

February 12, 2021

Reasons for Decision to Order an Environmental Assessment Pine Point Mine Project, Pine Point Mining Ltd.

The Mackenzie Valley Environmental Impact Review Board (the Review Board) met on February 4th and decided to conduct an environmental assessment (EA) on Pine Point Mining Limited's (PPML) proposed development of the Pine Point Mine Project (the Project). The Review Board is using its authority under subsection 126(3) of the *Mackenzie Valley Resource Management Act* to order the EA of this development.¹ The Review Board has made this decision even though a preliminary screening has not yet started.²

The Review Board carefully considered several factors in its decision to order the Pine Point Mine Project to EA, following a review of the detailed information provided by PPML (prepared under the guidance of the Review Board's *draft EA Initiation Guidelines*). The Review Board particularly notes the following:

- The Project involves a large-scale industrial development.³
- The area is traditionally used by several Indigenous groups and is relatively close to Indigenous communities and the Town of Hay River.
- The Project partially overlaps and uses the location of the historic Pine Point Mine, which has not been fully reclaimed.

¹ See [MVRMA Section 126\(3\)](#)

² See [MVRMA Section 126\(4\)](#)

³ Mining projects of this scale typically go through rigorous assessment in other jurisdictions.

- The potential impacts of the Project may combine cumulatively with past, present, and future activities in the area.

The Project includes the construction, operation, and closure of a proposed zinc-lead mine at Pine Point. The development is described in the *Environmental Assessment Initiation Package* that PPML submitted to the Review Board on February 2, 2021 and is summarized below.⁴

The Project overlaps the historic Pine Point Mine, which was operated by Cominco from 1964 to 1988. The current Project is proposed by PPML, a wholly owned subsidiary of Osisko Metals Incorporated. PPML plans to mine zinc and lead using open pit and underground mining methods with a mine life of 10-15 years. It proposes to mine approximately 40 million tonnes from about 60 zinc-lead deposits. The mining area covers about 46 000 hectares, and includes 106 mining claims, 40 mining leases and 4 surface leases across approximately 50-60 km along the south shore of Great Slave Lake.

Other project details that the Review Board considered include the following:

- Construction will require a workforce of approximately 500 people. The operations workforce will be approximately 460, divided into two shifts of 230.
- PPML will build a new processing plant at the historic processing site, capable of milling 6 000 tonnes per day initially, increasing to 11 250 tonnes per day at peak production.
- Zinc and lead concentrate will be trucked to the railhead near Hay River, from where it will be taken to smelters by train.
- Power for the project will come from the Taltson hydro dam, an existing substation on site, and natural gas and diesel will provide back up power.
- PPML will store waste tailings from the processing plant in existing open pit mines from Cominco's mining period, as much as possible.
- Closure and reclamation activities will take approximately 15 years.

The Project is located on the traditional territories of the Deninu Kué First Nation, the Kátł'odeeche First Nation, and the Northwest Territory Métis Nation. The Project is approximately 42 km east of Hay River and the Kátł'odeeche Reserve and 53 km southwest of Fort Resolution. The developer has engaged with Indigenous communities since 2018, with an understanding that the Project will require an EA. PPML has collaborated with Indigenous

⁴ Available on the public registry for this file: <https://reviewboard.ca/registry/ea2021-01>

groups, the Review Board, government departments, and a Resource Development Advisory Group to get advice about the project and what information to gather and prepare for an EA.

Comments, concerns and insights provided by community members were recorded and considered in project design and the EA Initiation Package. PPML has entered into Collaboration Agreements with the Deninu Kué First Nation and the Northwest Territory Métis Nation, and an Exploration Agreement with the Kátł'odeeche First Nation. These agreements are aimed at providing jobs, business opportunities, training and education opportunities.

PPML prepared an *Engagement and Collaboration Plan* with an engagement log, which were included in the EA Initiation Package. The engagement log describes how concerns raised during engagement were considered and accommodated in project design and planning. During engagement, communities identified priority project interactions with the environment or people. These priorities include potential impacts from the project on water quality, boreal caribou, traditional land and resource use, and social and economic conditions. Examples of concerns PPML heard about how the project could interact with the environment and people include:

- water quality: deposit of mill tailings into open pits, water quality of surface and groundwater
- water quantity: surface and ground water management, drawdown, movement, flow and connectivity with Great Slave Lake
- caribou and other wildlife: disturbance and displacement impacts from blasting, noise, vibrations and activity during mine operations
- traditional land use: loss of use of the area during mine operations

In its cover letter, PPML acknowledged that the Project might have a significant impact on the environment or be a cause of public concern.² This reflects the test a preliminary screener typically applies when determining if a development should be referred to EA.⁵ In addition to the factors listed above, the Review Board considered PPML's statement when making its decision to order an EA of the Project.

⁵ If a development "might have a significant adverse impact on the environment"; or, "might be a cause of public concern" (under subsection 125(1) of the Act), then it must be referred to EA.

The reasons described for this decision are related to the Review Board ordering an EA. The next step for this EA is scoping, where the Review Board will hear from interested parties and the developer before setting the final scope, including key lines of inquiry, for this assessment.

If you have questions regarding these Reasons for Decision, please contact Mark Cliffe-Phillips, Executive Director (867-766-7055 or mcliffephillips@reviewboard.ca).



Joanne Deneron
Chair
Mackenzie Valley Review Board