is the responsibility of the regulatory agencies to implement any commitments and measures approved by the Minister at the conclusion of the EA. The Review Board expects the above to help the developer and parties focus their efforts during the EA.

JoAnne Deneron
Chairperson