

## Meeting Report of Canadian Zinc Corporation's Phase 3 Drilling Program Information Scoping Session

Time of Session: 9:00 am

Date of Session: March 3, 2005

Location: Indian and Northern Affairs Board Meeting Room, 1<sup>st</sup> Floor Bellanca Building

### *In attendance:*

Anne Wilson – Environment Canada

Dave Nickerson – Canadian Zinc Corporation

Dan O'Rourke – Canadian Zinc Corporation

Alan Taylor – Canadian Zinc Corporation

Jennifer Morin – Canadian Parks and Wilderness Society – NWT

Colleen Roche – GNWT - Resources, Wildlife and Economic Development

Paul Cobban - GNWT - Resources, Wildlife and Economic Development

Gavin More - GNWT - Resources, Wildlife and Economic Development

Lorne Napier – Dene Nation

Ernie Watson – Fisheries and Oceans Canada

Lionel Marcinowski - Indian and Northern Affairs

Kathy Racher – Indian and Northern Affairs

Rebecca Chouinard - Indian and Northern Affairs

Patty Ewaschuck – Indian and Northern Affairs

Kellie Emon - Indian and Northern Affairs

Denise Mazur - Indian and Northern Affairs

Fraser Fairman - Indian and Northern Affairs

Malcolm Robb - Indian and Northern Affairs

Lorraine Seale - Indian and Northern Affairs

Martin Haefele – Mackenzie Valley Environmental Impact Review Board

Alistar MacDonald - Mackenzie Valley Environmental Impact Review Board

Patrick Duxbury - Mackenzie Valley Environmental Impact Review Board

Chuck Blyth – Parks Canada

Kim Schlosser – Parks Canada

The meeting commenced at approximately 9:10. Martin Haefele of the Mackenzie Valley Environmental Impact Review Board (MVEIRB) chaired the meeting. He stated that, among other things, the purpose of the meeting was to help determine what information was required in order to define the Terms of Reference (TOR) for the environmental assessment (EA). He mentioned that this was the first time in the MVEIRB's history that such as "front-end" meeting had taken place. He also noted that a report of the meeting would be placed on the public registry.

Canadian Zinc Corporation (CZN) representatives presented a DVD that the company has produced regarding the Prairie Creek Project. The video lasted approximately 1 hour. CZN reported that the final version of the video, including full translation, will be available soon and will be distributed to interested parties.

After a short break Alan Taylor of CZN gave a PowerPoint presentation that provided an overview of the proposed drilling program at the Prairie Creek Mine. A copy of the presentation will be made available on the MVEIRB web page.

In the presentation, Alan Taylor identified the number of permits that the various operators of Prairie Creek Mine have obtained over the years. He noted that since the enactment of the MVRMA, it has taken longer to get permits. It was mentioned that there are several permits under judicial review, including the winter road permit.

In a discussion concerning the EA referral process, it was pointed out that it was the Mackenzie Valley Land and Water Board, not Parks Canada, which referred the drilling program to the MVEIRB.

Alan Taylor noted in regards to the drilling program that helicopter drilling will occur in areas that lack road access, such as the "Gate Claims", or in areas that otherwise have difficult terrain to traverse. Other drill sites will be accessed by the existing road network, where the drill rigs will be dragged on metal skids by heavy equipment. It was mentioned that the Prospectors and Developers Association of Canada's *Environmental Excellence in Exploration Program* will be used to help guide drilling activities on site.

Some existing roads may require upgrading for the drilling program and offshoot road spurs may require construction to facilitate drilling. CZN identified potential impacts to wildlife and crossings of Prairie Creek as issues of environmental concern in its presentation. In completing his presentation, Alan Taylor stressed the need to keep the scope of the proposed drilling program in perspective when considering the EA.

Following the CZN presentation, a roundtable discussion commenced. The notes provided here should not be considered verbatim transcripts of what was said. To provide clarity to the MVEIRB and interested parties in regards to the discussion, comments, observations, questions and responses that occurred during the roundtable discussion have been grouped into the following themes:

**General scoping concerns:**

*Comment* - The winter road should be considered in the EA.

