



Indian and Northern
Affairs Canada

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October 5, 2005

MVEIRB File Number: 0405-02

Martin Haefele
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
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BY EMAIL (MHaefele@mveirb.nt.ca) and FAX (766-7074)

**Re: Environmental Assessment of the Canadian Zinc Surface Drilling Phase III
Program – Follow-up to Pre-Hearing Conference**

Dear Mr. Haefele:

Indian and Northern Affairs Canada (INAC) staff have reviewed the questions posed to INAC at the pre-hearing conference for the above noted development and the letter from Canadian Zinc dated September 27, 2005, and offer the following clarifications.

Existing Land Use Permits

As noted in the Developer's Assessment Report, there are three land use permits currently issued to Canadian Zinc for the Prairie Creek Mine area:

- Surface drilling phase I – MV2000C0030, work complete, expires June 13, 2006
- Surface drilling phase II – MV2001C0022, work continuing, expires Nov 29 2006
– all drilling sites are within 1000 m of existing infrastructure

The area of MV2001C0022 is shown in Figure 2, Map A of the Developer's Assessment Report for the Phase III drilling program. The area covered by MV2000C0030 is within the area of MV2001C0022.

- Underground decline and drilling – MV2001C0023, work not yet started, expires September 9, 2008

Reclamation of roads not used in the Phase III Drilling Program

INAC inspected and issued final clearances for those roads constructed pursuant to land use permits issued in earlier periods of exploration in the Prairie Creek area. Issuance of a final clearance requires the INAC land use inspector to determine that the permittee has satisfied all the terms and conditions of the particular land use permit and that no further reclamation or other work is required. Once the final clearance is issued, INAC assumes responsibility for the land in its capacity as Crown land manager. INAC has

continued to inspect the Prairie Creek area regularly since these permits were closed. These roads are stable and there is little risk of erosion. Natural processes are gradually reclaiming these road areas. INAC is of the view that human activities to 'speed up' this reclamation could create more damage to the environment than letting the natural processes continue.

Definition of road right of way

Section 10(b) of the *Mackenzie Valley Land Use Regulations* states "Unless expressly authorized by a permit, no permittee shall... (b) clear a line, trail or right-of-way that is wider than 10 m." In INAC's experience, the actual width of disturbance associated with access is frequently less than ten metres.

Use of material from road right-of-way

The developer is allowed to use material from within the right-of-way only within the right of way. Using the standard cut and fill method of road construction, material cut from steep hills or cross slopes is used to fill low spots. The developer cannot remove material from the right-of-way to use elsewhere.

INAC notes that in the developer's September 27, 2005 letter to the Review Board, Canadian Zinc discusses gravel sources and that the developer "does not expect to require significant quantities of road bed material for the construction of new road bed sections and spur roads."

Inspections

INAC's Resource Management Officers and Water Resources Officers conduct site inspections in order to determine compliance with the terms and conditions of specific land use permits and water licences. Inspection frequency is not predetermined; it is based on the exercise of discretion by inspectors and the Department. A risk assessment is conducted for each project, with the goal being to allocate resources so that higher risk, higher potential impact operations are inspected more frequently and lower risk, lower potential impact operations less frequently. Inspection reports are forwarded to the MVLWB for placement on the public registry.

As previously noted, Departmental officials will be attending the public hearing to hear concerns and answer questions.

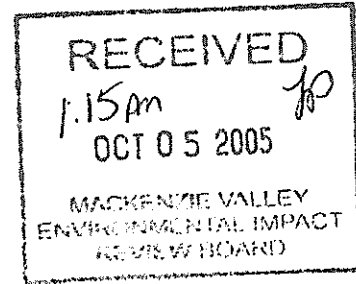
If you have any questions about the above, please do not hesitate to contact Lorraine Seale by phone at 669-2590 or by email at sealel@inac-ainc.gc.ca.

Yours sincerely,



for David Livingstone
Director, Renewable Resources and Environment

FAX



To: Martin Haefele
MVEIRB

Fax: 766-7074

Date: October 5, 2005

Pages: 3, including this one

From: Lorraine Seale, DIAND

Hi Martin,

Here is INAC's letter in response to the questions raised at the pre-hearing conference on the Environmental Assessment of the Canadian Zinc Surface Drilling Phase III Program.

Cheers,
Lorraine

FROM THE DESK OF:

**Lorraine Seale
Environmental Scientist
Environmental Assessment and
Agreements Section**

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