*Response (CZN)* – The road has nothing to do with the currently proposed development and will not be required to complete the proposed drilling activities.

*Comment* – There seems to be a weak evaluation of alternatives in the project descriptions

*Question*– Will the exploration drilling program make the case for a mining operation?

*Response (CZN)* – Mining permits have not yet be filed and it is not part of the present EA.

*Comment* – It is difficult to know what the issues are until we get more information. The proposal needs to be tightened up; these questions have been asked before; we need more specifics wherever possible.

*Question* – What is the total area of disturbance created in this new program? Can we get that technical data? What is the size of the sumps and their numbers going to be?

*Response (CZN)* – The location of existing roads is known. Only small spurs off existing roads will be created. The footprint of helicopter drilling is much smaller than standard drilling.

*Comment (CZN)* – We are confused why this project got referred; there is no activity proposed that is unique and the geography of the area is similar to areas previously explored. Mining exploration and diamond drilling is a common activity in the NWT.

*Question* - Will previous EAs be revisited and come onto the public record?

*Response (MVEIRB)* – Some old information will probably be put on the public record, however the Board is not bound by precedence in regards to its decisions.

*Comment* – I don't want to see things that were missed in past EAs to be dragged into the present one. A lot of things that happened at the site occur over 20 years ago. I don't know what liability the company has and what liability DIAND has.

*Comment* – Should the abandonment and reclamation of the mine site be scoped into the EA?

*Response (CZN)* – The use of the mine site has already been permitted in the land lease, it has nothing to do with the present EA. The lease has A&R requirements.

*Response* - The proposed drilling program uses components of the mine site as a base for CNZ's exploration activities, therefore it does have something to do with the present EA. If all parties have not had the opportunity to review or comment on current abandonment and reclamation plan contained in the mine site land lease, how can those parties ensure that all their concerns have been met?

### **Roads issues:**

*Comment* – More information about what roads are going to be off limits, and where new roads are going to be needed requires further examination.

*Comment* – Roads that are not being used should be reclaimed.

*Response (CZN)* – We may want to keep road open for future drillings

*Comment* – Monitoring of roads and their physical stability is a concern so that sedimentation is not a problem. Erosion problems were clearly visible in the video. How is CZN going to ensure that the roads don't become a problem in the future? Those are the kind of details we need to know.

*Response (CZN)* – DIAND looks at the roads, have they shared their information about them?

*Response* – CZN is responsible for the roads, not DIAND. Assurance is needed that if CZN leaves, the roads will be looked after.

*Comment* – Types of roads, length of spurs, height and depth of the roads would help to determine reclamation costs.

*Comment (CZN)* – DIAND must have a great deal of corporate knowledge about the construction and decommissioning of these roads.

*Comment* – I'm not sure that all road disturbances are attributed to the company; some might be the responsibility of DIAND.

*Comment (CZN)* – DIAND is the ultimate steward of the land, we have a surface lease agreement with them for the facilities.

**Drilling activities:**

*Question* – Why is there no map of drill sites or existing road network in development description?

*Response (CZN)* – Mining exploration is based on unknowns; it is impossible beforehand to tell where the sites are going to be; each drilling hole leads to the next depending on results.

*Comment* – More information should be provided about the locations of specific water sources for drilling and the locations of potential sumps.

*Question* – If the program was to operate in 2005 or 2006, would surface drilling be going on alongside the underground or near mine locations, and would there be a larger use of the camp site with more persons on site? I.e. The company already has a permit for surface drilling at the mine site; if this new permit is granted, will there be more use of the camp? Will there be more total impact or the same amount of impact differently distributed?

*Response (CZN)* – Project activity would be 60 drill sites near the mine and 60 drill sites farther away. There would be no extra crews on site, it would be a matter of the same crew carrying out different tasks. Each drilling site may house several drill holes. The biggest determinant of how the company is on site is weather and safety, not the number of drill sites for which permits are held.

*Question* – What will the helicopter drilling pads be constructed off?

*Response (CZN)* – The pads will be made of timber and moved around from site to site. There are two pads in place at any one time; one housing the rig, and another set up at the next proposed site.

**Public registry/documentation:**

*Comment* – The project description should have MDMS sheets and a complete reference of documents as not all parties are located in Yellowknife and have limited access to the public registry.

*Comment* – More information on past EAs should be made available on the web.

*Response (MVEIRB)* – We are a little behind on making information available, MVERIB is working to improve this.

**Stream crossings:**

*Observation* – DFO representatives acknowledged that there have been some direct discussions between CZN and DFO and many concerns have been alleviated.

*Comment* – We need to know more about the number of water crossings and how often crossing will occur. The number of stream crossing has not been specified in the project description.

*Comment (CZN)* – CZN will invite DFO to visit the mine property as soon as the snows are gone in order to assess proposed crossing locations.

**Public involvement / public concern:**

*Observation* – CZN noted that it is attempting to get community members involved in its diamond drilling activities by setting up a drill rig for operation by local community members; however there is not timeline set regarding this. Fort Liard may be involved in this project.

*Comment (CZN)* – There is a short window for drilling activities; this is a 4-month drilling program and lots of local people are wondering if they are going back to work this summer.

*Question* – Are there minutes of the consultation meetings between Deh Cho communities and CZN?

*Response (CZN)* – We are not allowed to talk to the Nahanni Butte Dene Band. We can only talk through lawyers; however we are dealing with community members in an informal way. We want Nahanni Butte to know that they are the community we want to focus upon. Fort Liard and Fort Simpson have not raised issues with the drilling program.

*Comment (CZN)* – There is an advisory board that CZN is setting up, using community representatives, particularly elders. This group is proposed to work with mine officials in assessing development considerations.

*Question* – This EA was referred due to public concerns, however most of the public representatives are not here. How much can we determine about public concern when the communities haven't had their say?

*Response (CZN)* – We don't know the significance of the public concerns. The correspondence regarding this EA doesn't express what the concerns are. In the Deh Cho, when a community doesn't like something, you hear about it.

*Comment (CZN)* – There are deep divisions in Nahanni Butte. CZN doesn't want to push anything on this community; we let them go at their own speed.

*Observation (CZN)* – The issue of Park expansion and the deep divisions within the community of Nahanni Butte regarding this issue was discussed.

*Comment (CZN)* – A good gauge for us in determining local concern is what the other regional bands say. We have good contacts in the communities.

*Question* – What will happen regarding Traditional Knowledge (TK) and traditional use of the area in the EA? What information will we receive on TK?

*Response(CZN)* – No one from the communities has said that there is something wrong with this development.

*Comment (MVEIRB)* – The Board will examine CZN's attempts to obtain TK; staff will be traveling to several communities to assess the issues at the community level.

*Comment (CZN)* – TK from previous assessments may be used for this EA if Nahanni Butte can't speak to us. The communities are silent on this issue; we believe that no news is good news.

*Response* – I would rather state, no news is no news. The existence of traditional knowledge about the area is a separate matter from whether communities have objections to the project or some elements of the project.

**Preliminary screening/Referral:**

*Comment (MVEIRB)* – MVEIRB will reexamine the reasons for referral and try to help CZN understand the context and specifics better.

*Question (CZN)* – Can MVEIRB speak to the Land and Water Board to know the specifics behind the referral?

*Response (MVEIRB)* – Yes, and we will contact them regarding the issue.

*Comment* – The drilling program within the 1km zone was referred to EA; why would a program with a greatly expanded footprint not be referred?

*Comment* – There are letters expressing concerns about jobs and training... about water quality. The Deh Cho First Nations, even though they are not a particular community, collected information from the communities and referred their concerns in letters.

*Question* – Does the scoping start with the referral letter of June 1, 2004. Is it typical that you cover off issues raised in the preliminarily scoping?

*Response (MVEIRB)* – The MVEIRB does its own scoping, we use the preliminary scoping as a start off, but do not follow it religiously.

*Comment* – The project was referred because of scoping. The drilling will be moved to a different landscape unit. Drilling may be drilling, but the landscape is different on the other side of the river.

**Land withdrawal / park expansion:**

*Comment (CZN)* – One aspect we don't want to see in the EA is the Deh Cho interim land withdrawals. Some of the withdrawals were made in our lease areas. We point out that our pre-existing rights are protected to permit drilling in those areas.

*Comment (MVEIRB)* – The Board is aware of CZN's right to explore on its leased lands, however the Board is within its rights to impose additional safeguards on lands which are under withdrawal, particularly if the lands have been withdrawn due to their particular sensitivity.

*Comment (CZN)* – DIAND has written to the Mackenzie Valley Land and Water Board to say that they should ignore putting any special consideration on the withdrawn lands. The point is that CZN doesn't want to see this issue come up in the EA.

*Comment (Parks Canada)* – The lands withdrawn in the Deh Cho land use plan were withdrawn for the basis of negotiation. One of the potential land uses for those areas would be an expanded Nahanni park. Parks Canada and the DCFN have signed and MOU regarding park expansion to determine its possible borders. The Board needs to consider the fact that the Park is in a form of "advanced exploration" much in the same way that CZN is. The Board will have to employ the precautionary principle in respect to the land potential uses. The land needs to be kept in an environmentally acceptable manner, for either a mine or for a park.

*Question* – How available is the Parks Canada information, including the Mineral and Energy Resource Assessment (MERA) to the public?

*Response (Parks Canada)* – The information regarding the park expansion, including the MERA, goes out three months prior to its finalization. Grizzly bear and bull trout studies are being conducted right now.

**Cumulative effects:**

*Comment* – The real issue for this EA is cumulative effects. The past effects of other permit activities at the site, in addition to what is proposed here is what needs to be looked at.

*Question (CZN)* – How would this project be different from other permits?

*Response* – It adds 60 drill sites on top of previous activities.

*Question (CZN)* – This is a minor drilling program, how could it change the cumulative effects outcome?

*Response*— We need the details which will allow us to make that decision. We have to add this project to the existing ones; this might or might not change its effects on the environment. You have told us not to worry in the past, because it is all handled by the lease.

*Comment* – CZN has unspecified methods proposed. The new drilling program should focus on cumulative effects; we don't think it is all in there. Suggest that CZN write a protocol with details concerning environmental thresholds that could be triggered at a certain level of development.

*Comment (CZN)* – It would send a bad signal to industry if we didn't get this program. It is really about dragging a skid up the road. We have agreed that we will work closer with DFO to determine the proper ways to build these roads and crossing locations.

*Comment* – There is a base level already and further activities will be added to it, that it what needs to be known; the base plus the 60 drill sites. The cumulative effects will be low with this addition.

*Comment* – Separately, projects may look benign, but once there are 5 or 6 projects in the same area, thresholds may be crossed.

**Timelines/MVEIRB direction:**

*Comment (MVEIRB)* – The Board will deal with the EA during its March 15-17 meeting. They will examine the results of previous assessments and they will discuss this meeting and determine strategy for the future direction. The Board has already committed to developing a draft terms of reference before holding the community meetings and is planning to have staff visit some or all of the communities of Fort Liard, Nahanni Butte, Wrigley and Fort Simpson.

*Observation* – A discussion occurred about the usefulness of visiting the community of Wrigley

*Comment* – It would be a mistake to scope Wrigley out automatically, they perhaps shouldn't be the first community to be consulted, but to avoid them may be a mistake.

*Comment* – Wrigley has some claim to using the Prairie Creek area as part of their traditional land.

*Observation* –A discussion ensued about government representatives attending community meetings and what time would be best to hold community meetings.

*The meeting concluded at approximately 12:15.*